

STANFORD
UNIVERSITY



May 1, 2015

Sylvia M. Gallegos
Deputy County Executive
County of Santa Clara
Office of the County Executive
70 West Hedding Street
San Jose, California 95110

Subject: Decision on Stanford Perimeter Trail

Dear Sylvia:

I wish to confirm and explain Stanford's decision 1) not to further pursue the funds Stanford was conditionally awarded by the Board of Supervisors in 2012 for the Stanford Perimeter Trail, and 2) to construct the project with Stanford funds.

Among other terms, the County staff has included a provision in the draft agreement that would require Stanford to grant an easement in perpetuity in exchange for the County's partial funding for the recreational trail on Stanford land. Several of the terms that the County staff recently added are objectionable to Stanford, including restrictions on Stanford's ability to relocate the trail, changes to the draft indemnity provisions, and removal of the provision allowing reversion for non-use. We might have been able to negotiate those terms to an acceptable outcome. However, we have reached an impasse as to the duration of the easement. Stanford does not agree to the provision granting the easement in perpetuity.

Land held in trust by Stanford must be used for the purposes of the University as set out in our Founding Grant. While Stanford sometimes provides for time-limited leases, we do not sell, dedicate or grant easements over our land in perpetuity except in rare instances, often related to specific utility services. The major reason for this policy is simple: we cannot predict the very distant future. We believe it is important to retain maximum flexibility to use our land in the best manner possible to provide education and to address tomorrow's challenges. For an enduring institution like Stanford, we believe the decisions far into the future about use of Stanford's lands should be in the hands of the Board of Trustees operating within the needs and conditions of those future times.

Our funding proposal offered a high-quality recreation trail for 51 years of public use with total construction costs and land value far exceeding the \$4.5 million that the County had conditionally awarded to Stanford. A public trail in operation for 51 years would have been a sound investment for all and an excellent use of County funds in fulfillment of the requirement to provide recreational opportunities for Stanford campus residents and facility users.

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Our strong belief in the need to preserve future flexibility over the use of Stanford's land has led to our decision not to seek County funding for the Stanford Perimeter Trail. This outcome is not what Stanford had hoped. The special fund from which the Board of Supervisors conditionally awarded \$4.5 million for the Stanford Perimeter Trail and an additional \$5.9 million to other applicants came 100% from Stanford University. Those funds were given to the County under an agreement with Stanford, which specified that the funds be used to provide recreational opportunities for Stanford campus residents and facility users. The Stanford Perimeter Trail project fully meets the requirements intended by this fund. In fact, it is the only project that has received the enthusiastic support of campus residents. Yet this excellent project, designed to squarely serve the purposes for which Stanford gave the funds to the County, will be denied those funds because the County insisted on a requirement of an easement and obligations that would last in perpetuity.

Having noted this disappointment, we continue to view the trail as beneficial; and, accordingly, we wish to move forward quickly to implement this meritorious project at our own expense so it can be completed and utilized by the end of 2015. In doing so, we will honor the commitments on public communication that we made during the process of our work with County staff. We are providing you a separate letter explaining our communications and public outreach program for the construction period.

We have keen respect for County staff and officials who have worked with us. We look forward to the opening of the Stanford Perimeter Trail, and we look forward to the participation of County staff and officials in this joyous event.

Sincerely,



Larry N. Horton

Consultant

Senior Associate Vice President of Government
and Community Relations, Emeritus

cc: Robert Reidy
Debra Zumwalt
Jim Inglis
Catherine Palter