



City Council Staff Report

From: City Manager

Report Type: ACTION ITEMS

Lead Department: Public Works

Meeting Date: December 18, 2023

Report #:2310-2189

TITLE

Discussion and Confirmation of the Preferred Alternative Concept Plan Line for the University Avenue Streetscape Improvements Project (PE-21004) and Authorization for the City Manager to Develop and Refine the Scope of Work for Future Phases through a Contract Amendment

RECOMMENDATION

Staff recommends that the Council:

1. Discuss and confirm the preferred alternative concept plan for the University Avenue Streetscape Update Project (PE-21004); and
2. Direct the City Manager to negotiate and prepare a scope of work for future phases through a contract amendment with CSW/Stuber-Stroeh Engineering.

EXECUTIVE SUMMARY

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. Covid-19 had significant economic implications on downtown environments throughout the country, including University Avenue. To support local businesses and community, the City temporarily closed University Avenue to vehicular traffic in spring 2020 and re-opened the street in fall 2021. To facilitate people-centric activities and to create a more vibrant and inclusive space that will support residents and local businesses, Council directed staff to study transforming the University Avenue streetscape by repurposing streets, sidewalks, curbs, and parking areas, and to explore options to revitalize the street.

The project team completed a feasibility report encapsulating the outcomes of stakeholder and community engagement regarding potential modifications to the public right of way along University Avenue. The focus of the study is to strike a balance between different transportation modes while creating opportunities to enhance economic vibrancy for the community, including increasing economic activity for private retailers and businesses.

In an ideal world, an urban area streetscape would require a right-of-way about 94 feet wide to accommodate pedestrians, bicyclists, transit users, motorists, patron parking, delivery vehicles,

and outdoor dining. However, University Avenue's right-of-way is only 75 feet wide which requires trade-offs for use of limited right-of-way. The preferred option outlined in this report widens sidewalks while maintaining two-way vehicle traffic along the corridor and preserving some on-street parking by shifting from angled to parallel parking. The expanded sidewalks provide designated spaces for outdoor dining and merchandise racks along storefronts, while parklets would be eliminated to enhance circulation. The envisioned streetscape seeks to preserve existing trees while introducing new landscaping, street lighting, amenities, and sidewalk plazas, all aimed at enriching the pedestrian experience.

The City has not allocated funding for the proposed streetscape project. The estimated cost for project implementation in 2030 is approximately \$40 million. Per Council direction and financing methods presented in the feasibility study, the project would likely be funded through an assessment district or similar mechanism paid by the property owners fronting the improvements area. Such an assessment district would need to be voted upon and approved by a supermajority of affected property owners. Alternative funding mechanisms may also be explored as the plan develops.

BACKGROUND

University Avenue is a two-travel lane street that provides access from Highway 101 through the downtown area and continues to Stanford University. Due to COVID-19 pandemic impacts and 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 reopened 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 of funding for this purpose. 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. The project goals defined by Council and the RFP are 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.

¹ City Council, March 1, 2021; Agenda Item # 8; SR #11872

<https://portal.laserfiche.com/Portal/DocView.aspx?id=68403&repo=r-704298fc>

² City Council, January 19, 2021; Agenda Item # 4; SR #11877

<https://portal.laserfiche.com/Portal/DocView.aspx?id=68402&repo=r-704298fc>

³ City Council, September 13, 2021; Agenda Item # 8; SR #13540

<https://portal.laserfiche.com/Portal/DocView.aspx?id=68396&repo=r-704298fc>

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. This project uses a phased approach with Phase 1 focusing on site analysis and field survey work; preliminary environmental studies including a traffic study and arborist report; and public meetings to develop a community preferred plan line concept, cost estimates, and an assessment analysis to allocate the costs to businesses and property owners benefitting from the improved streetscape space. This report presents findings of the Phase 1 services including the engagement process, alternatives analysis, and a preferred streetscape concept plan, and seeks Council direction to proceed with next steps on the preferred concept plan. Future project phases include Phase 2: Preliminary Design and Environmental Assessment; Phase 3: Final Design, Construction Documents, and Bid Support; and Phase 4: Construction Administration Services. Upon Council direction to proceed, the contract would be amended to include Phase 2 services.

ANALYSIS

In collaboration with residents, businesses, property owners, and other stakeholders, the project team developed a preferred streetscape concept plan to revitalize University Avenue with improvements focusing on the public right of way between High and Webster Streets. . Key findings and process for development of the preferred streetscape concept are detailed in the University Avenue Streetscape Feasibility Report⁵. Attachment A provides an excerpt from the Feasibility Report.

