

DETERMINATION BY PLANNING COMMISSION

Development Agreement between the City of Sunnyvale and Intuitive Surgical
Planning File #: 2019-7557

Pursuant to City Council Resolution 371-81, the 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 Lawrence Station Area Plan allows higher intensity development in the area with the use of incentives and community benefits. A guiding principle, that helps establish the vision for the Lawrence Station Area, is to, *“Promote a diversity of land uses and densities that will support transit usage and neighborhood services.”* The project will implement the vision and policies of the plan by providing allowing a successful Sunnyvale business to expand within the City, offering: office, research and development, and manufacturing facilities

This project assists in implementation of the plan Vision for Connectivity by providing a bicycle and pedestrian connection to enhance accessibility to the Caltrain Station. Additional streetscape features respond to the Vision 4 to, *“Ensure the area has a character that is unique to its location while being compatible with the overall character of Sunnyvale and sensitive to existing environmental assets.”*

This project includes an all-electric building with an extensive solar PV system, and electric vehicle (EV) infrastructure in excess of the Reach Codes which in turn implement the City’s Climate Action Playbook

- Strategy 2: Decarbonizing Buildings (Play 2.3 Achieve all-electric new construction)
- Strategy 1: Promoting Clean Electricity (Play 1.2 Increase local solar photovoltaics)
- Strategy 3: Decarbonizing Transportation & Sustainable Land Use (Play 3.3: Increase zero-emission vehicles).

Specifically, the proposed development meets the Vision of the Lawrence Station Area Plan:

1 | LAND USE DIVERSITY: Promote a diversity of land uses and densities that will support transit usage and neighborhood services

2 | DENSE STATION AREA DEVELOPMENT: Locate highest intensity development closest to the Lawrence Station.

3 | CONNECTIVITY: Improve connectivity for all modes of travel.

4 | NEIGHBORHOOD CHARACTER: Ensure the area has a character that is unique to its location while being compatible with the overall character of Sunnyvale and sensitive to existing environmental assets.

5 | COMMUNITY IDENTITY: Create a strong sense of place and neighborhood identity with the development of a vibrant neighborhood center

6 | FLEXIBILITY: Allow the area to redevelop over time through a flexible system that is responsive to the goals, schedule and needs of individual business and property owners, developers, and residents.

7 | SUSTAINABILITY: Redevelop the area in a manner that is environmentally, economically, and socially sustainable

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 an “*Office/ Research and Development/ Industrial*” section of the Lawrence Station Area Plan. Additional development of this nature is allowable through a combination of incentives and community benefits. This project includes the following community benefits: sales tax revenue guarantee to the City, extension of recycled water from Wolfe Road to the project, high level climate action features, designation of City as point of sale for construction related sales tax and VTA Bus Stop and shelter (if desired by VTA).

The proposed office, research and development, and manufacturing uses are consistent with desired uses for the area. The project complies with the design guidelines and development standards for the Lawrence Station Area.

3. In conformity with public convenience and good land use practice;

The proposed use is consistent with the Lawrence Station Area Plan MS/LSAP district. The project improves the pedestrian and bicycle connections to the Caltrain station through a dedicated walkway that connects to another segment of walkway, upgraded streetscape features consistent with the Lawrence Station Sense of Place Plan. The project further implements the following LSAP policies by providing high quality facilities for office, research and development and manufacturing.

The four key goals of the Lawrence Station Area Plan are to:

- increase transit ridership
- improve circulation

- provide transit-oriented development and
- ensure quality development

- LU-G3** Promote a mix of employment and residential uses.
- LU-G10** Maximize development intensities in order to support transit usage.
- OSG-2** Provide open space within a five-to-ten minute walk of all residents and employees.
- D-G4** Ensure that new development and construction activities improve, rather than adversely impact, the natural environment.
- CF-G5** Improve access to bus and rail transit by all modes of travel.
- P-G1** Provide safe, inviting, and attractive pedestrian connections for residents, workers and visitors to Lawrence Station and other key destinations in the Plan area.
- B-G1** Encourage the use of bicycles for local and inter-neighborhood access by residents, workers, and visitors of all ages and abilities.
- TDM-G1** Reduce vehicle trips in the Lawrence Station Plan area through TDM programs.

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 LSAP

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. The design and construction of off-site street improvements advance the Sense of Place vision. Project also implement policies on improving connections to the train station. While not required to, the project exceeds the Reach Code requirements for solar PV systems and electric vehicle infrastructure as well as including all electric building construction: all of which promotes sustainable design consistent with LSAP policies and the City's Climate Action Playbook to reduce carbon emissions.

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 Lawrence Station Area, including higher intensity offices, is anticipated under the Land Use and Transportation Element. The employees working in the office will use existing and future commercial uses to help support a vibrant area with rail transit. The project would not have a negative effect on property values in and around the Lawrence Station 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.

- Sales Tax Revenue. Landowner shall pay the “Sales Tax Revenue Guarantee Amount,” as provided in Section 4.2.1.
 - The current owner/business has generated a large amount of retail sales tax; it is expected that the business will continue to provide this revenue to the City. This DA provides a sales tax revenue guarantee amount equal to the average of fiscal years 2018, 2019 and 2020. Sales tax contribution for an individual business is confidential and therefore the dollar amounts will be reviewed outside of the DA by staff authorized to receive this information.
- VTA Bus Stop. If desired by VTA, Landowner will install a bus pad and bus shelter on the south side of Kifer Road east of Commercial Street per Santa Clara Valley Transportation Authority’s (VTA) latest design standards
 - This benefit is contingent on VTA expressing an interest in the bus pad and shelter. The estimated benefit for a bus pad is \$22,000 and bus shelter is \$15,000.
- All Electric Buildings. Although the project is exempt from the Reach Codes, Landowner shall meet or exceed the minimum standards to design and construct the buildings as all electric buildings, provide solar PV and install Electric Vehicle (EV) infrastructure in furtherance of the goals of the City’s Climate Action Playbook (2019) (the “CAP”).
 - As discussed above under Reach Codes, the application was considered complete prior to the City’s adoption of the Reach Codes requiring new commercial buildings to be all electric, installation of a solar PV system of a minimum of 5 kilowatts and provision of EV infrastructure; the project meets or exceeds all of the Reach Code requirements.
- Point of Sale. Landowner shall designate the City as the point of sale for California sales and use tax purposes for Landowner’s direct expenditures on the construction of Project buildings and improvements, as provided in Section 4.2.4.

- This provision has been included on large or complex construction projects so that the City has the benefit of certain construction related sales and use taxes.
- Recycled Water Contribution. Landowner shall design and construct (estimated value of \$1,000,000) a recycled water line, as provided in Section 4.2.1
 - The Landowner is interested in utilizing recycled water for a portion of their site needs and would need to build a new line from Wolfe Road. The new line would primarily serve the project; however, the size may be sufficient to enable other property developers to also extend service for their use of recycled water.