



CITY OF
**PALO
ALTO**

City Council Staff Report

From: City Manager

Report Type: ACTION ITEMS

Lead Department: Public Works

Meeting Date: June 3, 2024

Report #:2404-2904

TITLE

Receive an Update and Affirm University Avenue Streetscape Improvements Project Vision, Design Direction, and Stakeholder Engagement Strategy; CEQA Status – Not a Project

RECOMMENDATION

Staff recommends that Council:

1. Affirm long-term vision, goals, and design themes for the University Avenue streetscape project, including feedback on the project's impact on street parking inventory, and the balance between project costs and scope; and
2. Provide feedback on the stakeholder engagement strategy for the University Avenue streetscape project

EXECUTIVE SUMMARY

Through this report, staff is seeking Council affirmation of the vision, goals, design themes and stakeholder engagement strategy for the University Avenue Streetscape Project, focusing on adaptations in response to the Council direction provided on December 18, 2023. This discussion with City Council is intended to assist staff in incorporating all goals in the University Avenue streetscape design while maintaining clarity and balance among goals that may conflict.

University Avenue is a regional and local public destination for shopping, dining, and entertainment. It serves as the focal point of Palo Alto's downtown and the main route to Stanford University, accommodating approximately 12,000 daily motorists. To facilitate people-centric activities and to create a more vibrant and inclusive space that will support residents and local businesses, Council directed staff in 2021 to study transforming the University Avenue streetscape.

Staff is seeking Council feedback on elements of the University Avenue Streetscape Project including vision, goals, design themes, as well as feedback on the project's impact on street parking inventory, the balance between project costs and scope, and the proposed stakeholder engagement strategy.

The proposed vision for the project is discussed later in the report and offered here as a key focus: “Celebrate the unique character of the ‘Birthplace of Silicon Valley’ by creating a vibrant, visually attractive streetscape with spaces and elements that enhance the visitor experience, provide safe access for pedestrians and bicyclists, and encourage shopping, dining and gathering.”

Based upon the discussion and direction at the December 18, 2023, Council meeting and prior community feedback, the majority of stakeholders seek a “vision” of the University Avenue streetscape to incorporate the unique character of the ‘Birthplace of Silicon Valley’ and create a destination for the community. To capture this vision and create a destination, the project team has synthesized feedback and met with the Retail Committee twice to date to articulate the intentions of the Streetscape project, which are summarized below:

- Showcase the unique character of University Avenue
- Explore opportunities to present public art and provide technology exhibits
- Create gathering spaces
- Maximize opportunities for outdoor dining

To address these areas, the project team has developed design themes that accommodate outdoor dining within parklets as well as on widened sidewalks. In addition, the design themes include expanded plaza areas at street intersections, which allow for public gathering, art, and exhibits. These elements would still maintain the existing two vehicle travel lanes and existing street trees and provide wide sidewalks for pedestrian use as well as outdoor dining and retail, but allow the sidewalk to ebb and flow, varying in width along the length of University Avenue. The amount of street parking maintained would vary depending on the number of parklets and gathering spaces incorporated into the streetscape.

Staff has highlighted four key areas of focus as Council discusses project goals that seek to balance the different/competing interests of stakeholders.

Staff has also developed a stakeholder engagement strategy discussed in this report and summarized in Attachment A to ensure robust participation from critical stakeholders in this project, most importantly how to incorporate the design themes into specific elements at precise locations and seeks Council feedback on the stakeholder engagement strategy.

It should be noted that staff has addressed Council direction regarding near-term solutions and an update on this work can be found in Attachment B.

BACKGROUND

University Avenue is a two-travel lane street that provides access from Highway 101 through the downtown area and continues to Stanford University. Covid-19 had significant economic implications on downtown environments throughout the country, including

University Avenue. To support local businesses and community, the City closed portions of University Avenue to vehicular traffic in spring 2020 through the “Uplift Local” program, enabling outdoor dining and enhancing retail experiences. The street was re-opened to vehicular traffic in fall 2021. On March 1, 2021, Council approved the University Avenue Streetscape Update PE-21004¹ project as part of the workplan for Community and Economic Recovery², allocating \$150,000 for this purpose.

