



City of Palo Alto

(ID # 6219)

Planning & Transportation Commission Staff Report

Report Type:

Meeting Date: 10/28/2015

Summary Title: 1050 Page Mill Road - Review of Final EIR

Title: 1050 Page Mill Road (14PLN-00074): Request for Planning and Transportation Commission (PTC) Review of a Final Environmental Impact Report (FEIR) Regarding a Request by 1050 Page Mill Road Property LLC for Architectural Review to Allow Demolition of Two Existing Structures Totaling 265,895 Square Feet and for Construction of Four Two-story Office Buildings Totaling 265,895 Square Feet of Floor Area with Below and At-grade Parking and Other Site Improvements. A Separate Hearing on Project Design was Held by the Architectural Review Board on July 30, 2015. Zoning District: Research Park (RP). Environmental Assessment: The Initial Study and Draft Environmental Impact Report (DEIR) was published on July 24, 2015 for a 45 day public comment period that ended on September 8, 2015.

From: Jodie Gerhardt, Planning Manager

Lead Department: Planning and Community Environment

Recommendation

Staff recommends that the Planning and Transportation Commission (PTC) hold a public hearing to review and make a recommendation to the City Council to certify the Final Environmental Impact Report for the proposed project at 1050 Page Mill Road.

Executive Summary

The PTC is requested to review and recommend approval of the Final Environmental Impact Report (FEIR) for demolition of four existing buildings and storage structure, totaling 265,895 square feet of floor area, historically used for offices and R&D, as well as construction of four two-story office buildings totaling 265,895 square feet with associated site improvements on a 13.5 acre lease parcel. The Draft Environmental Impact report (DEIR) was reviewed by the PTC on August 12, 2015. The PTC comments, along with the comments of the Architectural Review Board (ARB), have been summarized in the attached FEIR (Attachment A). Responses to each of the comments have also been provided within the document. The discussion section of this staff report summarizes the commonly raised comments and the responses to those comments.

As noted in the DEIR, implementation of this project would result in significant environmental impacts that can be mitigated via mitigation measures that are proposed for inclusion as conditions of approval. All substantive comments on the Draft EIR have been responded to in the Final EIR, which must be certified prior to any final decision on the project.

PTC Purview

The project outlined above is subject to Architectural Review and Director Decision. However, because the FEIR must be certified by the City Council prior to any final decision, the Council will also make the final decision on the Architectural Review application. The PTC's role is to review and consider recommending certification of the FEIR and provide its recommendation on that document to the City Council. The ARB has recommended approval of the ARB application with recommended changes and clarification of the allowed FAR (floor area ratio), discussed further in this report. The Commission's focus is on the environmental document.

Background

The City circulated a Notice of Preparation (NOP) and Initial Study (IS) to solicit agency and public comments on the scope of the environmental analysis. The Initial Study concluded the project could have potential impacts on the environment, and therefore further study was needed in the form of an EIR. The topics identified in the study as having potential impacts are Air Quality, Biological Resources, Hazards and Hazardous Materials, Noise, and Transportation and Traffic.

Architectural Review Board

The ARB conducted a preliminary review of the conceptual project design on December 3, 2013. On July 30, 2015 the ARB reviewed the formal project and the DEIR. At the July hearing, the ARB voted unanimously to recommend approval of the project with certain items, and asked for specific details to return to the ARB subcommittee to satisfy approval conditions. The ARB discussed and heard comments from concerned residents mainly about the project's floor area and suggested this aspect of the project be fully vetted by the City Council before any approvals are granted. Floor area is discussed further in the section below.

Planning and Transportation Commission

The EIR scoping meeting was held during the November 20, 2014 ARB hearing, to provide the public an early opportunity to provide input and learn about the DEIR process. On August 12, 2015 the PTC reviewed the DEIR and provided comments. Those comments and responses are provided in the attached FEIR. The commonly raised issues, and responses to those issues, are summarized in the discussion section below.

Site Information

The project site, located within the Stanford Research Park, is rectangular in shape and has an area of approximately 587,363 square feet (sf). The site fronts on to Page Mill Road and currently has access to California Avenue via a driveway easement through 1117 California

Avenue. A location map showing the subject site and surrounding properties is contained in the plan set. The property is currently occupied by four structures totaling 265,895 sf of floor area with the front building along Page Mill Road currently occupied by Machine Zone. The existing parking lot contains 564 automobile parking spaces; less than currently required by the Municipal Code.

