



City of Palo Alto

City Council Staff Report

(ID # 6358)

Report Type: Consent Calendar

Meeting Date: 4/4/2016

Summary Title: SUMC Annual Report

Title: Stanford University Medical Center Annual Report and Compliance with the Development Agreement

From: City Manager

Lead Department: Planning and Community Environment

Recommendation

Staff recommends that the City Council:

1. Find that the Stanford University Medical Center (SUMC) Parties (Stanford Hospitals & Clinics, Lucile Packard Children's Hospital, and Stanford University) have complied in good faith with the terms and conditions of the Development Agreement for the 2014-2015 reporting period; and
2. Find that the SUMC Parties are not in default with the terms and conditions of the Agreement.
3. Accept the City of Palo Alto's (City) Annual Accounting Report regarding the funds received by the SUMC Parties as required under Section 12(d) of the Development Agreement. (Attachment C.)

Executive Summary

The City Council is required to review the Development Agreement between the SUMC Parties and the City of Palo Alto on an annual basis to ascertain compliance with the terms of the agreement. The SUMC Parties have submitted the annual report for the 2014-2015 period summarizing construction activities and other actions taken to fulfill the obligations of the Agreement. Of particular note, the SUMC has achieved a 36.3% alternative transportation mode split which exceeds the Alternative Mode Share target of 35.1% for 2025. Also, as described in the supplement to the annual report, the SUMC Parties have paid approximately \$32.5 million in public benefit fees to the City since June 6, 2011, although there were no required payments from Stanford during this reporting period. During the 2013-2014 monitoring period, the City Council reviewed and approved the revised Infrastructure project funding proposal allocating future use of the SUMC Infrastructure and Sustainability funds to a prioritized list of projects.

Background

On June 6, 2011, the City Council approved Comprehensive Plan amendments, zoning changes, a conditional use permit, annexation and design applications for the Stanford University Medical Center Facilities Renewal and Replacement Project (the “Projects”). The Projects include the construction of a new Stanford Hospital and clinics buildings, an expansion of the Lucile Packard Children’s Hospital, construction of new School of Medicine buildings, renovation of the existing Hoover Pavilion, construction of a new medical office building and parking garage at Hoover Pavilion, roadway improvements along Welch Road and Durand Way, and SUMC design guidelines. A Development Agreement (the “Agreement”) vesting these approvals was entered into between the SUMC Parties and the City and was deemed effective on June 6, 2011 and continues for thirty (30) years from the effective date. The Agreement requires annual City Council review of the SUMC Parties compliance. This report covers the SUMC Parties activities during 2014-2015, the fourth year of the Agreement.

Discussion

As described in Section 12, “Periodic Review of Compliance,” the City Council is to review the Agreement annually to ascertain the SUMC Parties’ compliance with the terms of the Agreement. Section 12 also includes the reporting requirement for the SUMC Parties and the City to demonstrate good faith compliance with the Agreement. The attached 2014-15 Annual Report (Annual Report) dated July 6, 2015 (Attachment A) from SUMC describes the SUMC Parties’ activities related to implementation of the Agreement.

Construction Activities

Construction activities in past periods included:

- Hoover Pavilion Renovation- Site work and renovation of the exterior and interior features of the building have been completed and in December 2012, Hoover Pavilion re-opened, providing a modern medical office and clinics to the SUMC community. The renovation project is considered to be complete.
- Hoover Pavilion Parking Garage- Site work and construction for the new 1,084-stall parking garage was completed in the Fall of 2013. It is now open for use by patients and staff.
- Welch Road Utilities Project- This project involves the replacement and installation of utilities to support the New Stanford Hospital and the Lucille Packard Children’s Hospital expansion. The project was considered to be complete in 2013. Two-way automobile traffic currently operates on Welch Road.

Construction activities during this period included:

- Hoover Medical Office Building “Neuroscience Health Center” - Construction is nearing completion for the new medical building, located adjacent to Quarry Road, and the City of Palo Alto electrical sub-station. Grading and excavation permits were issued in March 2014, followed by the core and shell building permit in May 2014. The new Neuroscience Health Center is targeted for completion in the Fall of 2015.

- Lucile Packard Children’s Hospital- Construction of the hospital expansion is underway and significant construction progress has been made including completion of deck placement, installation of precast concrete panels on the building exterior and construction of a tunnel connector from the new Hospital to the existing Hospital is almost complete.
- New Stanford Hospital (NSH) - Substantial project progress has been made since the 2013 issuance of the Office of Statewide Health Planning & Development (OSHPD) foundation permit and core and shell permit for the NSH and the City’s issuance of the building permit for the New Stanford Hospital Garage. The steel superstructure for the hospital is now in place, mechanical, electrical and plumbing work is now underway, and construction of the exterior building enclosure has begun. The adjacent New Stanford Hospital Garage exterior façade installation is underway and a temporary Certificate of Occupancy was issued to allow for contractor parking during construction.
- School of Medicine Building- This project involves the replacement of the Stanford University School of Medicine building with new state-of-the-art facilities. The School of Medicine development is not yet underway.

No new square footage has been constructed during this reporting period. Approximately 133,731 square feet of floor area has been demolished on the main and children’s hospital sites, as well as the Hoover Pavilion site.

Compliance with Development Agreement Obligations

In addition to the construction summary and the summary of net new square footage added within the past year, the Annual Report also summarizes the SUMC Parties’ progress in meeting the terms described in Section 5 of the Agreement, “SUMC Parties’ Promises.” This section of the Annual Report describes the SUMC Parties’ obligations with respect to the following items:

- Health Care Benefits;
- Fiscal Benefits;
- Traffic Mitigation and Reduced Vehicle Trips;
- Pedestrian, Bicycle and Automobile Linkages;
- Infrastructure, Sustainable Neighborhoods & Communities, Affordable Housing, and
- Climate Change.

The Annual Report summarizes the activities within the reporting year. The obligations are further summarized in Table 1: Development Agreement, Section 5 – SUMC Parties’ Promises (Attachment B). City staff has reviewed the information within the Annual Report and has determined that it is complete and correct.

Traffic Mitigation and Reduced Vehicle Trips

The SUMC Parties have made substantial progress in meeting the traffic and alternative transportation obligations of the Agreement. Specifically, they have accomplished the following:

- Purchased CalTrain Go Passes annually for all eligible employees as of January 1, 2012, three years ahead of the September 1, 2015 requirement as stated in the Agreement. Annual passes were purchased again for all eligible existing and new employees for 2015;
- Purchased additional shuttle buses for the Marguerite Shuttle service which now includes five renewable diesel-electric hybrid buses and three all-electric buses, along with plans to add up to 20 additional all electric buses over the next two years;
- Hired a Transportation Demand Management (TDM) coordinator on March 13, 2012, three years ahead of the September 1, 2015 requirement as stated in the Agreement, and
- Achieved a 36.3% alternative transportation mode split during this reporting year for the hospital employees, meaning 36.3% of employees are using alternative modes to get to work rather than driving alone. This figure increased and employs the new calculation methodology implemented in the last monitoring period. The new weighted survey analysis methodology is more accurate and intended to be more representative of the general Hospital employee population. The past year’s mode split were recalculated using the new methodology and is shown in the table below.

Year	Past Methodology	New Methodology
2012	39%	32.5%
2013	40.9%	33.4%
2014	N/A	34.4%
2015	N/A	36.3%

The 36.3% mode split exceeds the Alternative mode share targets for 2018, 2021, and 2025.

