



## City Council Staff Report

**From: City Manager**

**Report Type: STUDY SESSION**

**Lead Department: Planning and Development Services**

**Meeting Date: June 5, 2023**

Report #:2305-1513

### **TITLE**

1237 San Antonio Road: Regional Water Purification Facility. Request for Pre-screening by Santa Clara Valley Water to Amend the Comprehensive Plan Land Use Designation and map for a Portion of the Subject Property From Public Conservation Land (CL) to Major Institution/Special Facility (MISP). Environmental Analysis: This Study Session is Not a Project in Accordance With CEQA.

### **RECOMMENDATION**

Staff recommends that Council conduct a prescreening and provide comments regarding the applicant's proposal. No formal Council action may be taken during a prescreening and comments provided during a prescreening are not binding on the City or the applicant.

### **EXECUTIVE SUMMARY**

The Santa Clara Valley Water District (Valley Water) proposes the construction of a new Regional Water Purification Facility (RWPF), pipelines, and associated facilities as part of the Purified Water Program in Santa Clara County. The proposed project would be located in northern Santa Clara County, in portions of Palo Alto, Mountain View, Sunnyvale, San José, Santa Clara, and Campbell.

The Palo Alto portions of the proposal would include development of an RWPF at the Los Altos Treatment Plant (LATP) site located at 1237 San Antonio Road, an effluent pump station at the Palo Alto Regional Water Quality Control Plant (RWQCP) located at 2501 Embarcadero Road and connection pipelines between the LATP and RWQCP sites that would be routed along San Antonio, East Bayshore and Embarcadero Roads. See Attachment A, Project Overview. Additional pipeline outside of City limits will be required to connect the facility to the Los Gatos Recharge System Complex in the City of Campbell. The proposed RWPF is intended to establish greater water supply reliability for Santa Clara County and help ensure continued groundwater sustainability and the avoidance of land subsidence.

The proposal would require a Comprehensive Plan Amendment to amend the land use

designation and map for a portion of the LAMP site from Public Conservation Land (CL) to Major Institution/Special Facilities (MISP) as well as a subdivision of the site from one parcel into three separate parcels.

Project Homekey is proposed to be located on an adjacent portion of the LAMP site.

In accordance with Palo Alto Municipal Code (PAMC) Section 18.79.030(A), a prescreening review is required for legislative changes, including Rezoning and Comprehensive Plan Amendments, prior to the submittal of a formal application. Pre-screenings are intended to solicit early feedback on proposed projects and, like all study sessions, cannot result in any formal action.

## **BACKGROUND**

In order to increase the quality of recycled water in Palo Alto and increase water reuse in Santa Clara County, a Partnership Agreement to Advance Resilient Water Reuse Programs in Santa Clara County Between Valley Water and the Cities of Palo Alto and Mountain View was executed in December 2019<sup>1</sup>. One component of the Partnership Agreement is that Valley Water would purify water from the City's Regional Water Quality Control Plant to provide a reliable water supply for Santa Clara County. Staff presented to Council regarding the RWPF and the partnership agreement in September 2022<sup>2</sup>. Valley Water and the City signed a funding agreement to ensure that Valley Water is paying for Palo Alto's staff and consultant time on the project<sup>3</sup>. Since that time staff and Valley Water are coordinating on term sheets to develop a lease agreement for LAMP.

The LAMP site is currently undeveloped but is used by Green Waste for storage (as shown on Attachment B). The parcel has two existing Comprehensive Plan land use designations, CL and MISP. The northern and western portions of the site are designated as CL and the southern of eastern portions of the site are designated MISP. Surrounding Comprehensive Plan designations include CL to the north, Research/Office Park to the south and west, and the City of Mountain View to the east. The subject site is currently zoned Public Facilities - Site Design Review (PF-D).

Historically, the LAMP site was used as a wastewater treatment facility for the City of Los Altos until the construction of a sewer line that ran between the then LAMP site and the Palo Alto RWQCP in the 1970s. At that time, wastewater flows from Los Altos, Los Altos Hills, and Mountain View were rerouted to the Palo Alto RWQCP. Most of the surface facilities at the LAMP site have since been removed and the site is generally vacant. The former treatment ponds, an above-ground tank, site paving, and various underground facilities were abandoned in place, and as

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<sup>1</sup> City Council, November, 18, 2019, ID 10627. <https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/reports/city-manager-reports-cmrs/year-archive/2019/id-10627-mini-packet-11182019.pdf>

<sup>2</sup> City Council, September 12, 2022, Item 3, ID 14650; <https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/agendas-minutes/city-council-agendas-minutes/2022/20220912/20220912pccsm-amended-v2.pdf>

<sup>3</sup> City Council, April 10, 2023, Item 12, ID 2302-1026 <https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/reports/city-manager-reports-cmrs/year-archive/2019/id-10627-mini-packet-11182019.pdf>

previously noted to the City Council, contractor activities and storage for Green Waste currently occur on an adjacent portion of the site.

Furthermore, the City Council previously identified the approval of the lease agreements with Valley Water associated with the proposed RWPF at the LATP site as a 2023 priority and objective.

#### Project Description

To increase the reliability of the water supply for Santa Clara County, Valley Water proposes to construct a new regional water purification facility (RWPF), pipelines, and associated facilities (pump station) in the City of Palo Alto as part of the agency's Purified Water Program for Santa Clara County. The facility would turn effluent water into potable water; thereby, increasing the water supply for residents of the County. More specifically, the proposal consists of the following components within the City of Palo Alto's jurisdiction:

1. An up to 11,200 acre-feet per year (AFY) RWPF and associated utilities and facilities in Palo Alto
2. A pipeline and pump station to convey source water (tertiary treated wastewater) from the nearby Palo Alto Regional Water Quality Control Plant (RWQCP) to the proposed Palo Alto RWPF
3. A reverse osmosis concentrate (ROC) pump station and pipeline from the proposed Palo Alto RWPF to the Palo Alto RWQCP for blending with existing Palo Alto RWQCP discharge, pending Water Board approval.
4. A purified water pump station and pipeline between the proposed Palo Alto RWPF and Valley Water's existing groundwater recharge ponds in the existing Los Gatos Recharge System Complex located in the city of Campbell
5. Proposed City of Palo Alto Comprehensive Plan Amendment to change the land use designation for portions of the subject site from Conservation Land to Major Institution/Special Facilities.