The site has a Comprehensive Plan land use designation of Research/Office Park and a zoning designation of Research Park (RP) district. The Research/Office Park land use designation allows office, research, and manufacturing establishments whose operations are buffered from adjacent residential uses. The RP zoning district allows a limited group of research and manufacturing uses that may have unusual requirements for space, light, and air.

The project site is surrounded by existing Research and Development (R&D) uses, with the exception of the Mayfield Fire Station #2 located to the south along Hanover Street. Across Page Mill Road to the east, the buildings contain additional research and manufacturing uses.

Project Description

The project includes demolition of four existing buildings and storage structure, totaling 265,895 square feet of floor area, historically used for offices and R&D, as well as construction of four two-story office buildings totaling 265,895 square feet with associated site improvements on a 13.5 acre lease parcel. The four buildings are proposed to be placed around the edge of the site, leaving a landscaped central plaza area that would include seating and pedestrian walkways.

The plans are available at the City's website: <http://www.cityofpaloalto.org/planningprojects>

The applicant is currently targeting Leadership in Energy and Environmental Design (LEED) Platinum status for the project with the inclusion of photovoltaics covering all roofs to generate 150,000 kilowatt-hours (kWh) per year.

Primary access would be from Page Mill Road at Hansen Way, a signalized intersection. Currently access is also provided to California Avenue, northwest of the site, through a connecting parking lot at 1117 California Avenue. The proposed project would maintain this connection; however, access between the adjoining parking lots would be limited by installation of an arm gate at the connection point. This arm gate would be controlled by access cards that would be issued only to employees and visitors of 1117 California Avenue. Therefore, Page Mill Road would serve as the single point of ingress/egress to the 1050 Page Mill Road project site.

While the existing facility is under-parked, the proposed project would be fully parked. The proposed project includes 348 automobile parking spaces around the perimeter of the site, as well as below-grade garage parking spaces in each building (539 garage spaces) for a total of 887 automobile spaces. The project would also provide 101 bicycle parking spaces.

Discussion

During the comment period on the DEIR the City received a total of three (3) comment letters and multiple verbal comments during the public hearings. The FEIR includes responses to the three comment letters and all verbal comments made at the two public hearings. The commonly raised comments are summarized below:

1. **Floor Area Ratio** is addressed in comments B-22, C-1, D-8, D-10 and D-18. The maximum Floor Area Ratio (FAR) in the RP district is 0.4:1 (or 40 percent of the site area). The Stanford Research Park is one single 700 acre parcel. Current practice is and has been to evaluate a project's development potential based on lease lines established by Stanford. The lease line boundaries serve as the baseline to measure setbacks, floor area and other development standards.

In the late 1950s, development of the contiguous leasehold between California Avenue and Page Mill Road began and continued through 1980. At the time, all buildings complied with applicable regulations based on the established practice. Around 1999, this larger leasehold was modified creating two separate leaseholds. A new building was proposed on the resulting smaller leasehold (near California Avenue), which met applicable standards for floor area, etc. based on the new leasehold boundaries. However, this lease division resulted in the larger leasehold (near Page Mill Road) having more building floor area than would have otherwise been allowed if the practice of determining permissible floor area were followed.

Staff is unable to determine the exact reason why this was not identified as an issue and addressed at the time the leasehold change was proposed and implemented, but it appears to be an oversight. Since then, Stanford and the City are more engaged in conversations about development activity in the Research Park and staff receives information about all affected properties when new lease lines are proposed or adjusted.

When the subject application was filed, staff took the position that the existing buildings were noncomplying facilities and as such, pursuant to the municipal code, would be permitted to be replaced to the same noncomplying floor area. This position relies on a provision in the code that is paraphrased below:

PAMC 18.70.100:a noncomplying facility in the RP district existing on August 1, 1989, which when built was a complying facility, shall be permitted to be remodeled, improved or replaced in accordance with applicable site development regulations other than floor area ratio, provided that any such remodeling, improvement or replacement shall not result in increased floor area.