The SUMC Parties and City staff will continue to monitor the TDM program throughout the term of the Agreement and will report annually to the Council.

Supplement to the Annual Report

In addition to the SUMC Parties’ submittal of the Annual Report, City staff is to prepare a supplement to the Annual Report (the “Supplement”), as described in Section 12(d) of the Agreement. The supplement is to include an accounting of the funds received from the SUMC Parties to satisfy the obligation outlined in Section 5 of the Agreement, a description of the account balances, and a summary and description of expenditures from the funds. The Supplement is contained in Attachment C.

In summary, the SUMC Parties have contributed \$32,533,666 in public benefit funds as of June 30, 2015. Interest income during the reporting period was \$566,862. The SUMC Parties will pay an additional \$11.7M upon issuance of the first hospital occupancy permit, expected in early 2018.

During the reporting period, the City has committed funds for the following:

- \$392,798 under the “Community Health & Safety” cost center for the Project Safety Net Program. Project Safety Net Program is specifically identified in the Agreement as a community health program that would be an appropriate program for the use of this fund. Funds spent during the reporting period were allocated to salaries/benefits for Project Safety Net staff and other expenses relating to the operation of the program.
- \$1.2 million was reported committed during the last monitoring period under the “Expansion Cost Mitigation” cost center for City Capital Projects, specifically the implementation of the Bicycle & Pedestrian Transportation Plan which is included on the approved prioritized list of infrastructure projects. These funds were supposed to be under the “Climate Change and Sustainability cost center and both the “Expansion Cost Mitigation” and the Climate Change and Sustainability cost centers were adjusted accordingly for this monitoring period.

General Fund Sales and Use Tax revenues in calendar year 2014 resulting from construction-related activities totaled approximately \$568,755 based on the City Auditor’s review of the Construction Sales & Use Tax Monitoring Report submitted by SUMC on June 30, 2015. The City Auditor submitted a letter to SUMC (Attachment D) noting a discrepancy of \$36,295 in the Construction Sales & Use Tax Monitoring report, meaning SUMC reported \$605,050 General Fund Sales and Tax revenues in calendar year 2014 resulting from construction related activities. The discrepancy mainly stems from taxes from calendar year 2013 reported in calendar year 2014 and jurisdiction coding issues. The City will be working with SUMC to resolve the discrepancy. Total General Fund Sales and Use Tax revenues from 2011 to 2014 now total \$1,054,192.

Future Use of Development Agreement Funds

On June 9, 2014 ([ID#4889](#)), Council reviewed and approved the revised Infrastructure project funding proposal allocating future use of the SUMC Infrastructure and Sustainability funds to a prioritized list of projects including, but are not limited to, implementation of the Bicycle/Pedestrian Transportation Plan, construction of the Public Safety Building, construction of additional parking garages in the University Ave/Downtown and Cal Ave areas, Fire Stations and Parks improvements. In addition to funds being appropriated from the Stanford Sustainability account for the Bicycle and Pedestrian Bicycle Plan, funds have been and will be requested for the design of a fire station replacement and for preliminary design for a new Public Safety Building. These drawdowns from the Stanford Infrastructure Funds are reflected in the City’s FY 2016 Adopted Capital Budget. During FY2015, use of Health and Safety Funds allocated to Project Safety Net has been primarily focused on means restriction efforts along the rail corridor, including track security, vegetation removal and the installation of higher fencing along the eastern side of the corridor. In January, 2016, a new Executive Director for Project Safety Net collaborative was hired. Her primary focus in the near term will be working with the Center for Disease Control on the Epi Aid investigation into the teen suicide cluster in Palo Alto and working with collaborative leadership to set up the needed infrastructure to implement a collective impact approach to addressing suicide prevention and youth wellbeing

efforts in Palo Alto.

Resource Impact

There are no negative impacts from the Agreement that affect the City's General Fund. As summarized above, the City has received approximately \$35.1M in public benefit payments, interest and unrealized gains and approximately \$1,054,192 in construction sales taxes since the start of the project based on the City Auditor's review of the Construction Sales & Use Tax Monitoring Report submitted by SUMC on June 30, 2015.

Policy Implications

This report does not represent any changes to existing City policies.

Environmental Review

Finding Stanford University's compliance with the Terms of the Agreement is not a project under the California Environmental Quality Act, and no environmental assessment for the annual compliance review is required. An environmental impact report for the entire SUMC project was prepared and certified by the City Council prior to approval of the Development Agreement.

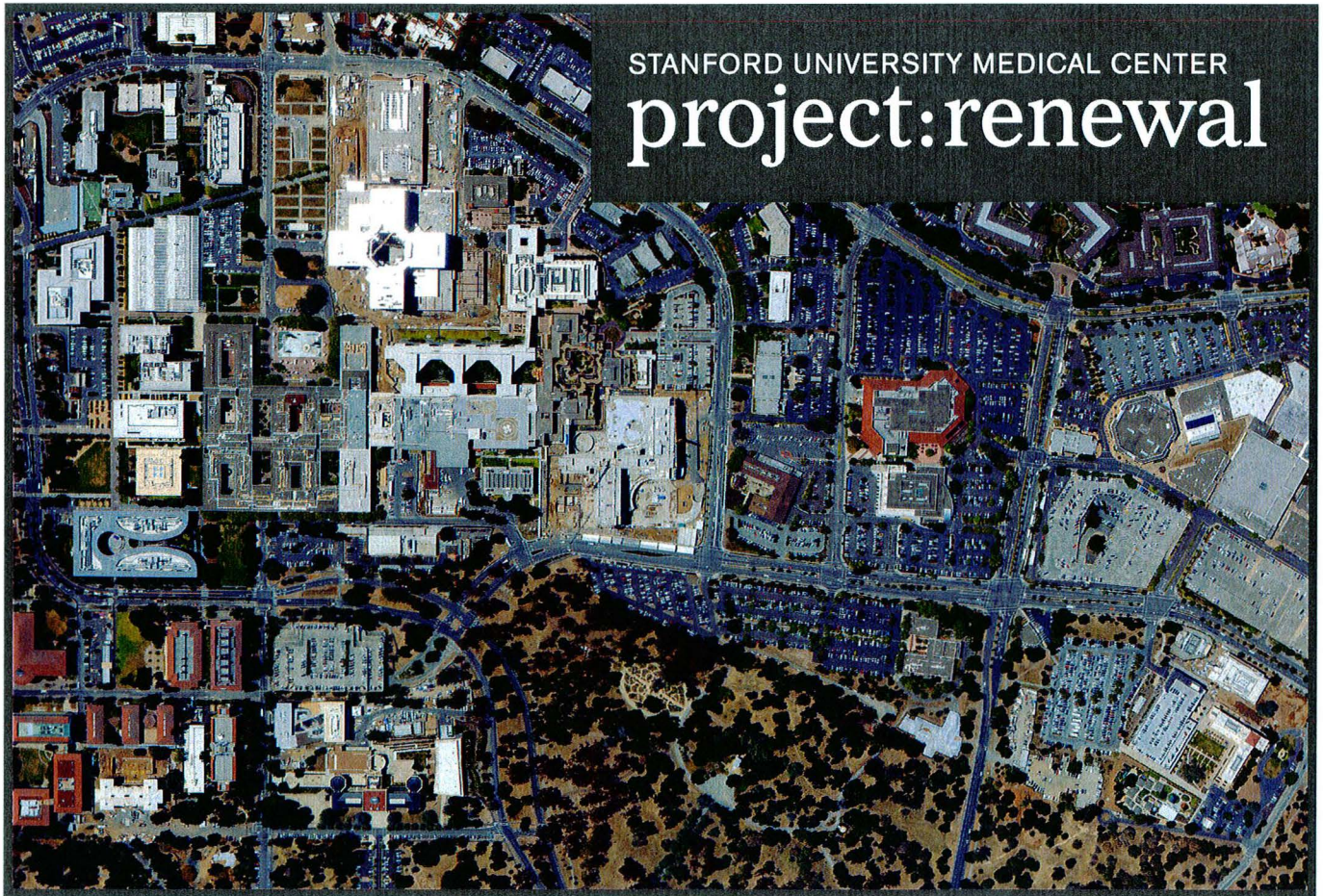
Attachments:

