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For Immediate Release

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City Reacts to Stanford Decision to Withdraw Shopping Center Proposal

Palo Alto, CA – Stanford University officials announced today the withdrawal of the Stanford Shopping Center proposal. Simon Properties, the lease holder of the Stanford Shopping Center, had proposed adding 240,000 square feet and a 120-room hotel to the existing center.

City Manager James Keene expressed disappointment with the University's decision. "The Shopping Center and a new hotel represent a significant percentage of the City's sales tax base" he said. "Protecting the Center from any economic decline due to increased regional competition is vital to maintaining the City's financial health and the City services our community expects."

University officials told the City the decision enables the community and the City to focus on the 1.3 million square foot expansion of both the Lucille Packard Children's Hospital and the Stanford Hospital. Mr. Keene added, "The City certainly understands the University's desire to deliver on its mission to provide world class health care and

teaching facilities. Important and necessary improvements to both hospitals are fully supported by the City.”

“We should remember, however, that it was Stanford that requested that the Environmental Impact Report for both the hospital and shopping center be processed together. Changing course after the environmental document is nearly completed may have the unintended consequence of complicating the process. We hope not; the City is committed to assisting Stanford in meeting its State-imposed seismic deadlines.”

City officials will continue to work with the University to negotiate an agreement that would be mutually satisfying to the City and the University.

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