The project goals defined by Council and the RFP were to: adapt the public realm to maximize pedestrian and bicycle use, and accentuate and enhance the retail environment, while maintaining vital two-way vehicular access, parking opportunities, delivery and loading zones, rideshare spaces, and other amenities including performance space along University Avenue between Alma Street and Middlefield Road.

On September 13, 2021, Council directed staff to proceed with the University Avenue Streetscape Design Request for Proposals³ (RFP) including stakeholder input, sales tax data analysis, and consultant recommendations based on the learning experiences from closing and re-opening of University Avenue to vehicular traffic. On February 28, 2022, Council approved a contract⁴ with CSW/Stuber-Stroeh Engineering (CSW) for design and construction administration services for the University Avenue Streetscape project.

On December 18, 2023⁵, Staff presented a streetscape feasibility report with three primary streetscape options and a preferred streetscape concept plan to Council based upon community and stakeholder input⁶ encapsulating outreach to that point and concept plans for the University Avenue Streetscape. Council did not approve any of the options and instead directed staff to come back to address the following areas:

- Draft additional alternatives that would include one option with the current parklet plan

¹ City Council, March 1, 2021; Agenda Item # 8; SR #11872
<https://www.cityofpaloalto.org/files/assets/public/v/1/agendas-minutes-reports/reports/city-manager-reports-cmrs/year-archive/2021/id-11872.pdf>

² City Council, January 19, 2021; Agenda Item # 4; SR #11877
<https://www.cityofpaloalto.org/files/assets/public/v/1/agendas-minutes-reports/reports/city-manager-reports-cmrs/year-archive/2021/id-11877.pdf>

³ City Council, September 13, 2021; Agenda Item # 8; SR #13540
<https://www.cityofpaloalto.org/files/assets/public/v/1/public-works/engineering-services/cip-contracts/sr-13540.pdf>

⁴ City Council, February 28, 2022; Agenda Item # 10; SR #13609
<https://www.cityofpaloalto.org/files/assets/public/v/1/public-works/engineering-services/cip-contracts/id.-13609-approval-of-university-ave-streetscape-design-contract.pdf>

⁵ City Council, December 18, 2023; Agenda Item # 21; SR #2310-2189
<https://www.cityofpaloalto.org/files/assets/public/v/1/public-works/engineering-services/cip-contracts/sr2310-2189-12.18.2023-pe-21004-confirm-concept-plan-for-university-avenue-streetscape.pdf>

⁶ University Avenue Streetscape Feasibility Report, December 2023.
<https://www.cityofpaloalto.org/files/assets/public/v/1/public-works/engineering-services/cip-contracts/2023-12-6-palo-alto-university-avenue-streetscape-feasibility-report-final.pdf>

and that sidewalks should be variable or outdoor dining space comparable to the current parklet plan.

- Consider moving bikes to Hamilton and Lytton and/or shrinking the travel lane.
- Alternatives should cover a range of costs.
- Direct staff to present options to the Retail Ad Hoc Committee and come back to Council with interim measures that we can do cheap and quickly that will show progress in that area.

Another key point of the Council's discussion was to establish a "vision" of the streetscape incorporating the unique character of Palo Alto and creating a destination for the community.

Each of the above items has been addressed between December and this report and is discussed in the analysis section of this report.

As requested, staff has investigated these items and presented on two occasions to the Retail Committee:

- At the March 20, 2024, Retail Committee meeting, staff presented the design direction as well as a stakeholder engagement strategy, and potential near-term improvements.
- At the April 17, 2024, Retail Committee meeting, staff presented additional details related to near-term improvements (noted in Attachment B).

The Retail Committee supported staff recommendations, so through this report and Council agenda item, staff is advancing to the full Council for discussion and further direction.

ANALYSIS

As noted above, staff received Council feedback on the goals and the Scope of Work components for the University Avenue Streetscape Improvement RFP. During the outreach process, staff refined the project goals based upon discussions with a stakeholder focus group consisting of property and business owners, residents, and a member of the Pedestrian and Bicycle Advisory Committee. Staff also received input from the community through a Community Workshop held in March 2023 and an online community survey conducted in April 2023. Staff engaged regularly with members of the business community on this topic throughout the project to date. Discussions of the streetscape project were included in the City's Comprehensive Economic Development Strategy, which recognized the need for reinvestment in University Avenue to reinvigorate economic activity.