- Attachment A: 2014-15 SUMC Annual Report (PDF)
- Attachment B: Table 1 - Development Agreement, Section 5 (PDF)
- Attachment C: SUMC Annual Report Supplement FY2015 (PDF)

Received

JUL 06 2015

Department of Planning
& Community Environment



2014-15 ANNUAL REPORT

PREPARED FOR THE CITY OF PALO ALTO | JULY 6, 2015

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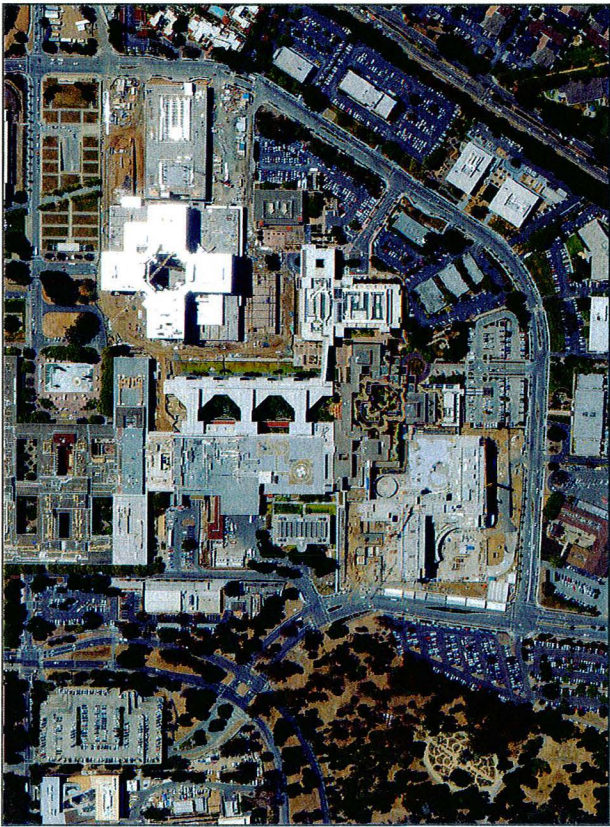


EXECUTIVE SUMMARY

On June 6, 2011, the Stanford University Medical Center—comprised of Stanford Hospital and Clinics, Lucile Packard Children’s Hospital, and Stanford University—entered into a Development Agreement with the City of Palo Alto, committing to provide a range of community benefits in exchange for vested development rights to develop and use the SUMC Project facilities in accordance with the approvals granted by the City, and a streamlined process for obtaining subsequent project approvals. The SUMC Renewal and Replacement Project (“Renewal Project”)—driven by a growing demand for healthcare services, state-mandated seismic safety requirements, and the need to replace outmoded facilities with modern, technologically advanced spaces—holds the potential to transform the way that healthcare is delivered and research is conducted.

Today, four years after the execution of the Development Agreement, SUMC Renewal Project activities are well underway. The New Stanford Hospital and the Lucile Packard Children’s Hospital expansion are beginning to take shape, with steel erection complete and exterior cladding installation underway on both structures. Meanwhile, on the Hoover Pavilion site, construction of a new Neuroscience Health Center is nearing completion, adjacent to the new parking structure and renovated Pavilion.

Against this backdrop, SUMC submits its Annual Report in compliance with Section 12(c) of the Development Agreement, and looks forward to continued collaboration with the City of Palo Alto in advancing the goals of both the Stanford University Medical Center and the broader community.



BACKGROUND AND PURPOSE

The Palo Alto City Council's unanimous approval of the entitlements for the Stanford University Medical Center Renewal and Replacement Project in July 2011 has paved the way for a historic investment in new and replacement facilities at SUMC. The project approvals—including new zoning for the Project sites, a conditional use permit, architectural review approval, and the execution of a Development Agreement—allows for the construction of approximately 1.3 million net new square feet of hospital facilities, clinics, medical offices, and medical research spaces, and will enable the hospitals to optimize the delivery of healthcare services to patients, and maintain their position as leading providers of world-class healthcare.

In order to facilitate this important replacement and expansion work, SUMC entered into a Development Agreement with the City of Palo Alto, which includes a comprehensive package of community benefits and voluntary mitigation measures. In exchange for these benefits, the City has vested for a period of 30 years SUMC's rights to develop and use the property in accordance with the project approvals, and will streamline the process for obtaining subsequent approvals.

The terms of the Development Agreement (Section 12(c)) provide for a periodic review of compliance, and require that SUMC submit an Annual Report to the City of Palo Alto's Director of Planning and Community Environment each year within 30 days of the anniversary of the agreement effective date (June 6, 2011). The Annual Report is to summarize the progress on the Renewal Project, including a list of net new square footage for which a certificate of occupancy has been received, and a description of the steps that SUMC has taken to comply with the obligations listed in the Development Agreement. With this report, SUMC fulfills these requirements. Within 45 days of receipt of this Annual Report, the City will prepare a Supplement to the Annual Report, to provide an accounting of the City's expenditures from each of the City Funds and how they were used.



2014-2015 SUMMARY OF PROGRESS

The Renewal Project continues to progress, with construction activities for both Hospitals now well underway. In the section to follow, SUMC provides an overview of central goals for the project elements that presently are under construction or nearing construction, a synopsis of progress to date, as well as a preview of near-term upcoming activities.

HOOVER PAVILION SITE

One of the first phases of the Renewal Project was the renovation of Hoover Pavilion to accommodate modern medical offices and clinics. Renovation of the 1931 building—including structural improvements, mechanical and plumbing upgrades, and restoration of historic architectural details— began in Summer 2011, and completed in Fall 2012. Subsequently, construction of the Hoover Garage (PS-9) completed in Fall 2013, and the garage is now open and serving patients, visitors, and staff. And finally, the landscaping at the Hoover Medical Campus was transformed to include varied landscaped spaces, including a lawn parterre, Redwood grove, and Oak grove. The groves feature mature trees which have been transplanted from other locations on the Hoover site, many of which had been boxed and stored offsite during construction.

Currently, construction of a new Neuroscience Health Center is nearing completion on the Hoover site, on Quarry Road immediately west of the Hoover Pavilion, and northwest of the parking garage. When complete, the Neuroscience Health Center will provide specialized outpatient services for people with Alzheimer's, Parkinson's disease, brain tumors, multiple sclerosis, stroke and other neurological disorders. Construction has progressed swiftly over the past year—the exterior envelope is now nearly complete, and interior finishes are underway. Site work is in progress as well—and when complete will feature new landscaped spaces, including a wildflower knoll. The new Neuroscience Health Center is targeted for completion in Fall 2015.