As noted above, the subject building became ‘noncomplying’ in or around 1999. The noncomplying facility position is predicated on the ongoing application of using the lease lines to establish building potential.

Stanford has provided a letter, which is included with this report as Attachment C. The letter is generally consistent with staff’s position and further explains that the leasehold practice is a desirable approach to looking at the entire 700 acre parcel as one lot for development purposes. If development were evaluated from this perspective there would be less predictability about how much building area could be placed on various leases throughout the Research Park. However, while staff supports allowing the subject building to be reconstructed at its current floor area, staff does not believe this authorizes the collective building area in the Research Park to exceed the floor area ratio for the entire 700 acre site and that a comparable reduction, approximately 30,950 sf, elsewhere in the park would ultimately be needed if fully built out. There remains, approximately, over three quarters of one million square feet of building potential in the Research Park. City staff will continue conversations with Stanford to address this reduction.

2. **Traffic baseline** is addressed in comments B-14, B-15, B-16, and D-15. The responses discuss that the estimates for the baseline uses of the site were based on the historic occupancy patterns of the project site. Specifically, the percentages of building space assigned to each of the three land uses were calculated based on the existing square footage of each building onsite. Buildings 1 and 2 comprise are currently configured for and have historically been used as office space. Buildings 3 and 4 have been used as either research & development or manufacturing space. Therefore, the office use of Buildings 1 and 2 represents 67.4% of the total building space onsite. The space in Buildings 3 and 4 was assumed to be equally divided between research & development and manufacturing uses, resulting in the baseline assumption that 16.3% of the site’s floor area supported research & development and 16.3% supported manufacturing. Recent legal decisions confirm that the City has considerable discretion in determining the appropriate baseline.
3. **Pedestrian and bicycle access** is addressed in comments A-2, A-3, B-19, B-20, B-21, D-3 and D-12. The responses indicate that the EIR concludes that the project would have less than significant impacts related to pedestrian and bicycle travel to and around the project site. Notwithstanding that conclusion, the City Council is the final decision-making authority on the project and it will consider this issue at it relates to the City’s Comprehensive Plan and associated policy documents, including the City’s Bicycle and Pedestrian Plan as well as the ARB findings. Such analysis may result in additional project-related conditions to ensure safe and convenient access for pedestrians and bicyclists.

Timeline

| | |
|--|-------------------|
| Preliminary ARB meeting | December 5, 2013 |
| Formal Application submitted | March 3, 2014 |
| EIR scoping meeting before the ARB | November 20, 2014 |
| Release of the DEIR for the 45 day public comment period | July 24, 2015 |
| ARB meeting recommendation on AR | July 30, 2015 |
| PTC meeting on DEIR | August 12, 2015 |
| PTC meeting on FEIR | October 28, 2015 |
| Final EIR Certification by City Council | November 16, 2015 |
| Final Decision on the Proposed Project by City Council | November 16, 2015 |

Environmental Review

City staff has worked with our environmental consultant, Dudek, to prepare a Draft Environmental Impact Report (DEIR) that analyzes the project for potential environmental impacts in accordance with the California Environmental Quality Act (CEQA) (Attachment A). The initial 45 day public comment period on the DEIR began on July 24, 2015 and ran through September 8, 2015. The FEIR was prepared after input was received during public hearings of the ARB and the PTC.

The City began the environmental analysis with an Initial Study which is available online at <http://www.cityofpaloalto.org/planningprojects>. The environmental analysis determined that the project could have a significant impact on the environment, which triggered the requirement to prepare an EIR. The five environmental topics covered in the DEIR are Air Quality, Biological Resources, Hazards and Hazardous Materials, Noise, and Transportation and Traffic.

The City has prepared a DEIR to provide the public and responsible agencies information about potential adverse effects on the local and regional environment associated with the proposed project. The DEIR is provided as Attachment A for Board Members and may be viewed on the City's website at <http://www.cityofpaloalto.org/planningprojects> and/or <http://www.cityofpaloalto.org/news/displaynews.asp?NewsID=2642&TargetID=319>. The public was invited to comment on the DEIR at the PTC's August 12, 2015 public hearing. All substantive comments received during the comment period were responded to in this Final EIR. At this October 28 hearing, the PTC will review the Final EIR and will make a recommendation to the City Council regarding Final EIR certification.

