

REPORT

To the Honorable Mayor and City Council
From the City Manager

September 21, 2009

SUBJECT

Guiding Principles for “Stanford in Redwood City” Project (Stanford University) Development Agreement

RECOMMENDATION

Consider adoption of proposed guiding principles that will give direction to the negotiation process and shape the Development Agreement between the City of Redwood City and Stanford University for the “Stanford in Redwood City” development.

BACKGROUND

The Stanford in Redwood City project proposes to occupy a 35-acre portion of a larger 48-acre (former Mid-Point Technology Park) campus that is bisected by Broadway and generally bounded by Highway 101, Douglas Avenue, Bay Road and Second Avenue. Stanford University’s conceptual design plan for the 35-acre project site calls for the demolition of 537,000 square feet of existing office research and development (R&D) space that is proposed for replacement, in multiple phases, with Stanford University administrative office uses (75% to 80%), R&D uses (10% to 15%), and medical clinic uses (10% to 15%). Common support uses (i.e. cafeteria, childcare care center, fitness center and other employee amenities) would occupy up to 80,000 square feet of space (Attachment 2).

The Project proposes a Floor Area Ratio (FAR) of 1.0 which would triple the size of the current 540,000 square foot campus and result in up to 1,518,000 square feet of building space in up to 13 commercial buildings requiring up to five parking structures. It should be noted that as a quasi-public non-profit institution, Stanford University is exempt from the payment of property taxes and School District fees.

GENERAL PLAN AND ZONING AMENDMENTS

The project as proposed would require City Council approval of General Plan and Zoning Map Amendments because the site’s existing Industrial (Light Research and Development) General Plan land use designation and “IR” (Industrial Restricted) Zoning District do not allow administrative office uses and currently limit the site’s maximum development potential to a 0.70 FAR (vs. the request for a 1.0 FAR).

General Plans are long-term, community based, land use planning tools that are not intended to change with every new market condition; rather their purpose, in part, is to ensure that the long-term needs of the community are met, including the community’s need for a balanced land use portfolio to help ensure its economic health over time. Land uses are, however, allowed to change over time within the context of the underlying Zoning and General Plan designations.

DEVELOPMENT AGREEMENT

It is common for municipalities to enter into a Development Agreement when considering large complex projects such as the proposed Stanford in Redwood City Project. Development agreements are contracts negotiated between the project applicant and public agencies. Neither Stanford, as applicant, nor the City, as the lead governmental agency, is required to enter into a development agreement. A development agreement stipulates mutually agreed upon benefits and obligations for each party. Development agreements facilitate and secure entitlements for phased projects over long periods of time and can provide a means for addressing significant unavoidable environmental, fiscal, and economic impacts, such as those which are expected to result from this Project. In this case, potential project-related issues such as traffic, economics, housing and childcare are being evaluated and the results of the pertinent studies will be considered in the establishment of appropriate terms for this Development Agreement.

FISCAL & ECONOMIC STUDY

On March 23, 2009, the City Council approved a professional services agreement with Keyser Marston Associates (KMA) to prepare a fiscal and economic impact analysis and special studies for the Stanford in Redwood City project. The purpose of these is to aid the City's policy makers in evaluating the proposed Stanford in Redwood City project from a broad range of perspectives. The study is not intended to draw conclusions or limit the scope of discussion – but rather to inform the subsequent consideration of project entitlements.

GUIDING PRINCIPLES

Since July of this year City and Stanford University staff have been working together to develop the proposed Guiding Principles that will give direction to the negotiation process and shape the Development Agreement (See Attachment 1).

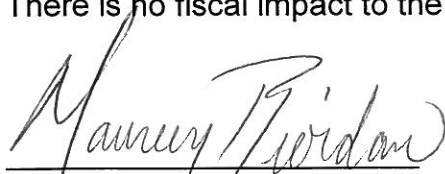
It is in the best interests of Redwood City and Stanford University to conduct a thoughtful, interest-based negotiation to arrive at a development agreement that can be considered for approval by the City Council and Stanford. Assuming that the principles are adopted soon, the City Manager will return to Council by the end of 2009 with more specificity on the mechanisms for the development agreement negotiation process.