Goals for the University Avenue Streetscape project have evolved since its inception; thus, it is important for staff to gain Council affirmation of the long-term vision for University Avenue prior to developing a revised alternative of the preferred design concept. A summary of the Project goals discussed over the past three years is provided later in this section.

The balance of this section will focus on the long-term vision and design themes including some of the inherent conflicts between some of the goals and responses to Council direction in December. The stakeholder engagement strategy follows later in this report in its own section.

Long-Term Vision

It is important to receive Council affirmation of the long-term vision for University Avenue that reflects the key goals. Staff is recommending the following for Council feedback:

Celebrate the unique character of the ‘Birthplace of Silicon Valley’ by creating a vibrant, visually attractive streetscape with spaces and elements that enhance the visitor experience, provide safe access for pedestrians and bicyclists, and encourage shopping, dining and gathering.

Project Goals

The project goals previously articulated throughout this process are listed below for affirmation by the City Council.

Goals	Council Direction
Maximize pedestrian and bicycle use	2021 Council direction; in 2023 Council reiterated maximizing pedestrian use but asked staff to consider moving bikes to Hamilton and Lytton; staff recommends minimizing bicycle use on University Avenue due to the width of the roadway and the other Council goals. Further discussion is included later in this report.
Maintain vital 2-way vehicular access	2021 Council direction. In 2023 Council asked staff to explore reducing the width but this is not recommended as described later in this report.
Maintain parking opportunities	2021 Council direction; in 2023 Council modified the goal so as to accomplish it while also achieving other goals; this is an area of disagreement where some stakeholders want to maintain all parking spaces while others want to maximize outdoor dining opportunities in parklets.
Maintain delivery and loading zones, rideshare spaces	2021 Council direction; no change since.
Include performance space between Alma and Middlefield Road	2021 Council direction; this continues to be Council direction, but Project boundary is now on University Avenue between High and Webster streets (9 blocks)
Showcase unique character of University Avenue	2023 Council direction; staff will be working with community partners to achieve this goal once Council approves the preferred concept.
Explore opportunities to present public art and provide technology exhibits.	2023 Council direction; staff will be working with the appropriate Boards, Commissions, and Committees on public art and technology exhibits once Council approves the preferred concept.
Create gathering spaces	2023 Council direction; the proposed design concepts incorporate potential gathering spaces at street intersections, but this will result in a loss of parking spaces.
Maximize opportunities for outdoor	2023 Council direction; the proposed design concepts incorporate

Goals	Council Direction
dining	outdoor dining on sidewalks, but this will result in a loss of parking spaces.
Explore cost-effective interim measures to show progress	2023 Council direction; staff recommendations have been presented to the Retail Committee.

Balancing various interests across Goals

Based on the goals listed above, the Project needs to develop a design that balances the different interests of stakeholders and resolves the inherent conflicts created by some of the goals. The specific areas that need to be addressed are described below.

- Balance the desire for outdoor dining and gathering spaces with the need to provide on-street parking for retail customers.
- Reduce congestion and enhance pedestrian and bicycle experience while maintaining vehicular access.
- Balance the desire for special events with minimizing negative financial impacts on businesses from temporary road closures.
- Balance the desire for wider sidewalks, gathering spaces, and enhanced streetscape with direction to explore lower cost alternatives.

In addition to the physical improvements noted above, staff will also need to address general community concerns regarding street and sidewalk cleanliness, crime, homelessness, and basic maintenance before larger-scale upgrades.

Responses to December Council Discussion

The following are the responses to the direction provided by Council at the December 18, 2023, meeting:

Draft additional alternatives that would include one option with the current parklet plan and that sidewalks should be variable or outdoor dining space comparable to the current parklet plan

The proposed design themes maximize outdoor dining as well as gathering spaces within the public realm by incorporating the following:

- Allowing parklets for outdoor dining and retail within existing on-street parking areas, consistent with the City’s ongoing parklet regulations. The development of pre-approved parklet designs bolsters the compatibility of streetscape and parklets.
- Widened sidewalks to allow for outdoor dining and retail, provided they maintain a clear width of 8 feet for pedestrians consistent with the City’s Municipal Code. The clear 8-foot width can be designed with a curvilinear alignment to accommodate outdoor dining and other amenities.
 - The 8-foot width is also supported by the National Association of City Transportation Officials (NACTO) recommendation of an 8-12 feet clear width for

pedestrians in a downtown or commercial area.