For each of the five topics, the DEIR describes the existing environmental and regulatory conditions, presents the criteria used to determine whether an impact would be significant, analyses significant impacts identifies mitigation measures for each significant impact, and discusses the significance of impacts after mitigation has been applied. Potential direct, indirect, and cumulative impacts are all considered. The DEIR also analyzed impacts associated with Energy Consumption; however, as discussed below, these impacts were found to be less-than-significant and do not require mitigation.

The FEIR contains the DEIR, the comments received during the public review period, responses to the comments, and any revisions to the DEIR needed as a result of public agency and public comments.

COURTESY COPIES

Allison Koo, Sand Hill Property Company

Tiffany Griego, Stanford University

Margit Aramburu, College Terrace

Attachments:

- Attachment A: Draft and Final Environmental Impact Report (hardcopies to PTC, libraries and staff) (PDF)
- Attachment B: Applicant response to public comments (PDF)
- Attachment C: Stanford response to public comments (PDF)

Attachment A

Environmental Impact Report

(Hardcopies for P&TC, libraries and staff)

<http://www.cityofpaloalto.org/news/displaynews.asp?NewsID=2642&TargetID=319>

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August 3, 2015

Jodie Gerhardt, Senior Planner
Department of Planning and Community Environment
City of Palo Alto
Planning Commission Members

Re: Planning Commission Review of EIR regarding ARB Approval of 1050 Page Mill

Dear Ms. Gerhardt and Planning Commissioners:

On August 12, 2015 the Planning Commission will have the opportunity to review the Environmental Impact Report ("EIR") pertaining to the review by the City's Architectural Review Board of an application for architectural review by 1050 Page Mill Road Property LLC, as the applicant, regarding the redevelopment and replacement of the existing buildings located at 1050 Page Mill Road.

On July 30, 2015, the Architectural Review Board ("ARB") formally approved the design of 1050 Page Mill subject to minor design items to return to an ARB Subcommittee, and, subject to both: (i) City Council future certification of the EIR for the project; and (ii) City Council future confirmation that the Gross Building Area of the project of 265,895 square feet of replacement building area as presented by the Applicant and the Planning Department is fully compliant with Section 18.70.100(c) of the City's Zoning Code.

The project as described in the EIR is for a replacement of existing building of 265,895 square feet on the project site with four new buildings of the same square footage of 265,895 square feet. There is a proposed addition of "amenity space" of 10,745 square feet, which "amenity space" is allowed beyond allowable square footage pursuant to Section 18.04.030(65)(B)(v) of the City's Zoning Code.

Jodie Gerhardt, Senior Planner
Department of Planning and Community Environment
City of Palo Alto
Planning Commission Members
August 3, 2015
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The text of Section 18.70.100(c) of the City's Zoning Code reads as follows:

18.70.100. A noncomplying facility which is damaged or destroyed by any means except ordinary wear and tear and depreciation may be reconstructed only as a complying facility, except as follows:

.

(c) Notwithstanding subsections (a) and (b) hereof, a noncomplying facility in the commercial CS, CN and CC zones and the industrial MOR, ROLM, RP and GM districts, except for those areas designated as special study areas, existing on August 1, 1989, which when built was a complying facility, shall be permitted to be remodeled, improved or replaced in accordance with applicable site development regulations other than floor area ratio, provided that any such remodeling, improvement or replacement shall not result in increased floor area. (Emphasis added.)

As stated in the City's Staff Report for the ARB hearing held on July 30, 2015, the gross square footage of the existing building is 265, 895. The proposed replacement buildings, other than any authorized amenity space, do not exceed this existing square footage.

The project, as a replacement of the existing 265,895 square feet, with no increased floor area other than the amenity space described in the EIR¹, which is excluded from Gross Floor Area under the City's ordinances. The project, therefore, fully complies with Section 18.70.100(c).

