

DETERMINATION BY PLANNING COMMISSION

Development Agreement between the City of Sunnyvale and Gary Thon-Lon Hon and Nichole Ying Lin Hon, as Trustees of the Hon Family Trust and Edward H. Leone Jr. LLC.

Planning File #: 2021-7281

Pursuant to City Council Resolution 371-81, the Planning Commission shall make a recommendation to the City Council including the Commission's reasons therefore and its determination of whether the development as described in the development agreement will be:

1. Consistent with the objectives, policies, general land uses and programs specified in the general plan and any applicable specific plan;

The Downtown Specific Plan will allow higher intensity development in the Downtown area with the use of incentives and community benefits. The vision for the downtown is for a variety of uses with higher intensity in the Downtown Core. This project is adjacent to other office uses (and future office) along S. Mathilda Avenue and is near various other major destinations such as historic Murphy Avenue, the Caltrain Station, and Redwood Square.

The project will implement the objectives of the plan by providing higher quality office space for existing Sunnyvale businesses or will attract new Sunnyvale businesses. The size of the floorplates provides flexibility and can support multiple tenants or a single tenant. Businesses and their employees located in this building will help support other downtown commercial businesses and destinations.

This project site is located in the South of Iowa District on Block 13 of the Downtown Specific Plan. This district is a mix of office, retail and residential uses. The proposed office building is located on S. Mathilda and will act as an anchor to the corner at W. Olive Avenue.

This all-electric and LEED Gold *Well Certification* building project will implement the City's Climate Action Playbook Strategy 2: Decarbonizing Buildings (Play 2.3 Achieve all-electric new construction). This project is also consistent with these General Plan Goals and Policies:

COMMUNITY VISION

GOAL IV. Safe and Healthy Community - To maintain Sunnyvale's traditional high level of public health and safety, so all residents, employees and visitors feel safe at all times and in all places in the City.

LAND USE AND TRANSPORTATION ELEMENT - Green Development

Policy LT-2.1 Enhance the public's health and welfare by promoting the City's

environmental and economic health through sustainable practices for the design, construction, maintenance, operation, and deconstruction of buildings, including measures in the Climate Action Plan.

The project includes street and sidewalk improvements by reducing curb cuts and enhancing the pedestrian experience. The project is in support of this goal in the Community Vision of the General Plan:

GOAL IX: Dynamic Downtown: To create and support a strong and attractive traditional downtown which serves as the community's central marketplace, common gathering place and symbolic center. The vitality and attractiveness of Sunnyvale are not reflected in its Downtown today. Vacant storefronts and a shuttered mall suggest a distressed community, lacking in positive identity. It is clear that both the desire of the public and the demand of the market are to recreate a traditional downtown of shops, restaurants, offices and residences, as a common gathering place, central marketplace and symbolic center for the City of Sunnyvale.

Specifically, the proposed development meets the following primary goals of Downtown Specific Plan:

- A. Establish the Downtown as the cultural, retail, economic, and entertainment center of the community, complemented by employment, housing, and a variety of transportation opportunities.
- B. Develop land uses in an attractive and cohesive physical form that clearly identifies Sunnyvale's Downtown.
- C. Protect and enhance the community character of existing neighborhoods, preserving distinctive neighborhood features.
- D. Expand the pedestrian-oriented character of the Downtown with enhanced access to parks, open space, plazas, and community and other public realm amenities.
- E. Promote a balanced street system that serves all users, prioritizing the needs of pedestrians.

2. Compatible with the uses authorized in, and the regulations prescribed for, the land use district in which the real property is located;

The project is located in the South of Iowa District of the Downtown Specific Plan. This district contains a mix of higher density office and commercial uses and surrounding residential uses, with access to the Downtown core, plazas and open space, the Murphy Station Heritage Landmark District and connections to transit. The project takes advantage of several programs that allow development intensity and height above the listed development standards in the Downtown Specific Plan. Additional office development is allowable through a combination of incentives and community benefits including contribution to a community benefit fund.