For a clearer understanding of the LATP site as it relates to this proposal, the project site has been broken into Areas A, B and C as follows:

- Area A consists of the northernmost portion of the site
- Area B is located in the central portion of the site
- Area C consists of the southernmost portion of the site.

The proposed project would be located within Area B. The City's Homekey project and Green Waste operations would be located within Area C. Area A would remain vacant. See Attachment C, Conceptual Site Layout.

## ANALYSIS

The purpose of the prescreening is for the applicant to assess whether there is sufficient Council interest to proceed with a formal application. Typically, staff does not conduct a detailed review of prescreening applications for code compliance.

### Comprehensive Plan

The Public Conservation Land (CL) designation is applied to lands where the primary purpose is the preservation and enhancement of the natural state of the land and its plants and animals. The Major Institution/Special Facilities (MISP) designation is applied to lands where institutional, academic, governmental, and community service uses and lands are either publicly owned or operated as non-profit organizations.

The proposed project would be consistent with the MISP designation since the City of Palo Alto owns the LATP site and would lease a portion of the land (Area B) to Valley Water for the purposes of the RWPF. While the proposed project would not be consistent with the existing CL designation, the proposal includes a Comprehensive Plan Amendment to amend portions of Area B from CL to MISP. Area C was already amended from CL to MISP in December 2022. With the approval of the Comprehensive Plan Amendment, the proposal would be consistent with the plan.



*Proposed Valley Water Comprehensive Plan Amendment layout*

### Zoning

As noted, the project site is zoned Public Facility (PF) with a Site Design Review (D) combining district. Surrounding zoning designations include PF(D) to the north of the LATP site, Research, Office and Limited Manufacturing (ROLM) with Site and Design Review (D) and Automobile

Dealership (AD) provisions (ROLM (D)(AD)) located to the south and west of the project site and the City of Mountain View to the east across San Antonio Road.

The PF zoning district is designed to accommodate governmental, public utility, educational, and community service or recreational facilities. The Site and Design Review provision intends to provide a process for the review and approval of projects located in environmentally and ecologically sensitive areas. The proposed project would be consistent with the PF(D) designation; the proposed RWPF would be considered a public utility facility. Prior to the development of the LATP site, Valley Water would be required to apply for and obtain Site Design and Review approval from the City.

### **Baylands Master Plan**

The City of Palo Alto's Baylands Master Plan (Baylands Plan) was adopted in 1978 and has been amended periodically since its original adoption. The Baylands Plan was adopted as a long-range plan for treating the Baylands as an ecological preservation with continued commercial and recreational use. The LATP site is identified as a part of the Baylands Plan and the plan includes information on the chronological history and environmental setting of the site. The City of Palo Alto became the sole owner of the LATP site in 2008, through a Council-approved agreement for the purchase of the site. At that time, it was determined that the future use of the site would be subject to further public review and environmental analysis. As a result, the Baylands Plan includes the following goal and objective related to the LATP site:

**PAF Goal 3:** Identify alternatives for land uses at the former Los Altos Treatment Plant site.

**PAF Objective 3.1:** Identify locations for potential restoration opportunities and actions at the Los Altos Treatment Plant site. Develop priorities and recommendations for actions to improve the site's ecological health.

### **Palo Alto Airport Comprehensive Land Use Plan**

The Comprehensive Land Use Plan for Palo Alto Airport intends to safeguard the general welfare of the inhabitants in the vicinity of the Palo Alto Airport. In addition, a goal of the plan is to prevent any new surrounding use from impacting the operation of the airport. Although the project site is in the surrounding area of the airport, the LATP site is not subject to the Comprehensive Land Use Plan for the Airport, as it lies outside of the regulated areas.

### **NEXT STEPS**

Following the prescreening review, the applicant will consider how they want to proceed. Formal applications for the Comprehensive Plan Amendment and Site and Design Review for the Area B portion of the 1237 San Antonio parcel, a Site and Design Review application for the parcels associated with the routing of the pipelines, and the 2501 Embarcadero Road parcel would be required to render the use of the sites in conformance with the Municipal Code.

**RESOURCE IMPACT**

This item is a pre-screening and therefore does not have resource impacts beyond the staff work to support the discussion. The cost Palo Alto's staff and consultant time supporting Valley Water's purification of water from the City's Regional Water Quality Control Plant to provide a reliable water supply for Santa Clara County project is funded by Valley Water.

**STAKEHOLDER ENGAGEMENT**

Staff in Public Works is working with Valley Water and partner departments to support this project including but not limited to coordinating on term sheets to develop a lease agreement for the LATP site.

**ENVIRONMENTAL REVIEW**

This prescreening is a preliminary review process in which Councilmembers may provide comment, but no formal action will be taken. Therefore, no review under the California Environmental Quality Act (CEQA) is required at this time. A formal review under CEQA would be initiated with the formal filing of Comprehensive Plan Amendment, Site and Design and Subdivision applications.

**ATTACHMENTS**

Attachment A: Project Overview Exhibit

Attachment B: Location Map

Attachment C: Conceptual Site Layout

**APPROVED BY:**

Jonathan Lait, Planning and Development Services Director