Existing Conditions and Constraints

University Avenue is a two-travel lane street with alternate angle and parallel street parking along the corridor. The public right of way is approximately 75 feet wide, with approximately 12.5 feet +/- wide sidewalks. Within the study area, there are mainly London Plane trees on both sides of the street, and most of the trees are in good health. An arborist report is included with the Feasibility Report. The roadway pavement is generally in good condition, but sidewalk and concrete crosswalks could be improved.

Based on the City's sales tax data, the downtown area generated about \$3.6 million in tax revenue in 2019, which dropped by approximately 48% to about \$1.9 million in 2020 during the first year of the Covid-19 pandemic. By the end of 2022, sales tax revenue increased to \$3.3 million but remained below pre-COVID levels. Within the downtown area, restaurants generate the majority of sales tax receipts. The Feasibility Report summarizes commercial uses and vacancies along University Avenue between High and Webster Streets.

⁴ City Council, February 28, 2022; Agenda Item # 10; SR #13609
<https://portal.laserfiche.com/Portal/DocView.aspx?id=68395&repo=r-704298fc>

⁵ 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

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. This requirement does not necessarily need to be on the primary street, but can be accomplished using alleys and side streets.

University Avenue's Average Daily Traffic (ADT) is about 12,000 vehicles per day according to 2016 traffic count data. Both AC Transit and SamTrans use University Avenue to access the downtown train station. Between High and Webster Streets, there are about 193 on-street parking stalls. Within the off-street parking garages and lots in the downtown area, there are about 3,200 parking stalls available.

Outreach process and findings

In order to understand community needs and to develop concept alternatives, the project team collaborated with stakeholders including business owners, retailers, residents, and staff from various City departments. In addition, staff conducted a community workshop and an online community survey in spring 2023. The engagement effort is further described in the Stakeholder Engagement section of this report. The findings of the study were also coordinated with other City projects and plans including Palo Alto Economic Development Strategies, 2023 and Parklet Program Guidelines, 2023. The process and detailed results from the community engagement process are included in the Feasibility Report. Key input received from the community included the following priorities and values:

- Enhance economic activity
- Pedestrian oriented and people focused
- Bike friendly
- Fun, lively and vibrant
- Social and community oriented
- Clean and safe
- Nature focused and sustainable
- Simple and visually attractive
- Filled with a diverse array of thriving retail and dining options
- Preserve on street parking
- Seek strategies for major events at Civic Center Plaza

More than 700 participants responded to the community on-line survey. In the survey, the participants listed their top three concerns, desired improvements, and characteristics for University Avenue as follows:

- Top 3 Concerns: Business vacancies, decrease in retail operations, not enough social gathering areas
- Top 3 Improvements: Outdoor dining, expanded sidewalks and enhanced pedestrian pathways, social gathering areas and seating

- Top 3 Characteristics: Thriving business and retail, safety, bike friendly

Streetscape Options and Preferred Concept Plan

With feedback received from the community and in coordination with the project goals and an assessment of site conditions and constraints, the project team evaluated three primary streetscape options. The following key aspects are common to all streetscape options:

- Street would remain open to two-way vehicular traffic; however, the streetscape design would provide flexibility to close the segment between Ramona and Cowper Streets for special events.
- All sidewalks would be replaced with concrete, pavers, and related surfacing.
- New pedestrian-scale lighting would be installed along the corridor.
- At each intersection, the sidewalks would be widened into parking lanes to narrow the crosswalk. These “bulb-outs” can feature planting, seating, and other elements.

Option 1: Protected Bicycle Facility

This option establishes a Class IV bike lane along the corridor as well as travel lanes in each direction with a buffer zone separating bicycle and vehicular traffic. The loading zone and/or parallel parking would be provided along the corridor. This option reduces the sidewalk widths to less than 10 feet and would potentially require removal of the existing street trees along the corridor, which is not supported by the stakeholders and the community. Sidewalks narrower than the existing would not be an improvement in the streetscape and are not consistent with the project goals and community input. Removing on-street parking would allow for approximately 18 feet wide sidewalks, but elimination of all on-street parking is not favored by the business community along the corridor. Keeping on-site parking in this configuration would not meet the fire access clearance of 26 feet. The implementation cost (excludes municipal bond and assessment district) for this option is estimated to be approximately \$35 million, but it is not preferred for the reasons cited above.

Option 2: Pedestrian Paseo

This option removes all on-street parking and loading zones and widens the sidewalks to as much as 20.5 feet while maintaining travel lanes in each direction and Class II bicycle lanes. While this option removes on street parking, it could add parking and/or loading zones strategically along the corridor, reducing the sidewalk width to 11.5 feet in those areas. This option creates a generous sidewalk width, which can accommodate outdoor dining, retail racks, furnishings, and street performances. However, the removal of all on street parking may cause an increase in vehicle speeds along the corridor as drivers perceive less “friction”. This option was not supported by the property owners along University Avenue because of the elimination of on-street parking. The implementation cost (excludes municipal bond and assessment district) for this option is estimated to be approximately \$43 million.