2014-2015 SUMMARY OF PROGRESS

LUCILE PACKARD CHILDREN'S HOSPITAL

In response to growing community needs for specialized pediatric and obstetric care, Lucile Packard Children's Hospital is opening an expanded facility. The new hospital, to be located adjacent to the current Packard Children's Hospital, will provide patients and doctors with the most modern clinical advancements and technology, while also creating a more patient- and family-centered environment of care, with additional single-patient rooms and more spaces for families to be with their child during treatment and recovery.

The Packard Children's expansion will feature a new entrance lobby, public concourse with dining, three floors of nursing units, and new patient rooms. Spaces have been designed with an attention to natural light and views, and the exterior grounds—more than 3.5 acres of outdoor areas and gardens—will provide a park-like setting for patients, families, and visitors.

In the past year, significant construction progress has been made on the LPCH expansion project—steel erection and deck placement are now complete, and interior rough-ins are underway, along with the installation of precast concrete panels on the building exterior. Meanwhile, site utilities work and the construction of a tunnel connector from the new Hospital to the existing Hospital have been in progress and are now nearing completion.



2014-2015 SUMMARY OF PROGRESS

NEW STANFORD HOSPITAL

Stanford Hospital and Clinics is constructing new and replacement hospital facilities that will usher in a new era of advanced patient care. Growth in patient volumes and rapidly changing medical technology have rendered much of the existing midcentury hospital infrastructure inadequate, while new seismic safety requirements have accelerated the need to construct replacement facilities.

The New Stanford Hospital will substantially increase capacity, and will also address a rapidly advancing medical landscape. High-tech spaces such as Surgery, Radiology, and Intensive Care will be replaced to accommodate the latest advances in medical technology, while still retaining the flexibility to adapt to future innovations. Facilities will feature new patient rooms, an enlarged Level-1 trauma center and Emergency Department, and new surgical, diagnostic, and treatment rooms. And foremost, the new facility will create a healing environment responsive to the needs of patients, visitors, and staff. Upper-level pavilions will feature light-filled patient rooms, and a mid-level garden floor will offer dining, conference, and educational facilities, as well as social and spiritual support spaces.

Substantial progress has been made on the New Stanford Hospital project over the past year. The steel superstructure for the Hospital is now in place; mechanical, electrical and plumbing rough-ins are underway; and preparation for the exterior building enclosure has begun. Meanwhile, at the adjacent New Stanford Hospital Garage, exterior façade installation is underway and a temporary Certificate of Occupancy has been issued to allow for contractor parking while construction continues.



2014-2015 SUMMARY OF PROGRESS

SCHOOL OF MEDICINE

The Stanford University School of Medicine will replace its outmoded research buildings with new state-of-the-art facilities designed to support contemporary translational research. The new facilities will accommodate 21st century medical advancements and enable the development of new medical innovations. The new buildings will feature integrated laboratory suites, with easier access between labs and support facilities, enabling transparency, flexibility, and collaboration. The new facilities will be surrounded by landscaped areas and tree-lined walkways.

The School of Medicine development is not yet underway. In the interim, part of the site that will ultimately be developed is currently in use as a temporary valet parking area for Hospital patients and visitors.

NET NEW SQUARE FOOTAGE

The following table summarizes the net new square footage for which a certificate of occupancy has been issued.

PROJECT COMPONENT	GROSS SQUARE FOOTAGE
NEW STANFORD HOSPITAL	
1101 Welch demolished	(40,100)
Total	(40,100)
LUCILE PACKARD CHILDREN'S HOSPITAL EXPANSION	
701 Welch demolished	(56,300)
703 Welch demolished	(23,500)
Total	(79,800)
SCHOOL OF MEDICINE	
None	0
HOOVER PAVILION	
Misc. shops and storage demolished	(13,831)
Total	(13,831)

COMPLIANCE WITH DEVELOPMENT AGREEMENT OBLIGATIONS

This section of the Annual Report summarizes the steps that SUMC has taken to comply with their obligations in Section 5 of the Development Agreement.

HEALTH CARE BENEFITS

SUMC provides certain intrinsic benefits to the community, as both a global leader in medical care and research, and as a community healthcare services provider. The Renewal Project enables SUMC to continue its important work, and the addition of more beds for adults and children will help to alleviate overcrowding. Additionally, the new hospital facilities will provide critical emergency preparedness and response resources for the community in the event of an earthquake, pandemic, or other major disaster.

Section 5(a)(ii). Fund for Healthcare Services

The Hospitals have designated the amount of \$3 million for Healthcare Services which will increase to \$5.6 million by December 31, 2025. No further action is required until 2026. This amount will be reconciled with the construction tax use payments as described in Development Agreement Section 5(b)(ii)(C).

Section 5(a)(iii). Fund for Community Health and Safety Programs

SUMC has contributed a single lump-sum payment of \$4 million to establish a Community Health and Safety Program Fund for the City of Palo Alto. This fund is to be distributed to selected community health programs that benefit residents of the City, including the Project Safety Net Program, a community-based mental health plan for youth well-being in Palo Alto. A joint committee is to be established to evaluate proposals regarding the other specific programs to receive funding, composed of two representatives selected by the SUMC Parties and two representatives selected by the City; this committee shall make annual recommendations to the City Council regarding proposed disbursements from the Community Health and Safety Program Fund, and the City Council shall use its reasonable discretion to decide whether to accept, reject, or modify the joint committee recommendations.

SUMC provided the entire required contribution to the Community Health and Safety Program Fund on August 25, 2011. No further action is required by the SUMC to comply with this Development Agreement provision. As required by Development Agreement Section 12(d), the City will provide yearly Supplements to the Annual Report to provide an accounting of the City's expenditures from this fund, and the purposes for which the expenditures were used.

COMPLIANCE WITH DEVELOPMENT AGREEMENT OBLIGATIONS

PALO ALTO FISCAL BENEFITS

The SUMC Renewal Project brings considerable fiscal benefits to the City of Palo Alto. The project is expected to generate at least \$8.1 million in sales and use tax revenues for the City, and multiple mechanisms have been put into place to ensure that this target is met. The Development Agreement also provides for further fiscal benefits to the City, including a payment by SUMC to fund the City's operating deficit, and the payment of utility user taxes and school fees.

Sections 5(b)(i) and 5(b)(ii). Payment of Sales and Use Taxes

As required by the Development Agreement, the SUMC submitted its annual Construction Sales and Use Tax monitoring report to the City on June 30, 2015. The SUMC parties will continue to submit such a report annually during the construction period for the Renewal Project so that the City can determine the share of construction use taxes that it has received as a result of the Renewal Project. Each year, within 60 days of receiving the monitoring report, the City will provide its determination of the amount of construction use taxes that it has received as a result of the Renewal Project during the preceding calendar year. In August 2026, the SUMC and the City will conduct a reconciliation process to confirm that the City has received at least \$8.1 million in construction use taxes as a result of the Project, as further described in Development Agreement Section 5(b)(ii).

To date, SUMC has taken the following steps to maximize the City's allocation of sales and use taxes associated with Project construction and operation. Documentation of each of these items is included in the 2014 construction use tax monitoring report already submitted.