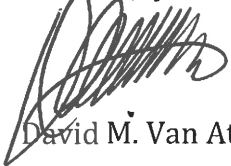
¹ Section 18.04.030(65)(B)(v) of the City's Zoning Code, as to Gross Floor Area states that Gross Floor Area shall not include, for all zoning districts that are not residence districts, the following:

. (v) In commercial and industrial districts except in the CD District and in areas designated as special study areas, additions of floor area designed and used solely for on-site employee amenities for employees of the facility, approved by the director of planning and community environment, upon the determination that such additions will facilitate the reduction of employee vehicle use. Such additions may include, but are not limited to, recreational facilities, credit unions, cafeterias day care centers, automated teller machines, convenience stores, and dry cleaners.

Jodie Gerhardt, Senior Planner
Department of Planning and Community Environment
City of Palo Alto
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This right of replacement of a commercial building is code driven, and has been implemented over the years consistently by the City. As recently as 2013 and 2015 this right was granted for 1400 Page Mill, which is a replacement commercial building of 0.431 FAR now finalizing construction that exceeds the current 0.4 FAR for a commercial building. The statements in the City's Negative Declaration for 1400 Page Mill, dated August 1, 2013, that discusses the application of Section 18.70.100(c) to 1400 Page Mill, are also applicable to 1050 Page Mill.

Sincerely yours,



David M. Van Atta

cc: Jim Baer
Peter Pau and Allison Koo, 1050 Page Mill Road Property LLC



Jodie Gerhardt
Planning Department
Planning Commission Members
City of Palo Alto

August 4, 2015

Re: ARB Approval of 1050 Page Mill Design With Conditions

On July 30, 2015, the Architectural Review Board formally approved the design of 1050 Page Mill Road (1050 PMR) subject to minor design items to return to an ARB Subcommittee, and, subject to : (i) certification of the EIR for the project; and (ii) confirmation that the Gross Building Area of the project as presented by the Applicant and the Planning Department is fully compliant with the Zoning Code Title 18.70.100(c).

Zoning Code 18.70.100(c) specifically grants the Applicant the *right* to preserve the full, lawful existing building area, even though such area now exceeds the Gross Building Area that would be allowed under current zoning, provided that the new replacement building otherwise complies with all of the Site Development Standards, other than FAR, within the RP Zone District in which 1050 Page Mill is situated. This standard has been applied between 2013 and 2015 and most recently for 1400 Page Mill Road, which is a commercial building now finalizing construction of a replacement building of 0.431 FAR that exceeds the current 0.4 FAR for a commercial building. The City's Negative Declaration for 1400 Page Mill cites 18.70.100(c) as applicable to 1400 Page Mill, and the same code is also applicable to 1050 Page Mill granting the *right* to preserve the full existing building area.

You will receive, in addition to this non-legalistic letter, a companion letter from David Van Atta (legal counsel for the Applicant) that discusses the application of the City's zoning code and the legal *right* of the Applicant to replace the entire area of 265,895 square feet of the existing buildings with the proposed replacement buildings of the same size.

The purpose of this letter is to discuss the long-standing, and consistently applied, policy that allows replacement of the full Gross Building Area of an existing building even if such area exceeds the Gross Building Area that would be allowed under the current zoning for such property.

There are three fundamental principles for allowing an existing building to be replaced by a building of the same size.

1. Property Rights.

When the City changes zoning or any other land use rules, an existing building(s) cannot be compelled to eliminate a portion of that building(s) to reduce FAR in order to comply with a new, lower FAR under new zoning. To compel reduction of the area of an existing building would be an unlawful “taking” of property under the United States and California constitutions.

The City has never taken an action to require reduction of the area of a commercial building (in any zone district governing any commercial property) because of reduced FAR under new zoning. There is not precedent where a replacement is required to reduce its existing FAR in order to comply with a new lower FAR designated under a new zone code provision.

2. Palo Alto’s Zoning Code Does not Compel Property Improvements for Renovation of an Existing Building that are Required for a New Replacement Building.

Were the existing buildings of 265,895 square feet to be renovated rather than replaced, such a renovation would grandfather the use and FAR under multiple Zone Code provisions. The same building area, even though it may be above the new FAR standard, would remain in a building that could be substantially renovated without being required to satisfy some recent design provisions concerning landscape, open space, energy management, and new contextual design standards.

