

COUNCIL MEETING
10/16/23

Received Before Meeting

13



CITY OF
PALO ALTO

A photograph of a modern building entrance with a covered walkway, surrounded by trees and landscaping. A large green triangle is overlaid on the right side of the image.

CUBBERLEY- DIRECTION ON A PROPOSAL TO PAUSD

OCTOBER 16, 2023

www.cityofpaloalto.org

STAFF RECOMMENDATION

Direct staff to develop a proposal to lease the Cubberley site from the Palo Alto Unified School District for 55 years.

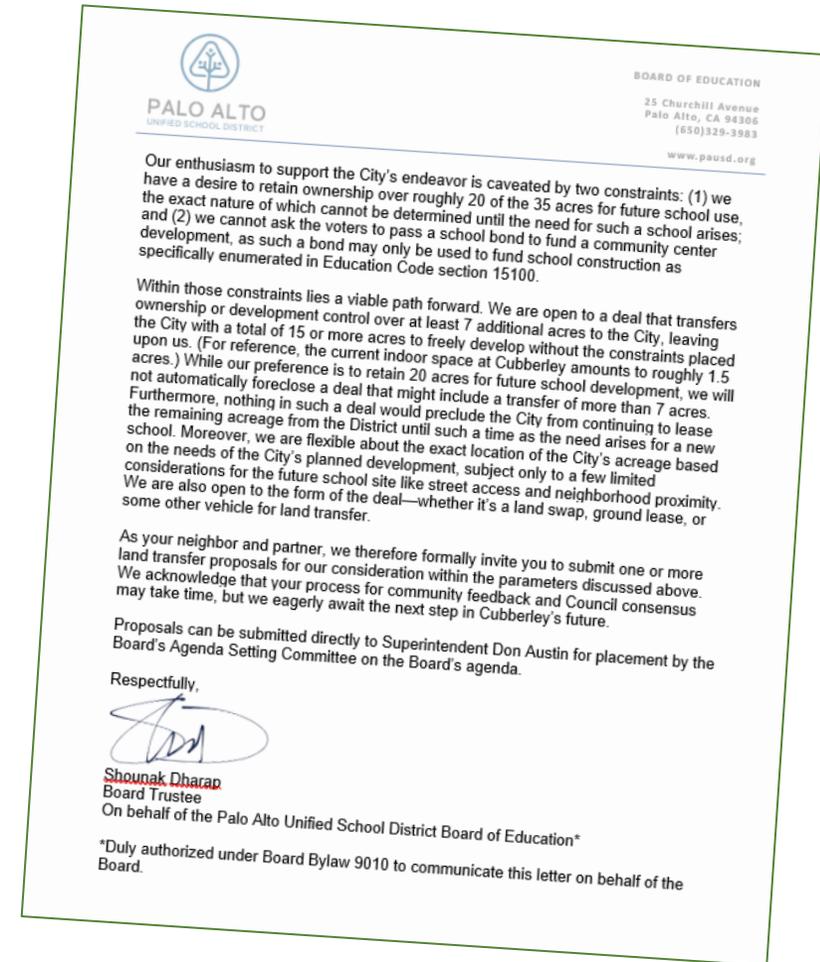


INVITATION FOR PROPOSALS

Direction on responding to March PAUSD Letter titled, “Invitation for Cubberley Development Proposals”

PAUSD Key Components within the Letter:

- PAUSD has a need to retain 20 acres for future school use (total acreage needed is negotiable)
- PAUSD is open to:
 - Transfer of at least 7 acres to the City
 - The exact location at Cubberley
 - Form of the deal (ground lease, land swap, etc.)



LAND TRANSFER OPTIONS

PURCHASE	LAND TRADE	GROUND LEASE
BENEFITS		
City has full control	City has full control	City can develop land without purchase costs
Lease costs reduced	Lease costs reduced	Planning can begin after lease executed
	No acquisition costs	Utility infrastructure
CONSTRAINTS		
Utility infrastructure constraints	Utility infrastructure constraints	Relinquish land when PAUSD need arises
Lengthy public process	Lengthiest public process	
No funding source	Time and costs to undedicate / loss of parkland	

INTERCONNECTED SYSTEM



INTERCONNECTED SYSTEM



CURRENT TO GROUND LEASE



STAFF RECOMMENDATION

Ground Lease

- 55-year term
- Full site less access area for Greendell
- Lease back buildings to PAUSD

Considerations

- Interconnected utility systems can be improved for the full site
- Provides maximum area to plan for a new community space
- Relieves PAUSD of obligations to manage and maintain Cubberley