- The SUMC Parties have obtained all permits and licenses necessary to maximize the City's allocation of construction use taxes derived from the project, including California Seller's Permits and Use Tax Direct Pay Permits. Copies of permits and licenses are attached to the 2014 monitoring report.
- SUMC has designated and required all contractors and subcontractors to designate the project site as the place of sale of all fixtures furnished or installed as part of the project.
- SUMC has designated and required all contractors and subcontractors to designate the project site as the place of use of all materials used in the construction of the project.
- SUMC has required all contractors and subcontractors to allocate the local sales and use taxes derived from their contracts directly to the city. SUMC has used best efforts to require contractors and subcontractors to complete and file any forms required by the State Board of Equalization to effect these designations.
- Both Hospitals have obtained use tax direct pay permits from the State of California for their existing facilities in order to increase the City tax allocation for the Hospitals' purchases. The Hospitals will maintain the use tax direct pay permit for the life of the project.
- Finally, SUMC has assisted the City in establishing and administering a Retail Sales and Use Tax Reporting District for the Renewal Project, to enable the City to track the generation, allocation, reporting and payment of sales and use taxes derived from the Project.

COMPLIANCE WITH DEVELOPMENT AGREEMENT OBLIGATIONS

Section 5(b)(iii). Funding of Operating Deficit

In order to assure that City costs associated with the Renewal Project do not exceed revenues to the City resulting from construction and operation of the project, SUMC has provided to the City a single lump sum payment in the amount of \$2,417,000. This payment was made on August 25, 2011. No further action is required by the SUMC to comply with this Development Agreement provision.

Section 5(b)(iv). Payment of Utility User Tax

SUMC will pay the City a utility user tax at a minimum rate of 5 percent of all electricity, gas, and water charges allocable to new construction completed as part of the project for the life of the project. This rate may be increased by the City as provided by Section 2.35.100(b) of the Municipal Code. The 5 percent utility user tax is currently being paid by SUMC.

Section 5(b)(v). School Fees

SUMC will pay to the City—who is then to forward to the Palo Alto Unified School District—school fees upon issuance of each building permit from the City or OSHPD, in the amount that is generally applicable to non-residential development at the time of payment based upon net new square footage, as defined in the Development Agreement.

School fees were paid in 2012 for LPCH and SHC in the amounts of \$188,815 and \$153,802, respectively. In July 2013, additional school fees were paid in the amount of \$7,051 to account for additional program square footage for the New Stanford Hospital and Garage. In May 2014, an additional payment of school fees in the amount of \$16,119 was made to account for the incremental square footage associated with the Hoover Medical Office Building, beyond the 60,000 square feet originally planned.



COMPLIANCE WITH DEVELOPMENT AGREEMENT OBLIGATIONS

TRAFFIC MITIGATION AND REDUCED VEHICLE TRIPS

SUMC has taken a number of steps to mitigate the potential traffic impacts projected at full project buildout. Already, SUMC provides a robust transportation demand management program, offering a variety of incentives for employees to forego driving alone to work. As the Renewal Project moves forward, SUMC will take the following actions outlined below.

Section 5(c)(ii). Menlo Park Traffic Mitigation

SUMC has agreed to contribute to the City of Menlo Park a total of \$3,699,000 for use in connection with traffic mitigation, infrastructure enhancements, and the promotion of sustainable neighborhoods and communities and affordable housing. This contribution is to be made in three equal payments; the first payment of \$1,233,000 was made on August 19, 2011. The second payment of \$1,233,000 was made on December 5, 2012, following the November 2012 issuance of the first Hospital foundation permit. The final payment will be made within 30 days from issuance of the first Hospital occupancy permit.

Section 5(c)(iii). East Palo Alto Voluntary Mitigation

SUMC has contributed a single lump sum payment of \$200,000 to East Palo Alto to be used for roadway and traffic signal improvements on University Avenue. This payment was made on August 19, 2011. No further action is required by the SUMC to comply with this Development Agreement provision. In the event that the SUMC does not meet alternative transportation mode goals specified in the Development Agreement by 2025 and is assessed a \$4 million payment under Development Agreement section 5(c)(ix) (B), the City will be required to remit \$150,000 of such payment to the City of East Palo Alto.

Section 5(c)(iv). Contributions to AC Transit

The Hospitals have committed to offering the following contributions to AC Transit within 30 days from issuance of the first Hospital occupancy permit:

- The Hospitals will contribute a one-time payment of \$250,000 to AC Transit to be used for capital improvements to the U-Line to increase capacity (Section 5(c)(iv)(A)).
- The Hospitals will offer to make annual payments to AC Transit in a reasonable amount, not to exceed \$50,000, to be used for operating costs of the U-Line to maintain a load factor for bus service to SUMC of less than 1 (Section 5(c)(iv)(B)).
- In order to encourage Hospital employees living in the East Bay to use public transit for their commute, the Hospitals have committed to using best efforts to lease 75 parking spaces at the Ardenwood Park and Ride lot, or an equivalent location, at a cost not to exceed \$45,000 per year (Section 5(c)(iv)(C)). No action is required at this time; however, as of May 2014, a 100-space park-and-ride facility on Kaiser Drive at Campus Drive in Fremont (0.9 mile from Ardenwood Park & Ride) has been under lease for the use of Stanford University and Hospital commuters.

These offers have not yet been made to AC Transit because the first Hospital occupancy permit has not yet been issued.

COMPLIANCE WITH DEVELOPMENT AGREEMENT OBLIGATIONS

Section 5(c)(v). Opticom Payments

Within 30 days from issuance of the first Hospital occupancy permit, the Hospitals will pay \$11,200 to the City of Palo Alto to be used for the installation of Opticom traffic control systems at the following seven intersections: El Camino Real/Palm Drive/University Avenue; El Camino Real/Page Mill Road; Middlefield Road/Lytton Road; Junipero Serra/Page Mill Road; Junipero Serra/Campus Drive West; Galvez/Arboretum; and the Alpine/280 Northbound ramp. This payment has yet not been made because the first Hospital occupancy permit has not yet been issued.

Section 5(c)(vi). Caltrain GO Passes

The Development Agreement requires that the hospitals purchase annual Caltrain GO Passes for all existing and new Hospital employees who work more than 20 hours per week at a cost of up to \$1.8 million per year, beginning on September 1, 2015. This obligation is to continue for a period of 51 years.

Hospital management accelerated the purchase of the annual GO Pass for Hospital employees, and began providing free GO Passes to employees commencing on January 1, 2012. Further details regarding the GO Pass purchase can be found in the SUMC Alternative Mode Share report, which was submitted to the City on May 29, 2015.

Section 5(c)(vii). Marguerite Shuttle Service

The Hospitals will fund the reasonable costs, in an approximate amount of \$2 million for the purchase of additional shuttle vehicles for the Marguerite shuttle service, as and when required to meet increased demand for shuttle service between the project sites and the Palo Alto Intermodal Transit Station. In addition, the Hospitals will fund as annual payments the reasonable costs, in an approximate amount of \$450,000 per year, to cover the net increase in operating costs for the Marguerite Shuttle. Demand for the Marguerite shuttle increased in 2012, and the Hospitals funded the purchase of two additional shuttles to meet this increased demand.

Section 5(c)(viii). Transportation Demand Management Coordinator

The Development Agreement requires that the Hospitals employ an onsite qualified Transportation Demand Management (TDM) Coordinator for SUMC, commencing on September 1, 2015, and continuing through the life of the Renewal Project.

Because the Hospitals accelerated the purchase of the Caltrain GO Pass, the Hospitals also accelerated the hiring of the TDM Coordinator. This position was filled in March 2012, and the TDM Coordinator has been working to raise awareness among SUMC commuters about alternative transportation options and commute incentive programs. This individual is also responsible for providing alternative commute planning assistance and responses to customer inquiries, writing and editing electronic and print communications, and coordinating and staffing outreach events, such as free transit pass distributions and employee fairs; and providing alternative transportation information at new employee orientations when requested.