Option 3: Activation Flex (Preferred alternative)

In order to balance interests and needs of all downtown users and given the site constraints, this option offers the following improvements within the public right of way along University Avenue between High and Webster Streets:

- The street would maintain a travel lane in each direction with an overall width of 26 feet between curbs, meeting Municipal Code Section 15.04.210 and California Fire Code for buildings taller than 30 feet if they cannot be accessed from side streets and alleys. Given the low travel speeds on University Avenue, a 26 feet roadway would allow for bicyclists to share the road with vehicles.
- All angle on-street parking stalls would be converted to parallel parking, which would preserve approximately 75% of current on-street parking. This option removes 48 of the existing 193 stalls providing 145 parking spaces between High and Webster Streets. Currently, 18 parking spaces are occupied by parklets on University Avenue between High and Webster Streets. An assessment of the off-street garages and lots parking data counts both pre-pandemic and in fall and spring 2023 indicates that removal of 48 on-street parking would have negligible impact on the off-street parking occupancy. The parallel parking stalls would be 7 feet wide and 20 feet long. Typically, the parking stalls are 8 feet wide but with the adjacent 13 feet travel lanes, a 7 feet wide parking zone would be appropriate. The existing on-street parking stalls on University Avenue are approximately 7 feet wide.
- In compliance with the ADA Accessibility Standards for the public right of way, the project would provide a total of five accessible parking spaces including one designated for vans within the project area.
- Loading/commercial delivery zones would be moved to the side streets.
- Sidewalks would be expanded to 17.5 feet in width, creating three primary zones to use the expanded space. It is important to note that the streetscape would likely not be uniform along the corridor. Depending on the usage, small variances in the dimensions of each of these zones may be warranted and this would be refined in the detailed design.
 - Commerce zone: Retailers and restaurants along the corridor could use this zone adjacent to their businesses to set up outside dining or racks for merchandise. This zone would be about 6.5 feet wide. This option eliminates parklets on University Avenue and provides an equitable distribution of outdoor space and on street parking for businesses along the corridor. During the engagement process, staff noted strong opposition to the elimination of parklets by a current parklet operator, but this option gained the most support otherwise.
 - Pedestrian zone: Maintains 8 feet clear pedestrian walkway zone on sidewalk in accordance with the Municipal Code section 12.12.020 and to allow for two people to walk side by side.
 - Amenities zone: This zone would provide streetlights, waste receptacles, seating, and other amenities. It is proposed to be no less than 3.0 feet in width including the curb.
- Existing street trees would be preserved, with the streetscape designed flexibly around existing trees.

- At each intersection the sidewalks would be widened into the parking lanes, providing approximately 24.5 feet wide “bulb-out” zones that can feature planting, seating, and other elements.

Given the site constraints of limited right of way width, this option optimizes benefits and opportunities for businesses and residents compared to Options 1 and 2.

Cost Estimate

Capital cost:

The total construction and soft costs for Option 3 in 2030 dollars are estimated to be \$40 million with the following assumptions:

- The street improvements are along University Avenue between Webster and High Streets in the public right of way.
- The project constructs new sidewalks and asphalt pavement.
- Hardscape includes a range of decorative treatments as well as landscaping.
- The project provides new pedestrian scale street lighting as well as traffic signals to support both bicycle and pedestrian detection.
- Within bulb-out areas, the project includes storm water quality and green infrastructure elements.
- The estimated cost includes construction as well as planning, design, and construction management fees and a 20% contingency.
- The cost escalation rate included in the estimate is about 3.5% per year.
- The estimate does not include costs for establishing a public financing mechanism.

Operations and maintenance cost:

A higher level of maintenance would be required for the improved streetscape to support the business environment. The additional cost for the City to provide this enhanced maintenance in 2023 dollars is about \$400,000. This includes, but is not limited to:

- Weekly power washing
- Trash removal six times a week
- Preservation of street trees
- Maintenance of accent lighting
- Maintenance of landscaping and irrigation

In addition, the existing or reorganized business improvement district could hold events along the corridor, which could include outdoor movies, plays, and concerts either within University Avenue or in Lytton Plaza. The enhanced special maintenance for programming events along the streetscape is estimated to have an annual budget in 2023 dollars of about \$250,000.

Funding Assessment

The City has not yet established a funding source for streetscape improvements. The feasibility report provides options for public financing mechanisms including an assessment district, development impact fees, an enhanced infrastructure financing district, and grants.

