



CITY OF  
**PALO  
ALTO**

June 1, 2024

Robert C. Reidy  
Vice President, Lands, Buildings, and Real Estate  
Stanford University  
Stanford, CA 94305

*RE: Letter of Intent for Mutual Cooperation between the City of Palo Alto and Stanford University to Collaborate on a new road, primarily for transit, connecting the Palo Alto Transit Center with El Camino Real; Extension of the Lease for the playing fields portion of El Camino Park; and Future Visioning of the Palo Alto Transit Center.*

Dear Mr. Reidy:

The Palo Alto Transit Center (PATC) is the mobility hub of Palo Alto and has the second highest Caltrain ridership on the corridor. SamTrans, Santa Clara Valley Transit Authority (VTA), AC Transit and Dumbarton Express all run buses to the PATC to complement Caltrain service and connect Palo Alto to San Mateo County, Santa Clara County, and the East Bay, respectively. Additionally, Stanford's Marguerite shuttle service and other private shuttles provide last-mile connections from the PATC to campus facilities for employees and visitors.

The City of Palo Alto and Stanford University are collaborating to create a new transit road that will connect the Palo Alto Transit Center with El Camino Real and make intersection improvements at El Camino Real and Quarry Road for improved pedestrian and bicycle connections to businesses and retail, in addition to Stanford University, Medical Center, and Shopping Center (altogether described as "the transitway"). This transitway will allow buses, shuttles, and other transit vehicles to directly access El Camino Real rather than circle back through University Avenue, creating more efficiency for transit riders and improving transit operations. Bus operators estimate saving approximately 5-8 minutes per trip. As a major step forward, the parties are working toward placing a measure on the November 2024 ballot to undedicate an underutilized portion of El Camino Park to allow the transitway to be constructed there.

The City and Stanford are working together as shared stakeholders. Stanford is the owner of the land at El Camino Park and the Transit Center. Stanford leases the land at El Camino Park to the City through June 2042, and the City has dedicated the area for park use. Stanford also leases the land at the Transit Center to the City through June 2033, which is currently occupied by VTA as a holdover from a previous sublease. Stanford's shuttles, in addition to public and private shuttles, use the Transit Center to connect public transit with numerous employer centers in Palo Alto.

Provided the electorate approves the November 2024 ballot measure, the City and Stanford intend to move forward with the transitway in tandem with consideration for the neighboring properties – El Camino Park and the Transit Center – as follows:

- 1. New transitway connecting the Palo Alto Transit Center and El Camino Real to increase efficiency for transit riders, and improve pedestrian and bicycle crossing of El Camino Real.**
  - I. Construction: The City will be responsible for the final design and construction of the transitway, including obtaining all the necessary permits, subject to Stanford funding contributions as outlined below.
  - II. Funding:
    - a. The funding for the total project budget, including all soft costs and costs to support the ballot measure, will come from a combination of sources.
    - b. The first funding source will be funds provided to the City under Section 5(d)(i) of the Stanford University Medical Center (SUMC) Development Agreement (approximately \$1.2 million).
    - c. The City, with assistance from Stanford, actively will pursue any available grant funding to help cover project costs.
    - d. Stanford will pay for the remaining cost not covered by the SUMC Development Agreement or grant funding, up to a maximum of \$4 million.
  - III. Post-construction maintenance, during the period of time that the transitway is ground leased to the City:
    - a. The City (and/or the City's sublessee) will be responsible for all future maintenance and landscaping for the project area.
    - b. Stanford will cover the cost for the maintenance work up to \$80,000 annually.
  - IV. As part of Stanford's overall project budget of up to \$4 million, Stanford will pay the costs associated with placing the item on the November 2024 ballot, up to \$86,000.
  - V. Rights in the transitway:
    - a. The precise terms and conditions of the transitway - its location, maintenance, relocation flexibility, etc. - will be documented through amendment of the existing ground lease of El Camino Park or by other document that ensures each party's

interests are documented and protected. Such agreement will generally be consistent with the existing fee structure, which allows the City to lease the premises for \$1/year through June 2042.

- b. All rights will be coterminous with the existing ground lease term ending in June 2042.

## **2. Ensuring the Playing Fields at El Camino Park Extend Beyond 2042**

In connection with the Quarry Road transitway project, subject to and prior to its completion, Stanford, as owner of the land under El Camino Park, will allow the existing playing fields at El Camino Park to continue through 2052 by extending that portion of the lease with the City (that portion to be defined and described in the El Camino Park lease amendment). Stanford will continue to charge the City \$1/year in the extended term from 2042 through 2052.

## **3. Long-Term Visioning of a Dynamic Palo Alto Transit Center**

The Palo Alto Transit Center (PATC), which includes 27 University, 400 Mitchell, the Transit Terminal and the Depot, serves as a significant multi-modal gateway for both the City of Palo Alto and Stanford University. The PATC provides an important midpoint connection between Downtown, the University, Stanford Shopping Center, Stanford Health Care, and Stanford Medicine Children's Health. Stanford and the City are committed to working in collaboration with transit partners on a long-term visioning process, including:

- Exploring future uses and dynamic public spaces that could be implemented
- Studying how the multi-modal transit hub can function better
- Engaging the community as part of the visioning process

While this letter is not a contract, it is intended to provide a solid foundation and scope for next steps. The City and Stanford are aware that this letter rests on specific assumptions about the costs, legal requirements, and future needs of El Camino Park and the Transit Center, and such assumptions may change over the duration of this project.

The City requests Stanford's countersignature to this letter to indicate its shared understanding of the terms above.

Sincerely,



Mayor, City of Palo Alto

City Manager, City of Palo Alto

Stanford University acknowledges and shares the City's understanding of the terms above.



Robert C. Reidy, Vice President of Lands, Buildings, and Real Estate  
Stanford University