- Extended curbs at street intersections to accommodate gathering spaces, secured bicycle parking, and landscaping.
- Along University Avenue between intersections (mid-block), the project could widen the sidewalk into the parking stalls creating additional public gathering spaces.

In addition, the basic elements of the previously presented Option 3 at the December 2023 Council meeting including conversion of angled parking to parallel parking, 17.5 feet wide sidewalks, enhanced hardscape, street lighting, landscaping, furnishings, public art, and curb extensions at intersections would be incorporated.

On-Street Parking

An area of interest for Council and all stakeholders has been on-street parking, which could be impacted due to several reasons, including conversion of angled parking to parallel parking, the creation of gathering spaces through the extension of curbs, and the building of parklets for outdoor dining.

There are currently 193 parking spaces on University Avenue between High and Webster Streets. As discussed at the December 2023 Council meeting, the long-term streetscape improvements envision converting the angled on-street parking stalls to parallel parking, to allow for wider sidewalks and an enhanced pedestrian experience. This conversion would reduce the number of on-street parking stalls by 48, providing about 145 parking stalls between High and Webster Streets. While this reduces on-street parking and transfers it to local garages, the removal of 48 stalls would not have a significant impact on off-street parking occupancy. Based on pre-pandemic parking demand as provided in the December 2023 University Avenue Streetscape Feasibility Report, the off-street parking occupancy remains within the City's target parking garage occupancy goal of 80%, *i.e.*, 77% at 3 p.m. and 65% at 6 p.m. At 12 p.m. it is slightly higher at 84%.

The 2023 Public Right-of-Way Accessibility Guidelines (PROWAG) require at least five accessible parking stalls for a street with between 101 to 150 parking spaces. Each stall must be 24 feet long and 13 feet wide, which would reduce the width of the sidewalk from 17.5 feet to 14.5 feet at these locations. Additionally, these stalls would not be allowed to be used for parklets.

As discussed at the December Council meeting, the design concepts envision curb extensions, called bulb-outs, that expand the sidewalk into the street. Existing "T" intersections along University Avenue have approximately 350 square feet of usable area that could be programmed for various uses. The proposed design concepts incorporate additional gathering spaces. For example, the bulb-outs at the four-legged intersections along University Avenue are of varying sizes, ranging from just wide enough to accommodate pedestrian ramps to a maximum area of about 80 square feet of usable area that could be programmed for various uses. Each bulb-out could be widened by about 20 feet, but this would require the removal of one parking stall each. Additional mid-block bulb-outs could be incorporated along University

Avenue, with each bulb-out resulting in the loss of one parking space. Should the project seek to create an expanded public gathering space along University Avenue at an existing park area such as Lytton Plaza, it would consume four parking stalls.

Of the existing 193 street parking spaces, temporary parklets are currently using 18 parking spaces. As the City transitions to the ongoing parklet program, it is unknown whether the number of parking spaces used by parklets will increase, decrease, or stay the same.

Since conversion of angled parking to parallel parking is essential to an enhanced pedestrian experience it is assumed that as part of this Project, the number of on-street parking spaces will be reduced from the existing 193 parking spaces to 145 parking spaces, with 5 of those spaces required to be accessible.

If the Project removed an additional 70 stalls from University Avenue, providing about 75 on-street parking spaces, parking occupancy overall in the City’s garages would be 87%, 79%, and 69% at 12 p.m., 3 p.m., and 6 p.m. respectively. This assumes that parking occupancy in the Downtown parking areas remains consistent with pre-pandemic conditions, and no off-street (garage and City parking lots) parking stalls are removed. For reference, the following table summarizes parking occupancy in the Downtown Garages in 2017 as well as in April and October of 2023.