COMPLIANCE WITH DEVELOPMENT AGREEMENT OBLIGATIONS

Section 5(c)(ix). Monitoring of TDM Programs

The Hospitals are required to submit annual monitoring reports showing the current number of employees employed over 20 hours per week; the number of employees using an alternative transportation mode as documented by a study or survey to be completed by the Hospitals using a method mutually agreeable to the City, and the efforts used by the Hospitals to attempt to achieve the Alternative Mode Targets identified in the Development Agreement. The Development Agreement specifies payments to be made in the event that such targets are not met during particular time periods. SUMC submitted its 2015 Alternative Mode Share Report to the City on May 29, 2015; this report shows an alternative mode split of 36.3% for the Hospitals. This mode split exceeds the Alternative Mode Share targets for 2018, 2021, and 2025.



COMPLIANCE WITH DEVELOPMENT AGREEMENT OBLIGATIONS

LINKAGES

To further encourage use of Caltrain, bus, and other transit services, and to enhance and encourage use of pedestrian and bicycle connections between SUMC and Palo Alto, SUMC has funded or will fund the following specific infrastructure improvements.

Section 5(d)(i). Intermodal Transit Fund

SUMC has provided to the City one lump sum payment of \$2.25 million for improvements to enhance the pedestrian and bicycle connection from the Palo Alto Intermodal Transit Center to the existing intersection of El Camino Real and Quarry Road. Up to \$2 million of this amount is to be used by the City for the development of an attractive, landscaped passive park/green space with a clearly marked and lighted pedestrian pathway, benches, and flower borders. SUMC paid the entire required amount for the Intermodal Transit Fund on August 25, 2011. No further action is required by the SUMC to comply with this Development Agreement provision. As required by Development Agreement Section 12(d), the City will provide yearly Supplements to the Annual Report to provide an accounting of the City's expenditures from this fund, and the purposes for which the expenditures were used. The City is required to construct the improvements prior to issuance of the first Hospital Occupancy Permit, currently anticipated to be issued in Summer 2017.

Section 5(d)(ii). Quarry Road Fund

SUMC has provided to the City one lump sum payment of \$400,000 for improvements to and within the public right-of-way to enhance the pedestrian and bicycle connection from the west side of El Camino Real to Welch Road along Quarry Road, including urban design elements and way finding, wider bicycle lanes, as necessary, on Quarry Road, enhanced transit nodes for bus and/or shuttle stops, and prominent bicycle facilities. SUMC paid the entire required amount for the Quarry Road Fund on August 25, 2011. No further action is required by the SUMC to comply with this Development Agreement provision. As required by Development Agreement Section 12(d), the City will provide yearly Supplements to the Annual Report to provide an accounting of the City's expenditures from this fund, and the purposes for which the expenditures were used. The City is required to construct the improvements prior to issuance of the first Hospital Occupancy Permit, currently anticipated to be issued in Summer 2017.

Section 5(d)(iii). Stanford Barn Connection

SUMC will construct up to \$700,000 of improvements to enhance the pedestrian connection between SUMC and the Stanford Shopping Center from Welch Road to Vineyard Lane, in the area adjacent to the Stanford Barn. The SUMC is required to construct these improvements prior to issuance of the first Hospital Occupancy permit, currently anticipated to be issued in Summer 2017. SUMC has developed a design for the pedestrian connection improvements, is incorporating preliminary City staff comments, and plans to submit to the City for minor architectural review in late 2015.

COMPLIANCE WITH DEVELOPMENT AGREEMENT OBLIGATIONS

INFRASTRUCTURE, SUSTAINABLE NEIGHBORHOODS AND COMMUNITIES, AND AFFORDABLE HOUSING

Section 5(e). Infrastructure, Sustainable Neighborhoods and Communities, and Affordable Housing

SUMC will contribute a total amount of \$23.2 million toward City of Palo Alto infrastructure, sustainable neighborhoods and communities, and affordable housing. The Development Agreement requires this amount to be contributed in three equal payments. The first payment, in the amount of \$7,733,333, was made on August 25, 2011; the second payment of \$7,733,333 was made on December 5, 2012, following the November 2012 issuance of the first Hospital foundation permit; and the final payment is to be made within 30 days from issuance of the first Hospital occupancy permit. As required by Development Agreement Section 12(d), the City will provide yearly Supplements to the Annual Report to provide an accounting of the City's expenditures from this fund, and the purposes for which the expenditures were used.

The City will use \$1,720,488 of these funds in the same manner as funds collected under the City's housing fee ordinance.

CLIMATE CHANGE

Section 5(f). Climate Change Fund

SUMC will contribute a total amount of \$12 million toward City projects and programs for a sustainable community, including programs identified in the City's Climate Action Plan, carbon credits, and investments in renewable energy and energy conservation. The Development Agreement requires this amount to be contributed in three equal payments. The first payment, in the amount of \$4 million, was made on August 25, 2011; the second payment of \$4 million was made on December 5, 2012, following the November 2012 issuance of the first Hospital foundation permit; and the final payment is to be made within 30 days from issuance of the first Hospital occupancy permit. As required by Development Agreement Section 12(d), the City will provide yearly Supplements to the Annual Report to provide an accounting of the City's expenditures from this fund, and the purposes for which the expenditures were used.

SATISFACTION OF CONDITIONS OF APPROVAL

SUMC will satisfy all Conditions of Approval by the dates and within the time periods required by the project approvals, and has taken several steps in order to ensure that this requirement is met (Section 5(h)). The Conditions of Approval encompass conditions imposed by the Architectural Review Board, mitigation measures enumerated in the Mitigation Monitoring and Reporting Program, and conditions attached to the Conditional Use Permit.

In order to implement, monitor, and report on the implementation of this diverse array of conditions, SUMC, with input from City planning staff, has created two Excel spreadsheet tracking and reporting tools. These spreadsheets serve as a centralized repository for compliance monitoring information and documentation, and are updated by the SUMC project teams on a regular basis, and reviewed by the City.

CONCLUSION

As the Renewal Project completes its fourth year, SUMC looks forward to continued engagement with the City of Palo Alto as the project continues to forge ahead.

