

RECOMMENDED FINDINGS**CEQA FINDINGS FOR PROJECTS CONSISTENT WITH CEQA GUIDELINES
SECTION CEQA GUIDELINES SECTIONS 15162 AND 15164**

The Planning Commission hereby makes the following findings based on the Addendum to the 1999 Arques Campus Specific Plan EIR for the Phase 1 Project (the “Project”) prepared by Ascent, dated April 2024 (“EIR Addendum”):

State CEQA Guidelines Section 15162 and 15164

1. The Planning Commission has independently reviewed the programmatic Draft and Final Environmental Impact Reports for the Arques Campus Specific Plan EIR, State Clearinghouse #1998092072 and the Land Use and Transportation Element (“LUTE”) of the Sunnyvale General Plan, State Clearinghouse #2012032003 (the “LUTE EIR”)
2. The Arques Campus Specific Plan EIR and LUTE EIR identified measures to mitigate, to the extent feasible, the significant adverse project and cumulative impacts associated with the buildout anticipated by the Arques Campus Specific Plan and LUTE. In addition, the Arques Campus Specific Plan identified significant and unavoidable air quality and cumulative traffic impacts and the LUTE EIR identified significant and unavoidable impacts with regard to the following topics: air quality, cultural resources, noise, and transportation.
3. On June 15, 1999, the City Council made Findings, adopted a Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program, certified the Arques Campus Specific Plan EIR and adopted the Arques Campus Specific Plan. On April 11, 2017, the City Council made Findings, adopted a Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program, certified the LUTE EIR and adopted the LUTE.
4. The 1999 Arques Campus Specific Plan EIR and LUTE Update EIR are the program “first-tier” level of environmental review consistent with the requirements of the California Environmental Quality Act (CEQA) Sections 15152, 15168, and 15183. The program-level analysis considered the broad environmental impacts of the overall Arques Campus Specific Plan and acknowledged that subsequent development of the area would occur in multiple years and phases. An addendum to the 1999 Arques Campus Specific Plan EIR has been prepared and considers the environmental impact analysis, mitigation measures, and performance standards adopted as part of the LUTE EIR, which have been incorporated into the City’s General Plan as well as its associated implementation measures. Thus, the addendum evaluates the consistency of the project with the 1999 Arques Campus

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Specific Plan EIR and the LUTE EIR to determine the need for additional environmental review (CEQA Guidelines Sections 15162 and 15164).

5. The City has analyzed the proposed Project to determine if the Project meets the criteria for streamlined environmental review under Public Resources Code Section 21083.3 and Sections 15162 and 15164 of the CEQA Guidelines.
6. The LUTE contains a number of goals, policies, and implementing actions that affirm the General Plan's vision for sustainable development, including Policy LT-2.1 (sustainable practices for the design, construction, maintenance, operation, and deconstruction of buildings), LT-2.1b (encourage green features), LT-2.1c (establish incentives that encourage green building practices beyond mandated requirements), and LT-2.7 (provide residents and businesses with opportunities to develop private renewable energy facilities).
7. The Project would meet the City's Green Building Program requirements. The project is designed to comply with CALGreen Mandatory Measures and LEED Gold Level with USGBC Certification, including Design Phase Credits reviewed and approved by USGBC. The project would be constructed consistent with mandatory provisions of the CALGreen and Title 24 requirements. The project would be required to provide electric vehicle (EV) charging stations to promote the use of EVs and utilize solar panels on the proposed R&D buildings and parking garage. Additionally, the project would comply with the State's Building Energy Efficiency Standards, which set standards for heating, cooling, solar, battery storage, water savings, lighting, and building envelopes that would ensure that the building energy consumption would not be wasteful, inefficient, or unnecessary as well as the energy efficiency requirements of the City's Climate Action Plan.
8. The EIR addendum prepared for the Project concludes that the project would not result in significant impacts peculiar to the Project or Project site or any significant impacts that were not analyzed or discussed in the Arques Campus Specific Plan EIR and LUTE EIR and/or are substantially mitigated by the imposition of uniformly applied development policies or standards. Additionally, the Project would not result in any potentially significant off-site or cumulative impacts that were not discussed in the Arques Campus Specific Plan EIR and LUTE EIR. Also, there are no significant effects that substantial new information shows would be more severe than discussed in the Arques Campus Specific Plan EIR and LUTE EIR. Thus, the City may rely upon the analysis in the certified Arques Campus Specific Plan EIR and LUTE EIR, and no further CEQA review is required.
9. Based on the EIR addendum for the Project and other information in the record, and after a duly noticed public hearing, the City finds as follows:

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- a. The Project is consistent with the Land Use and Transportation Element (LUTE) of the City's General Plan.
- b. The conditions of approval for the Project require the Project to undertake feasible mitigation measures required by the Arques Campus Specific Plan EIR and LUTE EIR and applicable to the Project.
- c. With application of mitigation measures and/or uniformly applied development standards and policies, the Project would result in no (1) peculiar or specific impacts, (2) impacts not analyzed in the Arques Campus Specific Plan EIR and LUTE EIR, or (3) significant off-site impacts and cumulative impacts not discussed in the Arques Campus Specific Plan EIR and LUTE EIR, and (4) there is no substantial new information indicating that an impact would be more severe than discussed in the Arques Campus Specific Plan EIR and LUTE EIR.
- d. The Project will have no environmental effects that:
 - i. are peculiar to the Project or the parcel on which the Project is located;
 - ii. were not analyzed as significant effects in the Arques Campus Specific Plan EIR and LUTE EIR;
 - iii. are potentially significant off-site impacts or cumulative impacts which were not discussed in the Arques Campus Specific Plan EIR and LUTE EIR; or
 - iv. are previously identified significant effects which, as a result of substantially new information which was not known at the time the EIRs were certified, are determined to have a more severe adverse impact than discussed in the Arques Campus Specific Plan EIR and LUTE EIR.
- e. Accordingly, the City finds that no additional EIR needs to be prepared for the Project.

10. The Department of Community Development, Planning Division, is the custodian of the records of the proceedings on which this decision is based. The records are located at Sunnyvale City Hall, 456 West Olive Avenue, Sunnyvale, CA 94086.

Use Permit

General Plan Goals and Policies that relate to this project are:

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GOAL LT-11 SUPPORTIVE ECONOMIC DEVELOPMENT ENVIRONMENT - Facilitate an economic development environment that supports a wide variety of businesses and promotes a strong economy within existing environmental, social, fiscal, and land use constraints.

- Policy LT-11.1 - Provide existing businesses with opportunities to grow in Sunnyvale and provide opportunities to expand into new technologies.
- Policy LT-11.3 - Promote business opportunities and business retention in Sunnyvale.

GOAL LT-12 A BALANCED ECONOMIC BASE - Develop a balanced economic base that can resist downturns of any one industry and provides revenue for City services.

- Policy LT-12.4 - Attract and retain a diversity of commercial enterprises and industrial uses to sustain and bolster the local economy and provide a range of job opportunities.

GOAL CC-3 WELL-DESIGNED SITES AND BUILDINGS - Private Development: Ensure that buildings and related site improvements for private development are well-designed and compatible with surrounding properties and districts.

- Policy CC-3.1 - Place a priority on quality architecture and site design, which will enhance the image of Sunnyvale and create a vital and attractive environment for businesses, residents and visitors, and be reasonably balanced with the need for economic development to assure Sunnyvale's economic prosperity.

Arques Campus Specific Plan Goals and Policies that relate to this project are:

Objective No. 3 - Providing a state-of-the-art facility that attracts and retains the brightest talent in the semiconductor industry.

Objective No. 4 - Providing for increased employment activity at a location that is proximate to regional vehicular and rail transportation corridors, and well separated from residential neighborhoods.

Objective No. 9 - Enhancing the operational efficiency and functional design qualities of the existing facilities.

Objective No. 11 - Developing and maintaining a design strategy that establishes a consistent architectural and landscape theme, tying the campus together in terms of both the internal relationships and the external compatibility with the surrounding community.

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1. The proposed use attains the objectives and purposes of the General Plan and Arques Campus Specific Plan of the City of Sunnyvale. [Finding Met]

The project proposes a new R&D facility, parking structure, and expanded PG&E substation that will be constructed on the Applied Materials campus. The proposed project allows expansion of an existing office campus in alignment with General Plan policies that promote business retention and growth within Sunnyvale without significant impacts on the existing infrastructure and roadway systems. The site is located within an area that is well-served by existing Santa Clara Valley Transportation Authority (VTA) bus and Caltrain rail service. The project includes environmentally sustainable buildings achieving no less than LEED Gold certification. The project includes stormwater management, and the applicant has committed to a transportation demand management (TDM) program. The project will also provide additional jobs in a state-of-the-art facility dedicated to advanced semiconductor chip making, contributing to the economic prosperity of Sunnyvale.