CUBBERLEY TODAY

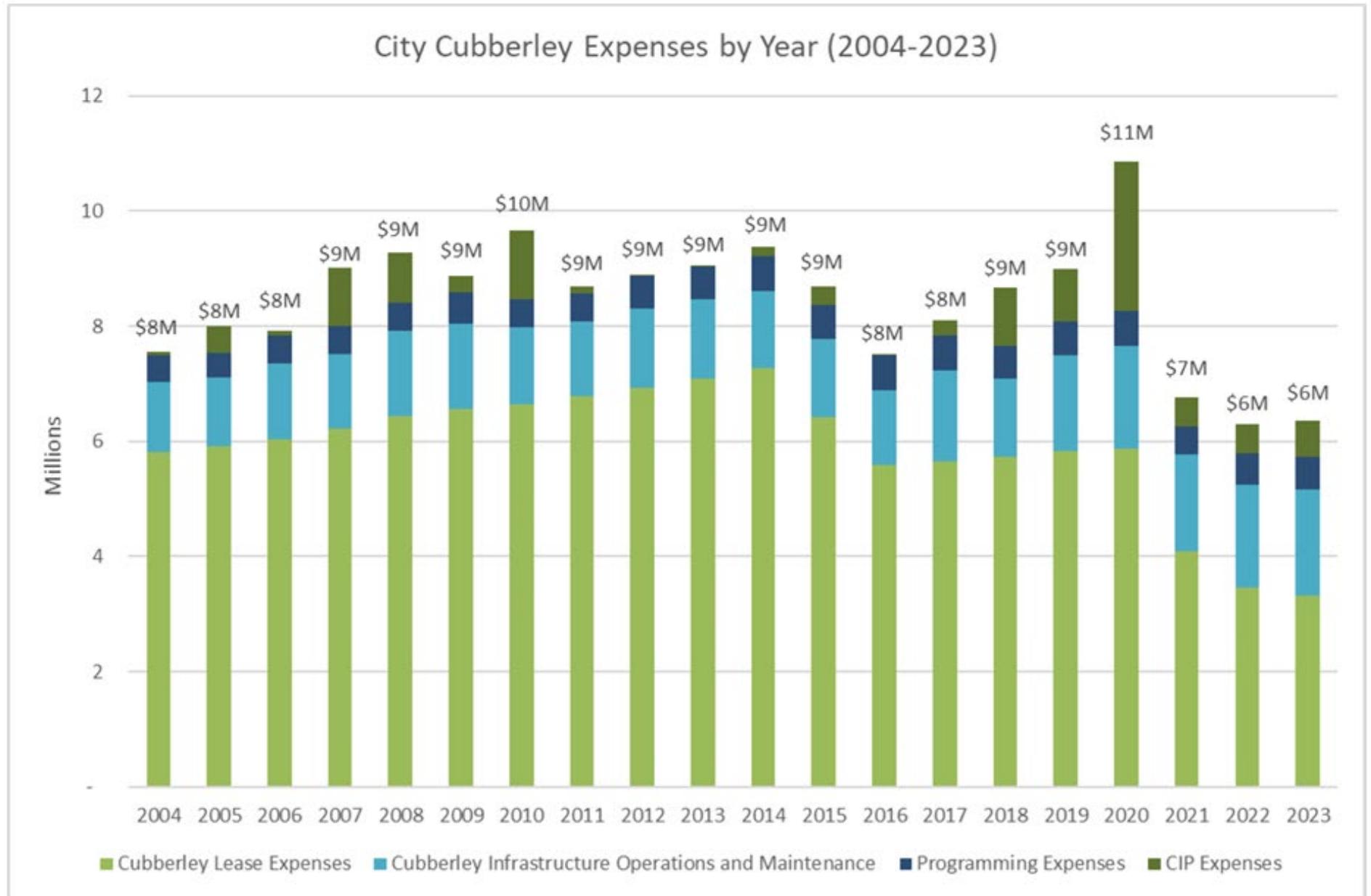
Lease

- \$2.5M per year for lease term 2020-2024
- \$5.1M per year for prior lease in 2019, plus \$700k for childcare sites

Cubberley Infrastructure Fund

- \$1.8M transferred from General Fund to Cubberley Infrastructure Fund to be used for investment in the Cubberley facilities for long neglected and ongoing maintenance (2015-present).
- Formerly was the "Covenant not to Develop" (1990-2014)

EXPENSES



STAFF RECOMMENDED MOTION

Direct staff to develop a proposal for a 55-year ground lease of the portion of the Cubberley site owned by the Palo Alto Unified School District, work with the Cubberley Ad Hoc to develop the proposal, and return to Council in an Open Session.



CITY OF
**PALO
ALTO**