

1989
25 Jan 1988

Mr. Stanley H. Hall
City Manager
City of East Palo Alto
2415 University Avenue
East Palo Alto, CA 94303

Re: activities of the Special Blue Ribbon Committee to Review Sun Microsystems' Proposal for the Ravenswood Industrial Park Area in Connection with Representatives from the Industrial Property Owners Association

Dear Mr. Hall,

Thank you for the copy of your memo of 19 Jan 1989 to the city council regarding the future development of the Ravenswood Industrial Park. Since it was you who informed me of my opportunity to serve on the Blue Ribbon Committee, I wanted to review for you the progress made at our first 3 meetings.

Meeting of 5 Jan

Stan Hall introduced the committee members and explained our mission per the committee's title. We learned that Mike Schneider and Mike Demeter would be the temporary representatives for the property owners, pending final selection of their representatives at their next meeting on 10 Jan.

Two distinct needs became apparent: 1) a short-term need to review the proposal developed by Sun Microsystems along with city staff, and 2) a long-term need for an ongoing relationship between city leaders and representatives of the property owners, as well as other community organizations, for discussing development possibilities throughout the city. The second need would clearly require the city council to provide firmer direction and further resources; it may or may not include all the members of the Blue Ribbon Committee.

The property owners expressed apprehension that there is such recent active interest in development of the Ravenswood site. I expressed apprehension that the city has not had the resources to prepare a proper plan for the area; the plan would ideally be prepared well in advance of such active interest.

We agreed that we should have Sun explain their proposal at our next committee meeting.

Meeting of 12 Jan

Don Fleming of the EPA Planning Department was present to explain about development processes. Mike Demeter and Mike Schneider were sent as formal representatives of the property owners.

Representatives from Sun Microsystems explained the history of their company and the simple idea behind their proposal. They believe at this point that Sun would be a good fit as a permanent member of the East Palo Alto community. They would like to define and develop that concept on paper through a process of proposals, agreements, and plans. They are willing to help cover the cost of this process in light of the city's slim finances. If the city and Sun through this process continue to agree that the fit is mutually beneficial, then part of the site could be developed for Sun, with the city as co-developer.

It is unusual for a business corporation to commit to such an active role in developing a work site, but it is consistent with Sun's healthy business practices. It is quite different from having a development corporation come in with its own idea of what should be built, finding a major anchor tenant, filling in with smaller tenants, and taking a 10-15% cut for its troubles.

Sun recognizes both the need for and the lack of a preliminary plan to be developed in the community's interest, knowing also that after such a plan is developed, their uses may or may not be compatible with it. Regardless of Sun's eventual status, the city would generate substantial funds as co-developer.

The Sun proposal does not "lock out" the city from considering development alternatives, nor does it "tie up" anyone's land.

The property owner representatives requested Sun to explain the proposal to their whole group at their next meeting on 17 Jan.

Meeting of 19 Jan

We discussed having a formal structure (chair, secretary, etc.). I felt that this would be overkill for a substantially loose, short-term, and ad hoc committee such as ourselves, but I did suggest (and the other members concurred) that Pat Johnson be the coordinator of any remaining meetings as far as contacting committee members about the meeting times.

After hearing the Sun proposal at their meeting, one of the greatest concerns of the property owners was the potential for incurring eminent domain proceedings if the area is designated as a redevelopment zone. Everyone on the Blue Ribbon Committee expressed the desire to assemble areas for a planned development without contention, by buying or trading with the existing property owners. I emphasized two further points: 1) that a development plan would take into account the current locations and uses of all parcels in the area (though some uses might not be compatible with some types of development), and 2) that while eminent domain is one of the features arising from redevelopment, often the main attraction of a redevelopment zone as far as a city is concerned is the ability to collect and focus funds from a variety of mechanisms that are not otherwise possible. It is this aspect that should bring a property owner to actually look forward to taking part in a redevelopment

project area, with the ensuing upgrades to the local infrastructure and the assistance provided for developing compatible projects on parcels around the main project. The property owners are scheduled to discuss redevelopment law with their attorney at their next meeting on 24 Jan.

I presented an outline (attached) of a suggested presentation to the city council on Sun's offer, but we did not have a chance to review it, since Pat Johnson and Barbara Mouton were called away to a council meeting.

Although it appears beyond the scope of the current committee to solicit or develop further proposals for the Industrial Park, the representatives of the property owners felt compelled to hear what Strand and Vintage have to say about development. They expressed their willingness to meet as much as necessary the next week in order to allow the presentations.

We had planned to start our next meeting Jan 26 by summarizing the reactions of the property owners from about 5:00 to 5:30. It seems that we could then schedule Strand and Vintage in the slots from 5:30 to 6:30 and 6:30 to 7:30, although a 15 minute break in between might be better.

Speaking as a committee member, it seems that after listening to the developer proposals, we would be ready to summarize the available commentary on the Sun proposal. This would include comparison with other options, as well as responses to citizen concerns raised at council meetings.

Speaking as a planning commissioner, I find it very encouraging that our city staff and planning department staff have been able to work out a proposal for generating a development plan for the Ravenswood Industrial Park, particularly a proposal with a positive fiscal impact. Surrounding cities have been able to fund their own development plans internally, so that when approached by a developer, the staff can present clear objectives. A lack of these plans can not only discourage developer interest, but could also lead to grossly inappropriate proposals for development.



Foster B. Curry
882 Bell Street
East Palo Alto, CA 94303

cc: Al Baker
Mike Demeter
Don Fleming
Pat Johnson
Barbara Mouton
Janet Roche
Mike Schneider

Suggested presentation to City Council on Sun Micro's offer

Introduction

explain committee's purpose/actions

Dispell Rumors

our city's present procedures for developing agreements

other city's present procedures for developing agreements

suggested changes for our city

Explain Sun's offer

process -- talk, plan, talk more, develop

distinct stages -- money paid, work done

who can back out when?

city as co-developer

Compare offer to:

DeMonet's proposal & plan

previous PUD's in EPA

development offers for same land

doing nothing

Answer owners' & citizens concerns

Property owners

P. Evans

E. Evans

M. Varela

C. Star

G. Wilkes

Summary

decision is to initiate planning process

not "locking up" anything

not negating other development opportunities for same land,
simply starting to define the entire community's desires for
that area (and being paid to do so).