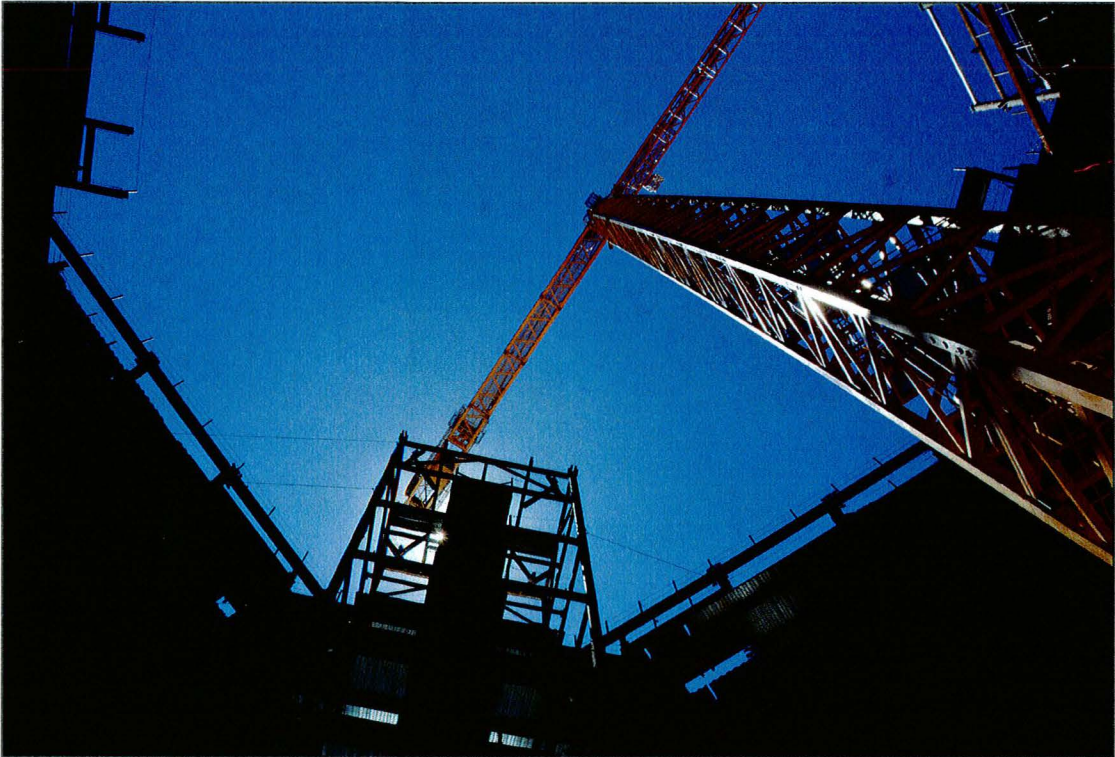




Table 1: Development Agreement, Section 5 - SUMC Parties' Promises **2014-15**

DA Section	Description	Summary	Activity	Complies?
Health Care Benefits				
5(a)(ii)	Fund for Healthcare Services	Financial assistance for Palo Alto residents	Establishment of \$3M SUMC fund	Yes
5(a)(iii)	Fund for Community Health and Safety Programs	\$4M fund for selected community health programs for Palo Alto residents	Payment of \$4M on 8/25/11 to establish City fund	Yes
Fiscal Benefits				
5(b)(i), (ii)	Payment of Sales and Use Taxes	Activities to maximize sales and use taxes paid to the City	General Fund sales and use tax revenues in calendar year 2013 resulting from construction related activities were approximately \$413,713 based on the 2014 City Auditor's review of the Construction Sales & Use Tax Monitoring Report submitted by SUMC on June 30, 2014.	Ongoing

Table 1: Development Agreement, Section 5 - SUMC Parties' Promises

2014-15

DA Section	Description	Summary	Activity	Complies?
5(b)(iii)	Funding of Operating Deficit	\$2.417M fund to address long-term deficits	Payment of \$2.417M on 8/25/11 to establish fund. (B11)	Yes
5(b)(iv)	Payment of Utility Users Tax	5% tax on all electricity, gas and water charges on new construction.	No new construction completed; tax is not applicable at this time.	NA
5(b)(v)	School Fees	Payment of PAUSD fees for net new square footage	\$342,617 fee paid for LPCH and NSH expansion in 2012. \$7,051 fee paid for NSH and NSH Garage expansion in July 2013. \$16,119 fee paid for Hoover Medical Office Building expansion in May 2014.	Yes

Table 1: Development Agreement, Section 5 - SUMC Parties' Promises

2014-15

Traffic Mitigation and Reduced Vehicle Trips				
DA Section	Description	Summary	Activity	Complies?
5(c)(ii)	Menlo Park Traffic Mitigation	\$3.7M payment for traffic mitigation, infrastructure, sustainable neighborhoods, affordable housing	First of three \$1.23M payments made on 8/19/11. Second payment of \$1.23M made on 12/5/12. Final Payment to be made within 30 days from issuance of the first Hospital Occupancy Permit.	Yes
5(c)(iii)	East Palo Alto Voluntary Mitigation	\$200K for Roadway and single improvements on University Ave.	\$200K payment made on August 19, 2011.	Yes
5(c)(iv)	Contributions to AC Transit	U-line capital improvements, low load factor ratios, parking spaces at Ardenwood Park & Ride	No activity. Payment to be made within 30 days from issuance of the first Hospital Occupancy Permit.	NA

Table 1: Development Agreement, Section 5 - SUMC Parties' Promises

2014-15

DA Section	Description	Summary	Activity	Complies?
5(c)(v)	Opticom Payments	\$11,200 payment for Opticom traffic control system at 7 intersections	No activity. Payment to be made within 30 days from issuance of the first Hospital Occupancy Permit.	NA
5(c)(vi)	CalTrain Go Passes	SUMC purchase of passes for all hospital employees working >20hrs/week	Go Passes have been purchased per DA. (January 1, 2012)	Yes
5(c)(vii)	Marguerite Shuttle Service	Purchase of additional shuttles to meet demand	Purchased additional shuttle buses for the Marguerite Shuttle service which now includes five renewable diesel-electric hybrid buses and three all-electric buses. Plans to add up to 20 additional all electric buses over the next two years.	Yes

Table 1: Development Agreement, Section 5 - SUMC Parties' Promises

2014-15

DA Section	Description	Summary	Activity	Complies?
5(c)(viii)	SUMC Transportation Demand Management (TDM) Coordinator	SUMC hires coordinator to promote alternative transportation options	TDM Coordinator has been hired. (March 2012)	Yes
5(c)(ix)	Monitoring of TDM Programs	Yearly report regarding alternative transit mode use	2015 Alternative Mode Share Report submitted on May 29, 2015 indicates 36.3% of SUMC employees using alt modes.	Yes
Linkages				
5(d)(i)	Intermodal Transit Fund	\$2.25M payment to improve pedestrian linkages to PA Intermodal Transit Center	Payment of \$2.25M on 8/25/11 to establish City fund. (C11)	Yes
5(d)(ii)	Quarry Road Fund	\$400K payment to improve pedestrian linkages along Quarry Road	Payment of \$400K on 8/25/11 to establish City fund. (D11)	Yes

Table 1: Development Agreement, Section 5 - SUMC Parties' Promises

2014-15

DA Section	Description	Summary	Activity	Complies?
5(d)(iii)	Stanford Barn Connection	SUMC budgets up to \$700K for pedestrian connections in the vicinity of barn	SUMC has developed a design for the pedestrian connection improvements, is incorporating preliminary City staff comments, and plans to submit to the City for minor architectural review in late 2015. SUMC is required to construct these improvements prior to issuance of the first Hospital Occupancy permit	NA
Infrastructure, Sustainable Neighborhoods and Communities, and Affordable Housing				
5(e)	Infrastructure, Sustainable Neighborhoods and Communities, and Affordable Housing Fund	\$23.2M payment for these uses	First of three \$7.3M payments made on 8/19/11. (E11) Second payment of \$7.3M made on 12/5/12. (E13) Final Payment to be made within 30 days from issuance of the first Hospital Occupancy Permit.	Yes

Table 1: Development Agreement, Section 5 - SUMC Parties' Promises

2014-15

Climate Change (F11, F13)				
DA Section	Description	Summary	Activity	Complies?
5(f)	Climate Change Fund	\$12M payment for climate change-related projects and programs	First of three \$4M payments made on 8/19/11. (F11) Second payment of \$4M made on 12/5/12. (F13) Final Payment to be made within 30 days from issuance of the first Hospital Occupancy Permit.	Yes



2014-15 Annual Report Supplement

Prepared by the City of Palo Alto

March 1, 2016

Background and Purpose

On June 6, 2011, the City Council approved Comprehensive Plan amendments, zoning changes, a conditional use permit, annexation and design applications for the Stanford University Medical Center Facilities Renewal and Replacement Project (the "Projects"). The Projects include the construction of a new Stanford Hospital and clinics buildings, an expansion of the Lucile Packard Children's Hospital, construction of new School of Medicine buildings, renovation of the existing Hoover Pavilion, construction of a new medical office building and parking garage at Hoover Pavilion, roadway improvements along Welch Road and Durand Way, and SUMC design guidelines. A Development Agreement (the "Agreement") vesting these approvals was entered into between the SUMC Parties and the City and was effective on June 6, 2011 and continues for thirty (30) years from the effective date. The Agreement requires an annual report, prepared by SUMC that outlines the activities of the preceding year and the efforts to fulfill the obligations of the Agreement.