The design of 1050 PMR was lauded by ARB. The design has been distinguished with two international honors:(1) 1050 PMR won a second place award for Commercial Building Concept granted by Re-Thinking the Future; and (2) 1050 PMR was also in a small group of finalists to present to a panel in Singapore at the World Architectural Festival for the opportunity to be considered as a Future Office Project of the Year.

The new buildings will be LEED certified and will feature Photovoltaic panels across the roofs of all 4 buildings. The existing buildings would have no LEED upgrades.

Under Title 18.52, a renovated building is not required to park in accordance with current standards because any parking deficit is grandfathered for a renovated building. A replacement building is not allowed to carry forward or grandfather any existing parking deficit. The existing buildings at 1050 PMR are under parked. The replacement buildings will cure this deficiency by increasing the number of available parking spaces by 300 spaces for a total of 887 parking spaces.

The existing buildings have virtually no open space because most of the site consists of surface parking with inadequate canopy. The replacement buildings create a fine Page Mill frontage and provide a large park, nearly the size of two football fields,

between the four buildings because over half of the surface parking has been relocated to underground garages.

A renovated building is exempt under the California Environmental Quality Act, and so there would be no assembled and circulated consultants reports and, perhaps, no involvement by the City Council. The replacement buildings have undergone a full Environmental Impact Report that will be heard before the PTC and the City Council.

A renovated building would be exempt from any and all traffic mitigations. The City can only impose the proposed significant and costly traffic improvements to Page Mill Road with new buildings.

Further, the existing buildings have known contamination that cannot be remediated until the buildings are demolished since contamination lies beneath the concrete slabs and foundations of the buildings. The new buildings will allow for the Applicant to remediate all existing contamination.

One can see how City policies and legal constraints favor replacement buildings over a renovated building. 18.70.100(c) indicates City support for replacement buildings by preserving their existing FAR.

3. Implement Policies that Benefit the Community.

The 1050 PMR Applicant proposes several conditions to be included as Conditions of Approval for the Project. The ARB included only several of these substantial project and community enhancements. These are voluntary conditions offered by the Applicant because there are no existing codes, laws or regulations for Palo Alto that would compel any of these features. We propose community benefits for (1) progressive transportation programs; and (2) advanced sustainable design features.

The 1050 PMR Project, as a one-for-one replacement project, has no significant transportation or traffic impacts under the California Environmental Quality Act. 1050 PMR has been fully occupied, principally, as professional offices and R&D space since its early development and this use will continue with the proposed new buildings.

The proposed project includes meaningful offerings in support of community policies and goals could not be compelled for renovation of the existing buildings or even for new replacement buildings. The Applicant is offering these improvements in the spirit of advancing City policies and goals, several of which are in the Comprehensive Plan.

The factors that can be compelled for a new replacement building and not for a renovation of an existing building are among the positive inducements to the City for its developers to be allowed new replacement buildings of the same Gross Building Area as the Gross Building Area of existing buildings.

Furthermore, the Applicant offers Progressive Transportation and Sustainable Design features only in conjunction with the development of new replacement buildings that preserve the 265,895 square feet of the 1050 PMR existing buildings.

These features are offered as Conditions of Approval and are set forth below:

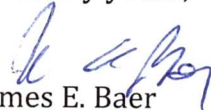
- (a) **Rooftop Photovoltaic Panels.** Provided that the Feed In Tariff program for Palo Alto remains in effect at the rates as currently offered, 1050 PMR offers, as a voluntary Condition of Approval, the installation of Photovoltaic Panels on the roofs of the four proposed new buildings. We estimate that these panels will generate 400 Kw.
- (b) **All Electric Building – No Natural Gas.** Consistent with the City’s 2015 goal to reduce carbon emissions, 1050 PMR offers, as a voluntary Condition of Approval, to power 1050 PMR entirely with electricity. Natural gas will not be used.
- (c) **Energy Management Planning and LEED Certification.** The Applicant will participate in the Department of Utilities net Zero Energy Design Review making use of groups such as Base Energy Community Group. The purpose is for 1050 PMR to use the City’s *High End Energy Modeling Services* to provide design and engineering input to optimize the building’s performance for sustainable design and reduced energy use. In conjunction with these energy modeling services, 1050 PMR, following its completion, will obtain LEED *Platinum* certification, to further its serving as a role model for Sustainable Design practices
- (d) **EV Charging Stations.** 1050 PMR will provide eight Electrical Vehicle charging stations (the details of which shall be as approved by the Transportation Division) with six in the underground structured parking garages, and two at grade that can be used by a public guest or client of the tenants and occupants of 1050 PMR.
- (e) **Comprehensive TDM Plan Without any Parking Reduction.** 1050 ECR will provide a comprehensive Transportation Demand Management Plan to be implemented by the Building Owner and made a condition, through lease covenants, with the new tenants for any tenant with greater than 20 employees. TDM Plans have been, typically, based on a parking reduction of up to 20% of the required parking as allowed under Title 18.52.050(d). However, the Applicant seeks no reduced parking for 1050 PMR recognizing that adequate parking is a primary concern of residential neighborhoods throughout the City. 1050 PMR will provide a comprehensive TDM Plan despite