The proposed office use is consistent with the South of Iowa District character by

providing office space on S. Mathilda constructed with high quality materials and acting as an anchor on the corner of S. Mathilda and W. Olive.

3. In conformity with public convenience and good land use practice; The proposed use is consistent with the Downtown Specific Plan South of Iowa District. The project improves the pedestrian connection for office employees through upgraded streetscape features and a higher intensity uses to support the vision for Downtown of “an enhanced, traditional Downtown serving the community with a variety of destinations in a pedestrian-friendly environment.” The project further implements the following DSP goal and policies by providing a high quality office building capable of support single or multiple tenants, an all-electric building, and pedestrian improvements.

- Enhancing employment opportunities responsive to local job market needs, such as research and development and technology businesses, to enhance local economic vitality;
- Creating a distinct sense of place by providing enhanced connections and dynamic gathering places, while also allowing taller buildings and larger community gathering spaces;
- Allowing sufficient density and intensity to attract financially feasible private development that will support community benefits, such as open space, affordable housing, and funding for public facilities; and
- Creating a district that promotes the use of a variety of sustainable transportation modes, such as bike, pedestrian, ride-share, and transit and discourages use of single-occupancy vehicles.

DSP GOAL A-1. A Mixed-Use Center. Establish the Downtown as the cultural, retail, economic, and entertainment center of the community, complemented by employment, housing, and a variety of transportation opportunities.

- **Policy A-1.1** Encourage a broad mix and scale of uses throughout the Downtown when consistent with the district character.
- **Policy A-1.4** Encourage the provision of space for small, new, emerging, and innovative businesses.
- **Policy A-1.5** Create vibrant public spaces for community gathering to encourage social interaction and a stronger sense of community.
- **Policy A-1.8** Where appropriate, allow for additional development beyond the base allowable development in exchange for amenities that benefit the community.

DSP GOAL B-1. A Distinct Downtown for Sunnyvale. Develop land uses in an attractive and cohesive physical form that clearly identifies Sunnyvale’s Downtown.

- **Policy B-1.1** Promote sustainable building design and infrastructure as a model for other districts in the City.

DSP GOAL B-3. A Pedestrian-Oriented Environment. Expand the

pedestrian-oriented character of the Downtown with enhanced access to parks, open space, plazas, and community and other public realm amenities.

- **Policy B-3.6** Create attractive, high-quality outdoor gathering spaces and pedestrian-oriented amenities that are vibrant, safe, and accessible and contribute to fostering a strong sense of community.

4. Not detrimental to the public health, safety and general welfare;

The project will be consistent with all development codes to assure the site is safe. The DA will further implement the objectives of the DSP by providing a contribution to the Community Benefit Fund of \$2,597,500 which will be used to provide a variety of community facilities in the Downtown and Citywide. Landowner will designate the City as the point of sale for California sales and use tax purposes during Project construction which will augment sales tax receipts to the City. All electric, LEED Gold *Well Certification* building promotes sustainable design consistent with the DSP policy and the City's Climate Action Playbook to reduce carbon emissions and promote a healthy environment.

Once redevelopment occurs, the City will receive additional General Fund monies through construction permitting and the long-term increased property tax. The project will also contribute housing impact fees and transportation impact fees which will benefit current and future residents and businesses. The revenue will contribute to expansion and upkeep of city infrastructure and services. Mitigation fees will help implement city programs, such as affordable housing, to benefit community welfare and to address transportation improvements to improve transportation safety.

5. Of a beneficial effect on the orderly development of property and the preservation of property values;

The project concentrates growth in an existing urbanized area as infill development and thereby results in fewer impacts from the construction of new infrastructure. The provision of a mix of uses in the Downtown, including higher intensity offices, is anticipated under the Land Use and Transportation Element. The employees working in the office will use existing and future downtown commercial and entertainment uses to help support a vibrant area. The project would not have a negative effect on property values in and around the downtown and overtime will preserve and enhance those values.

6. Consistent with the requirements of the resolution.

The DA has been reviewed by City staff and has been found to be consistent with the requirements of Resolution 371-81.