% Occupancy	Downtown Parking Garages		
	12:00 PM	3:00 PM	6:00 PM
Weekend 2017	35%	42%	42%
Weekday 2017	83%	75%	64%
April 2023 (weekday)	47%	40%	37%
October 2023 (weekday)	53%	45%	33%

A comprehensive parking study will be conducted prior to the funding assessment analysis, to better inform Council decision making. However, at this time, staff is seeking Council affirmation that the above design themes should be balanced and incorporated into the preferred concept plan. Staff recommends preserving on-street parking sufficient to maintain a level of retail functionality. This could limit the future number of parklets allowed on University Avenue but would still allow outdoor dining and retail on the wider sidewalks and gathering spaces at bulb-outs and plazas.

Consider moving bikes to Hamilton and Lytton and or shrinking the travel lane

Staff agrees that there are other parallel routes such as Hamilton and Lytton, which may be a better fit for bicyclists. Staff does not recommend prohibiting bicycle use of University Avenue, which would continue to function as a Class III bicycle route in which bicyclists share the road

with vehicles. Instead, staff would encourage the use of Lytton and Hamilton as the preferred bike routes, with Class II bicycle routes through signage and education campaigns. Staff will provide additional recommendations in coordination with the City's ongoing Bicycle and Pedestrian Transportation Plan Update.

Staff is recommending maintaining the 13-foot width of the current travel lanes for a total travel lane width of 26 feet. According to the Fire Code and the City's Ordinance Number 5563, the clear street width must be a minimum of 20 feet, exclusive of shoulders. In addition, the 2022 California Fire Code requires that for buildings more than 30 feet tall, there must be a fire apparatus access road that has a minimum unobstructed width of 26 feet. Decreasing the width of the street to less than 26 feet wide would significantly impact the nature of future development along University Avenue and is thus not recommended.

Alternatives should cover a range of costs

As noted at the December 2023 Council meeting, the total construction and soft cost for Option 3 in 2030 dollars was estimated to be \$40 million for streetscape improvements along University Avenue, between High and Webster Streets. With the proposed design themes incorporated, this cost could increase to about \$45 million depending upon the level of features added to the streetscape.

The Project, as currently envisioned, includes nine blocks on University Avenue. Improvements include utility and curb re-locations, widened sidewalks, decorative paving (including street parking and crosswalks), street furniture and amenities, a corner plaza and/or corner bulb-outs, enhanced landscaping, decorative lighting, and signage. About 80% of the estimated costs are attributed to utility and curb re-locations. Thus, it is not possible to develop lower cost alternatives without significantly modifying Project goals and scope.

One option to lower upfront costs, without modifying Project goals would be for the City to consider a phased approach to constructing the University Avenue streetscape improvements. Estimated costs per block, including final design, assessment district formation/underwriting, construction engineering, and construction costs would be about \$5 million in 2030 dollars, including a 20% contingency. It is important to note that deferring improvements will result in a higher total construction cost for the Project due to cost escalation, which can vary from 3-5% per year or higher. In addition, constructing in a series of phases will cause the overall Project cost to increase due to loss of economies of scale. Phasing the project may also undercut the investment in the streetscape because of block-by-block sequencing rather than all occurring as a "critical mass" of upgrades that can generate interest. The phasing would also result in a much longer duration of construction which could further undermine the improvements impact on economic vitality.

Another way to reduce costs would be to significantly reduce the scope of improvements and retain the current alignment, which would not change the parking configuration and would maintain the location of the existing curbs and utilities. The improvements could include

enhanced landscaping, decorative paving, updating the existing bulb-outs, and street furnishings. These improvements would cost about \$800,000 to \$1.5 million per block in 2030 dollars. These improvements would help refurbish the streetscape, but fall short of the reinvestment recommended in the Comprehensive Economic Development Strategy to ensure that University Avenue remains a ‘best in class’ commercial district.

The City has not yet established a funding source for streetscape improvements. As discussed in the December Council meeting, the project could be funded by an assessment district, development impact fees, an enhanced infrastructure financing district, grants, or some combination of these sources. Should an assessment district be the preferred financing method, limiting the area of construction will increase costs to the participants.

As discussed above, staff seeks affirmation from the City Council on the long-term vision and goals of this project. The information regarding staff work following Council’s December Direction has been included for reference and context. Staff also seeks feedback on the stakeholder engagement strategy discussed later in this report.