not seeking or receiving any parking reduction as otherwise allowed under the Zoning Code.

- (f) **Public Bicycle Pod.** 1050 PMR will offer the opportunity for a small bicycle pod for parking bicycles that may be used by the public. The City Transportation Division may determine that the 1050 PMR Project is unsuitable for a bicycle pod, but 1050 PMR will offer a location for a bicycle pod if it is useful.
- (g) **Zip Car Locations.** 1050 PMR will offer locations for six Zip Cars. Zip Cars are installed based on economic analysis of usefulness by the provider of the vehicles. Applicant will cooperate with any Zip Car agency and the City Transportation Division to provide success Zip Cars for use by occupants of 1050 PMR.
- (h) **Bicycle Paths.** 1050 PMR provides extensive bicycle paths on its site to encourage use of bicycles rather than single occupant vehicles. No other project in the Stanford Research Park will have such advanced bicycle planning.
- (i) **Gates to Protect California Avenue from Traffic.** 1050 PMR plans to place gates operated by electronic cards on the southern property line so that employees and visitors of 1050 PMR cannot enter or exit 1050 PMR from California Avenue. Under traffic studies, it is determined that these gated features will eliminate as many as 327 vehicle trips per day otherwise headed from the site onto California Avenue.

We hope this memo clarifies that the FAR for 1050 PMR fully complies with Title 18.70.10(c) that respects the property rights of an owner, succeeds with replacement buildings providing many building enhancements not available from merely retaining the existing buildings, and, in the case of 1050 PMR, provides many *offered* fine transportation and sustainable design beneficial features for the community.

Sincerely yours,



James E. Baer



Stanford University

Ms. Jodie Gerhardt
City of Palo Alto
250 Hamilton Avenue
Palo Alto, CA 94301

September 22, 2015

Re: **Response to Public Comments on 1050 Page Mill Road**

Dear Ms. Gerhardt:

Stanford University wishes to provide this information in response to the comments on the Draft Environmental Impact Report for 1050 Page Mill Road project and to recent public comments made at the August 12, 2015 public hearing. Please also refer to our letter of August 7, 2015 which addressed other relevant information to the project in the Stanford Research Park.

Sincerely,

A handwritten signature in blue ink that reads "Tiffany Griego".

Tiffany Griego
Managing Director
Stanford Research Park
Stanford Real Estate

September 22, 2015

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Jodie Gerhardt
City of Palo Alto
250 Hamilton Avenue
Palo Alto, CA 94301

Re: Response to Public Comments on 1050 Page Mill Road

Dear Ms. Gerhardt:

Stanford University has asked that we review the comments on the Draft Environmental Impact Report for 1050 Page Mill Road, including the letter from Mr. William Ross. We have done so, and we conclude that neither the City nor Stanford has violated the Subdivision Map Act or any other law.

Generally, the Stanford Research Park is not subject to the Subdivision Map Act because it consists of commercial and industrial buildings on a single parcel. Government Code section 66412.1 provides that the Subdivision Map Act is inapplicable to:

- (a) The financing or leasing of any parcel of land, or any portion thereof, in conjunction with the construction of commercial or industrial buildings on a single parcel, unless the project is not subject to review under other local agency ordinances regulating design and improvement; and
- (b) The financing or leasing of existing separate commercial or industrial buildings on a single parcel.