ALTERNATIVE

The City Council is being asked to adopt the principles as offered, or to discuss desired amendments and provide direction to staff for follow-up to Council.

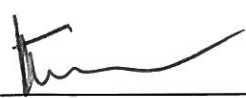
FISCAL IMPACT

There is no fiscal impact to the City as a result of this action.


Maureen Riordan
Senior Planner


Jill Ekas
Planning Manager


Planning Housing and Economic
Development Director


City Manager
Peter Ingram

ATTACHMENTS

1. Draft Principles to Guide Negotiation of the Stanford in Redwood City Development Agreement
2. Stanford University Concept Plan entitled "The New Working Landscape"

DRAFT
PRINCIPLES TO GUIDE NEGOTIATION OF THE STANFORD IN REDWOOD CITY
DEVELOPMENT AGREEMENT

July 2, 2009

Final Revisions September 15, 2009

INTRODUCTION

Stanford University (Stanford) has proposed a phased redevelopment of approximately 35 acres of existing commercial property (currently zoned Industrial - Restricted) within the City of Redwood City (City) to provide a campus with sufficient flexibility to allow for a mix of office, research/development and medical clinic uses. To facilitate this development, Stanford and the City have engaged in the formation of a Precise Plan to govern the long-term physical development of the project site. An Environmental Impact Report as well as Fiscal and Economic Impact Study are also in preparation to analyze the impacts of the project described by the Precise Plan. As a companion to the Precise Plan, Stanford and the City are discussing entering into a development agreement.

Development agreements are contracts negotiated between the project applicant and public agencies. Neither Stanford, as applicant, nor the City, as the lead governmental agency, is required to enter into a development agreement. A development agreement stipulates mutually agreed upon benefits and obligations for each party. Development agreements facilitate and secure entitlements for phased projects over long periods of time and can provide a means for addressing significant unavoidable environmental, fiscal, and economic impacts, such as those which are expected to result from this Project. In this case, potential project-related issues such as traffic, economics, housing and childcare are being evaluated and the results of the pertinent studies will be considered in the establishment of appropriate terms for this Development Agreement.

This document addresses the proposed guiding principles that will shape the Development Agreement, as discussed by Stanford and City staff.

GUIDING PRINCIPLES

- A. **Positive Mutual Benefits:** To the extent feasible, the Development Agreement's terms should provide mutual benefits to the City, the neighborhoods surrounding the Project and the Project itself for many years to come.
- B. **Community Based Benefits:** The Development Agreement should focus on community benefits that relate to the Project, either by addressing Project impacts beyond what is otherwise required by conditions of approval and environmental mitigation, or by providing benefits that Stanford, as a unique academic institution, is best situated to provide.
- C. **Fiscal Balance:** The Development Agreement should support the City Council's goal of long-term fiscal sustainability, enhance the City's near-term fiscal and economic health in

measurable ways, support and enhance the local economy, and provide for the long-term nature of the Project.

D. Plan Integrity: The Development Agreement should recognize and support the concepts, vision and intent of the Stanford in Redwood City Project as depicted in the final Precise Plan that will be considered for approval by the Planning Commission and the City Council. The City and Stanford recognize that the Project will be a phased development implemented over a period of up to 30 years.

CATEGORIES OF COMMUNITY BENEFITS AND PRINCIPLES SPECIFIC TO THOSE CATEGORIES

1. Fiscal and Economic Impacts. The fiscal and economic impacts of the Project will be evaluated in a Fiscal and Economic Impact Study commissioned by the City. The Development Agreement should:

- Recognize that the Stanford in Redwood City Project will remove industrially zoned land and improvements from the City's property tax rolls for those properties occupied by Stanford, which has the potential to impact City resources and services over the long term;
- Consider the project's relationship to the City's housing, educational, and childcare needs and resources;
- Recognize that the proposed entitlements will substantially increase the potential development capacity of the project site and could increase the value of the project site;
- Recognize that the Stanford in Redwood City Project has the potential to enhance City and local business revenues through sales, development fees and economic activity associated with construction activity as the property is developed over many years;
- Recognize that the Stanford in Redwood City Project has the potential to bring long-term, high-value jobs to the City which will enhance City and local business revenues through increased economic activity in the City;
- Support and enhance the Project's ability to increase local business activity through transportation connections which increase accessibility from the Project site to downtown Redwood City; and
- Support and enhance the Project's ability to promote a healthy and diverse Redwood City economy.