FISCAL/RESOURCE IMPACT

In 2021, Council approved funding for Phase 1 services of the consultant scope of work to develop a preferred concept plan line for the streetscape. Funding will be available in the University Avenue Streetscape Update project (PE-21004) pending approval of the Fiscal Year 2025 Capital Budget on June 17, 2024, for future phases of the project. Staff will return to Council in fall 2024 with a preferred concept plan and a contract amendment with CSW for Council’s authorization of future phases of the scope of services.

STAKEHOLDER ENGAGEMENT

University Avenue and the downtown district are of interest not only to the downtown community but to the Palo Alto community at large. Given the importance of the near-term and long-term improvements, staff is seeking feedback from the City Council on the robust stakeholder engagement strategy discussed here and in Attachment A. The strategy includes a stakeholder working group, ongoing communications with the downtown and Palo Alto community at large, engaging relevant Commissions at specific milestones, and presenting to the Retail Committee and the City Council at key milestones. In addition to the working group meetings, staff will provide updates on this important topic to the business community through the monthly Business Connect newsletter, monthly meetings with downtown stakeholders, and regular check-ins with local storefronts.

Stakeholder working group

The stakeholder working group would be comprised of approximately 15 individuals, representing various interest areas, including property owners, businesses, community partners, and residents, with an interest and knowledge of the operations of University Avenue. This working group would provide input on both the long-term and near-term

improvements for University Avenue, while not voting nor making collective recommendations. The meetings of the working group would be open to the public to ensure that the community remains aware of the discussions. To move quickly, staff anticipates that Council will discuss the interest areas to be represented and then staff will conduct outreach to solicit volunteers that represent the desired interests, select representatives, and convene the working group. A key function of the working group will be helping to identify specific design elements and their precise locations along University Avenue.

Palo Alto Community

Staff will be leveraging various City communication channels such as an e-newsletter, printed newsletter, utility inserts, social media, community events, and Open Townhall surveys to provide timely updates and seek input at relevant milestones.

Boards, Commissions, and Committees (BCCs)

After the Council has approved the preliminary design, staff will be seeking feedback on specific topics from five BCCs: Architectural Review Board, Historic Review Board, Planning and Transportation Commission, Public Art Commission, and Pedestrian and Bicycle Advisory Commission.

NEXT STEPS

Based on Council direction, staff and consultants will commence the stakeholder engagement strategy and prepare a preferred concept design, which will be brought forward for consideration by the Retail Committee in August and then by Council in September. The approved design will be used to prepare a feasibility analysis for an assessment district and to conduct an environmental analysis.

The consultant work is envisioned to be completed in four Phases. Phase 1, which is currently underway, includes site analysis and field survey work; preliminary environmental studies including a traffic study and arborist report; and stakeholder engagement, preferred concept, cost estimates, and a funding assessment analysis.

Upon Council direction to proceed with the preferred streetscape plan in fall, the existing contract will need to be amended to proceed with future phases. Future phases and tentative timeline include Phase 2 services including Preliminary Design and Environmental Assessment (fall 2024 through spring 2026). Concurrently with Phase 2 services, the City would need to retain a municipal bond counsel for the assessment district planning and election; Phase 3: Final Design, Construction Documents, and Bid Support (spring 2026 through spring 2027); and Phase 4: Construction Administration Services (spring 2027 through spring 2029 for an estimated 2-year construction duration).

ENVIRONMENTAL REVIEW

CSW completed a preliminary environmental assessment including traffic study and arborist reports under the Phase 1 scope of services. Upon Council identification and confirmation of

the preferred concept plan, CSW will begin an environmental assessment for evaluation under CEQA as part of the future phase of the project and will complete the analysis before project approval.

The action being considered does not constitute a project pursuant to California Environmental Quality Act (CEQA) Guidelines section 15378(a) in that the feedback does not specifically approve any action which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Council's feedback will inform a proposed project, which will be formally evaluated in accordance with CEQA.

ATTACHMENTS

Attachment A: Stakeholder Engagement Strategy

Attachment B: Interim Measures and Improvements

APPROVED BY:

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