In 1998, when the Beckman Coulter leasehold was split into two separate leaseholds (1117 California Avenue and 1050 Page Mill Road), the Subdivision Map Act did not apply. Under section 66412.1(b) of the Subdivision Map Act, the City correctly did not require Stanford to record a parcel map for the leasing of existing separate commercial or industrial buildings on a single parcel.

Similarly, no violation of the Subdivision Map Act occurred in 2000 when the City approved construction of a 32,000 square foot expansion at 1117 California Avenue. Leasing of a portion of a parcel in conjunction with construction of commercial or industrial buildings is exempt from the Map Act under section 66412.1(a). Again, no parcel map was or could have been required.

The currently proposed project to replace the commercial building square footage at 1050 Page Mill also is not subject to the Subdivision Map Act. Like the construction at 1117 California

Avenue, leasing in conjunction with construction of a commercial building is exempt under section 66412.1(a).

In his August 12, 2015 testimony and September 8, 2015 comment letter Mr. Ross misreads section 66412.1(a). Mr. Ross claims that section 66412.1(a) means that 1050 Page Mill has never been exempt from the Map Act because the City requires architectural review for the design of the buildings. But Mr. Ross has read that statute to mean exactly the opposite of what it actually says. Section 66412.1(a) excludes from the Map Act the “financing or leasing of any parcel of land, or portion thereof, in conjunction with the construction of commercial or industrial buildings on a single parcel, *unless the project is not subject to review under other local agency ordinances regulating design and improvement.*” [Emphasis added.] Section 66412.1(a) exempts financing or leasing for construction of commercial and industrial buildings from the Map Act unless there is no local ordinance regulating design and improvement, i.e., the Map Act provides a city’s only means of regulating design and improvement of the project.

In Palo Alto, as Mr. Ross concedes, the City regulates the design and improvement of commercial and industrial construction through its Major Architectural Review process. This is precisely the scenario in which the Legislature determined that a subdivision or parcel map was not needed. The Subdivision Map Act, by its express terms, does not add another layer of review to this process where commercial or industrial buildings are concerned.

Some members of the public also have expressed concerns that the floor area within the 1050 Page Mill leasehold exceeds the floor area ratio specified by Palo Alto’s Comprehensive Plan and Zoning ordinances. However, as explained in Stanford’s letter dated August 7, 2015, the Zoning Code’s FAR requirements apply within the boundaries of a “parcel of land consisting of a single lot of record . . .” Zoning Ord. section 18.04.030(84). The Zoning Code does not apply its FAR requirements to each commercial or industrial leasehold.

Nevertheless, Stanford and the City worked out an informal protocol many years ago under which the parties elected to apply the Zoning Code’s FAR requirements to each leasehold, rather than only applying the requirements within the larger legal parcel. As Stanford’s August 7 letter stated, although the 1998 lease of 1050 Page Mill violated no law, it was inconsistent with the informal protocol Stanford and the City were following. It is not clear why this inconsistency occurred and it appears to be a rare, and possibly a unique aberration.

Subsequently, the City and Stanford formalized their protocol in the 2005 Mayfield Development Agreement. The Mayfield Development Agreement defines “site” to mean a leasehold or assessor’s parcel for purposes of determining compliance with zoning and Comprehensive Plan standards including FAR and setbacks. Further, the Development Agreement requires annual reporting on changes to the Research Park leasehold boundaries, including “before” and “after” plat maps and legal descriptions. Since 2005, Stanford has timely

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reported all lease line changes to the City Council and Stanford and the City have consistently treated lease lines as the equivalent of legal parcels for the purpose of implementing the City's zoning standards. The formalized protocol and reporting requirement have been effective in ensuring FAR requirements are met within each leasehold.

In sum, the assertion that the Subdivision Map Act applies to construction of commercial building space at 1050 Page Mill Road is incorrect. Stanford is in compliance with all applicable laws, and the formalized protocol that Stanford and the City agreed upon in the Mayfield Development Agreement has been consistently followed.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'BJS', with a horizontal line extending to the right.

Barbara J. Schussman

BJS