2. Transportation, Linkages and Parking. The Stanford in Redwood City Project will be part of an integrated City and Project approach to improving overall neighborhood mobility that will benefit Project employees, future tenants, and residents of the adjacent neighborhood. The Development Agreement's terms should:

- Support the City's and Stanford's robust efforts to discourage travel by single-occupancy vehicles through vigorous promotion of all forms of mass transit as well as cycling and walking;

- Enhance transportation connections between the Project site and downtown Redwood City, and between the Project site and the City's Caltrain station;
 - Improve pedestrian and bicycle circulation within the Project and its immediate vicinity; and
 - Support provision of sufficient on-site parking for Project employees.
3. Infrastructure/City Services. The Development Agreement's terms should:
- Provide that Stanford's improvements and upgrades to existing infrastructure are an overall benefit to the local area and the City;
 - Support the City's and Stanford's efforts to promote the conservation of water and energy; and
 - Support the expansion of the City's recycled water program.
4. Sustainability. The Development Agreement's terms should:
- Support Stanford's and the City's efforts to conserve natural resources throughout all aspects of the Project, including sustainable design, construction practices, and building features, including those affecting energy, water, operations, transportation and associated greenhouse gas emissions.
5. Building Community. The Development Agreement should:
- Allow for those amenities and programs that Stanford is uniquely situated to provide and that will improve the health, education and well-being of the surrounding community and the City, while also supporting the Project objectives.
6. Design and Placemaking. The design of the Stanford in Redwood City site will be governed by the Precise Plan being prepared by the City. The Development Agreement's terms should:
- Promote development that creates a strong sense of place, and harmonizes with and enhances the value and quality of nearby existing neighborhoods;
 - Support properly phased development over the term of the Development Agreement; and
 - Provide for publicly accessible open space as part of the Project while also maintaining Project open space reserved solely for tenant use.



CONCEPT DATA

Building 1 - 4 story	103,500 sf (27,000 sffloor)
Building 2 - 3 story	96,750 sf (33,750 sffloor)
Building 3 - 4 story	95,500 sf (25,000 sffloor)
Building 4 - 4 story	103,500 sf (27,000 sffloor)
Building 5 - 3 story	90,000 sf (31,500 sffloor)
Building 6 - 5 story	141,750 sf (28,250 sffloor)
Building 7 - 4 story	95,500 sf (25,000 sffloor)
Building 8 - 4 story	103,500 sf (27,000 sffloor)
Building 9 - 5 story	125,000 sf (25,000 sffloor)
Building 10 - 4 story	103,500 sf (27,000 sffloor)
Building 11 - 4 story	95,500 sf (25,000 sffloor)
Building 12 - 4 & 8 story	298,000 sf (49,500 & 22,500 sffloor)
Building 13 - 5 story	80,000 sf (16,000 sffloor)
Parking P1 - 6 level	50,000 sffloor 918 spaces
Parking P2 - 6+1 level	40,000 sffloor 861 spaces
Parking P3 - 6+1 level	50,000 sffloor 1,071 spaces
Parking P4 - 7+1 level	46,250 sffloor 1,136 spaces
Lot L1 - at grade parking (angled street parking)	84 spaces
Lot L2 - at grade parking (approx. 117,000 sf)	400 spaces



PARKING DATA SUMMARY
 3,099 structural spaces
 122 private street spaces (as shown on map)
 4,506 total

PROJECT DATA SUMMARY
 1,525,000 sf raw construction
 4,761 parking spaces required (4,576 + 185)

PERKINS + WILL
 Stanford in Redwood City - The New Working Landscape
 SKETCH OPTION
 Illustrative Option Study of Precise Plan Guidelines
 19 MAY 2009