The property owners along University Avenue have expressed an interest in funding the streetscape by forming an assessment district. Should Council approve the preferred concept plan, the City could create a new assessment district for the streetscape. The properties included in the district would likely be those fronting the streetscape. Based on the available information, there are about 79 parcels fronting University Avenue between Webster and High Streets, including three parcels owned by the City, which are Lytton Plaza, 250 University Avenue garage, and the paseo connecting Webster/Cowper garage to University Avenue. The apportionment of the cost of an assessment district can be based upon front footage, parcel, gross building floor area, or property value. The City's parcels within the district would need to pay their share into the district as required by Proposition 218. Further review of the parcels along University Avenue and apportionment of costs would be developed in future phases of the project.

In accordance with Proposition 218, the entire improvement costs cannot be borne solely by the district. Only special benefits can be included, and general benefits must be paid by others, which would typically be the City. The division of special and general benefits is typically defined during development of the Engineer's Report for the Assessment District. The general benefit value typically ranges from 3% to 10% of the overall value.

In the assessment district model, properties are aggregated into a district and are assessed fees to support the improvements. This process typically requires approval of 2/3 of the property owners within the district, however, the voting threshold may differ depending on the type of assessment district proposed. The City would complete the improvements financed through public bonds, which would be backed by the assessment district. Typically, an assessment district has a term of 20 years and property owners pay annually through their property taxes.

Creation of the assessment district would require coordination with firms specializing in bonds and underwriting as well as the City's Municipal Advisor to issue the debt obligation. These firms typically work on an hourly basis to form the district and charge a fee based on the proceeds of the bond sale. If the cost to implement the project is \$40 million and an additional 10% is assumed to create the assessment district, the City should budget about \$44 million for the project. A portion of this cost would need to be financed by the City.

Next Steps

Upon Council direction on the preferred streetscape plan, the project's planning and design can be refined, which includes the following steps:

- Coordinate the University Avenue improvements with the City's Bicycle and Pedestrian Transportation Plan, Car Free Streets study along Ramona Street, Parklet Guidelines, and Economic Development Strategy.
- Coordinate with the Office of Transportation's parking regulations along University Avenue. This includes coordinating to develop a parking wayfinding signage program including a digital guidance system.
- Continue to monitor on and off-street parking in the downtown area to confirm parking demand.

- Develop a refined streetscape plan illustrating street features as well as landscape and hardscape treatments consistent with Council's direction.
- Continue coordinating with community members and stakeholders in developing the University Avenue Streetscape.
- Conduct reviews with the Planning and Transportation Commission, Architectural Review Board, and Palo Alto Pedestrian and Bicycle Advisory Committee.
- Complete an environmental document consistent with the requirements of the California Environmental Quality Act.
- Refine the construction budget for the project.
- Retain municipal bond counsel and a municipal advisor to define the cost of debt.
- Conduct a straw poll to determine the feasibility of funding the project through an assessment district.
- Proceed with detailed design upon bonds sale.

FISCAL/RESOURCE IMPACT

Council approved funding for Phase 1 services of the scope of work to develop a preferred concept plan line for the streetscape. No funding is programmed in CIP PE-21004 for future phases of the project. Pending Council confirmation of the preferred concept plan, staff will negotiate a contract amendment with CSW and return to Council for funding and authorization of future phases of the scope of services through the contract amendment. CSW provided a total estimated cost of \$870,000 for work in phases 2 through 4 as outlined in the RFP (Number 182372) issued on September 1, 2021; however, the scope and estimate for future phases of work will be refined based on the preferred design option in Phase 1.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement for the project included both internal and external outreach. The proposed streetscape concepts were reviewed with a Technical Advisory Committee (TAC) consisting of staff from various City departments. Three TAC meetings were conducted over the course of the study to review existing conditions, constraints, and potential conflicts with other City infrastructure. Additionally, the project team collaborated with a group of community members (approximately 8-10 members) designated as Block Ambassadors, consisting of business owners, retailers, and residents, who have a strong understanding of the existing conditions, concerns, and opportunities that impact the corridor. Four meetings were held with the block ambassadors during this study; a kickoff meeting on November 17, 2022 and three meetings in 2023 on January 19, August 30, and November 9. On March 1, 2023, staff held a community workshop at the Downtown Library to discuss opportunities and constraints associated with University Avenue and to receive feedback on basic ideas for a streetscape. About 20 community members participated. From March 2 to April 9, 2023, the City conducted an online survey via Open Cities seeking feedback from the community members who could not attend the in-person workshop. The online survey was completed by 712 participants. A wide range of perspectives and priorities was received. A detailed summary of the community engagement process is included in the Feasibility Report.

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.

ATTACHMENTS

Attachment A: University Avenue Streetscape Feasibility Report Excerpt

APPROVED BY:

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