Per the requirements of sections 12(a) and 12(c) of the Agreement, The City of Palo Alto is to prepare a supplement to the annual report that contains an accounting of the funds described in the Section 5 of the Agreement ("SUMC Parties' Promises") including the fund balances and expenditures and the purposes for which the expenditures were used.

This annual report supplement covers the period during the fourth year of the Agreement: June 6, 2015 through June 6, 2015. Accounting for the funds outlined in the attachment extends through the end of the City's Fiscal Year 2015, June 30, 2015.

Public Benefit Fund Accounting

Attachment A to this report contains a spreadsheet of the funds received and the use of those funds pursuant to the Agreement as of June 30, 2015. In summary, SUMC have paid approximately \$32.5 million in public benefit fees to the city. The first payment of \$20,800,333 on August 11, 2011 was for the following funds:

- Fund for Community Health and Safety, Project Safety Net (Section 5(a)(iii));
- Fund for SUMC Project Operating Deficit (Section 5(b)(iii));

- Fund for Pedestrian and Bicycle Connections from Intermodal Transit Center to El Camino Real/Quarry Road Intersection (Section 5(d)(i));
- Fund for Public Right of Way Improvements to Enhance Pedestrian and Bicycle Connections on Quarry Road (Section 5(d)(ii));
- Fund for Infrastructure, Sustainable Neighborhoods and Communities and Affordable Housing (Section 5(e)), and
- Fund for Sustainable Programs Benefit (Section 5(f)(i))

An additional \$11,733,333 payment was made on December 5, 2012 for the following funds:

- Fund for Infrastructure, Sustainable Neighborhoods and Communities and Affordable Housing (Section 5(e)), and
- Fund for Sustainable Programs Benefit (Section 5(f)(i))

The specific funding amounts as shown on the spreadsheet are consistent with Section 5 of the Agreement. These funds have been assigned a unique cost center number for accounting purposes. The spreadsheet also contains the investment earnings and the earnings allocation to the various cost centers.

Public Benefit Fund Expenditures

Expenditures during FY 15 through June 30, 2015, as shown on the spreadsheet, were made from the following funds:

Fund for Community Health and Safety, Project Safety Net: \$392,798.21 was utilized for the Project Safety Net program which is specifically identified in the Agreement as a community health program that would be an appropriate program for the use of this fund. Funds spent during the reporting period were mainly allocated to salaries/benefits for Project Safety Net staff and restriction efforts along the rail corridor, including track security, vegetation removal and the installation of higher fencing along the eastern side of the corridor.

Fund for Expansion Cost Mitigation and Climate Change & Sustainability: The FY2014 Annual Report Supplement indicated that \$1.2 million was committed for the implementation of the Bicycle & Pedestrian Transportation Plan under the “Expansion Cost Mitigation” cost center for City Capital Projects. Upon further review, the \$1.2 million committed should be under the “Climate Change & Sustainability” cost center. The necessary adjustments were made to rectify the accounting of the funds as shown on the attached spreadsheet.

No other expenditures were made during the reporting period from the other funds as part of the Agreement.

ATTACHMENT A
City of Palo Alto
Stanford Medical Center Development Agreement (Fund 260)
Jul 2014 - June 2015, Final Balances

	Expansion Cost Mitigation	Intermodal Transit	Quarry Road Improvements	Infrastructure & Afford Housing	Climate Change & Sustainability	Community Health & Safety	Total FY 2015 Actuals	FY 2015 Budget
cost centers	26000000	60260010	60260020	60260030	60260040	80260010		
Beginning Balance 07/01/14	1,402,434.35	2,048,283.44	435,721.64	14,419,214.33	8,447,373.28	4,030,455.70	30,783,482.75	
Revenues:								
Revenues From Stanford	-	-	-	-	-	-	-	-
Transfer from HIL-Residential	-						-	-
Interdepartment Service						-	-	-
Investment Earnings	566,862.00						566,862.00	646,200.00
Allocate to categories	(566,862.00)						(566,862.00)	
Allocated Investment Earnings	3,931.13	39,776.18	8,461.40	280,010.72	164,041.88	70,640.68	566,862.00	-
Total Revenues	3,931.13	39,776.18	8,461.40	280,010.72	164,041.88	70,640.68	566,862.00	646,200.00
Expenditures:								
Temp Salaries/Benefits						(25,806.43)	(25,806.43)	(29,395.70)
Contract Services						(356,910.01)	(356,910.01)	(392,373.12)
Other expenses						(10,081.77)	(10,081.77)	(15,000.00)
Transfer to Capital Projects	(1,200,000.00)						(1,200,000.00)	(1,200,000.00)
Total Expenditures	(1,200,000.00)	-	-	-	-	(392,798.21)	(1,592,798.21)	(1,636,768.82)
FY 2015 Revenues less Exp	(1,196,068.87)	39,776.18	8,461.40	280,010.72	164,041.88	(322,157.53)	(1,025,936.21)	(990,568.82)
Net total 6/30/2015, as previously reported	206,365.48	2,088,059.62	444,183.04	14,699,225.06	8,611,415.17	3,708,298.17	29,757,546.54	
Adjustments made in FY 2016								
Allocated Investment Earnings	77,603.48	(5.49)	(1.17)	(38.62)	(77,629.86)	71.65	-	
Operating Transfers in FY 2014	1,200,000.00				(1,200,000.00)		-	
Operating Transfers in FY 2015	1,200,000.00				(1,200,000.00)		-	
Adjusted Net total 6/30/2015, as restated	2,683,968.96	2,088,054.14	444,181.87	14,699,186.44	6,133,785.31	3,708,369.82	29,757,546.54	
Less: Unrealized Gain/Loss, 6/30/15	(16,055.53)	(12,490.76)	(2,657.10)	(87,930.71)	(36,692.38)	(22,183.51)	(178,010.00)	
Reserve for Encumbrances, 6/30/2015	-	-	-	-	-	(31,090.00)	(31,090.00)	
Interest Receivable, 6/30/15	(11,788.97)	(9,171.50)	(1,951.01)	(64,564.19)	(26,941.82)	(16,288.51)	(130,706.00)	
Net total available 6/30/2015, as restated	2,656,124.45	2,066,391.88	439,573.76	14,546,691.54	6,070,151.11	3,638,807.79	29,417,740.54	
Future Revenues from Stanford:								
Estimated January 2018-1st hospital occupancy permit				7,733,333.00	4,000,000.00			