2. The proposed use ensures that the general appearance of proposed structures, or the uses to be made of the property to which the application refers, will not impair either the orderly development of, or the existing uses being made of, adjacent properties. [Finding met]

The proposed project design features high-quality, innovative architecture and sustainable site design. The project upgrades the appearance of the existing Applied Material Campus and provides off-site improvements benefiting the public. The proposed R&D building and parking structure orient their entrances to the public sidewalk. The proposed siting of the parking garage allows for an expansive open space onsite. The proposed use is consistent with neighboring development and will not be materially detrimental to the public welfare or injurious to the property, improvements, or uses within the immediate vicinity and within the M-S zoning district. All environmental impacts generated by the project will be mitigated to a less than significant level.

Variance

1. Because of exceptional or extraordinary circumstances or conditions applicable to the property, or use, including size, shape, topography, location or surroundings, the strict application of the ordinance is found to deprive the property owner or privileges enjoyed by other properties in the vicinity and within the same zoning district.

Applied Materials' current R&D facility at Building 85 is already operating at capacity and the proposed project would grow business operations with a new state-of-the-art R&D facility. The proposed R&D building requires additional height via taller walls and larger floor plate sizes to accommodate the size of the equipment and the number of process utilities that are needed to operate the sub-fab levels and cleanroom. Some of the technical and functional requirements include:

- Housing utilities such as electrical equipment and distribution as well as the process piping for wastewater and ultra-pure water filtration systems.
- Providing storage areas for chemical and gas units as well as a space for a loading dock area for tools, equipment, and general building deliveries.
- Layout for pollution control equipment, exhaust, and utility conveyance systems.
- Spacing for all the tools that interface directly with the silicon wafers.

The City allows building heights that are 100+ feet in similar areas intended for industrial uses such as the Moffett Park Specific Plan, Downtown Specific Plan, and the Lawrence Station Area Plan. Furthermore, the floor plate limitation applies only to the Arques Campus Specific Plan. There are no zoning provisions or standards in other Specific Plans that limit floor plate sizes. Floor plates greater than 50,000 square feet are common in recently-approved Class A office/R&D projects in the City. The project would still meet the Arques Campus Specific Plan planning objective for adaptability as a design characteristic of any research and development facility and to ensure flexibility through construction phasing, floor-plate design, and a modular organization of workspace and building systems. The finding can be made due to the unique nature of the business operations, General Plan policies that encourage business growth and retention, and other existing examples of increased building heights and floor plates within other industrial areas of the City.

2. The granting of the Variance will not be materially detrimental to the public welfare or injurious to the property, improvements, or uses within the immediate vicinity and within the same zoning district.

The additional height will not be detrimental or injurious to the public welfare, property, or improvements of uses within the immediate vicinity. The project area is 45.6 acres and is not adjacent to residential uses or sensitive receptors. The proposed R&D building is also setback 400+ feet from Arques Avenue, almost

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700 feet from Commercial Street, and over 150 feet from Central Expressway. The nearby Lawrence Station Area Plan also allows 100-foot building heights by right. Floor plate sizes of the nearby Central Expressway and Wolfe Road campus exceed 50,000 square feet, and recently approved Class A office/R&D development is commonly this size. Moreover, with the implementation of the recommended conditions of approval, there will not be any anticipated negative impacts.

3. Upon granting of the Variance, the intent and purpose of the ordinance will still be served and the recipient of the Variance will not be granted special privileges not enjoyed by other surrounding property owners within the same zoning district.

Granting the variance for additional height will not result in a special privilege because there are other industrial areas of the City where heights of 100+ feet are allowed, such as the Moffett Park Specific Plan, Downtown Specific Plan, and the Lawrence Station Area Plan. The proposed height variance would occur toward the interior of the project site, far away from adjoining land uses. Furthermore, the nearby office campus at Central Expressway and Wolfe Road has an overall building height of 100 feet, similar to the proposed R&D building.