



City of Sunnyvale

Notice and Agenda

City Council

Tuesday, August 18, 2015

5:00 PM

West Conference Room and Council
Chambers, City Hall, 456 W. Olive Ave.,
Sunnyvale, CA 94086

Special Meetings: Closed Session 5 PM | Study Sessions 6 PM

5 P.M. SPECIAL COUNCIL MEETING (Closed Session)

1 Call to Order in the West Conference Room

2 Roll Call

3 Public Comment

The public may provide comments regarding the Closed Session item(s) just prior to the Council beginning the Closed Session. Closed Sessions are not open to the public.

4 Convene to Closed Session

[15-0513](#)

Closed Session held pursuant to California Government Code
Section 54957.6: CONFERENCE WITH LABOR
NEGOTIATORS

Agency designated representatives: Teri Silva, Director of
Human Resources; Deanna J. Santana, City Manager

Employee organization: Communication Officers Association
(COA)

Employee organization: Public Safety Managers Association
(PSMA)

Employee organization: Public Safety Officers Association
(PSOA)

Employee organization: Sunnyvale Employees Association
(SEA)

Employee organization: Sunnyvale Managers Association
(SMA)

5 Adjourn Special Meeting

6 P.M. SPECIAL COUNCIL MEETING (Study Sessions)**1 Call to Order in the Council Chambers (Open to the Public)****2 Roll Call****3 Public Comment****4 Study Sessions**

- A** [15-0671](#) Transportation Initiatives, Proposed Ballot Measure, and Upcoming Update to the Transportation Impact Fee and Project Prioritization
- B** [15-0606](#) Update on Draft Land Use and Transportation Element and Consideration of Land Use Alternatives for Environmental Impact Report
- C** [15-0631](#) Peery Park Specific Plan - Consideration of Land Use Alternatives for the Environmental Impact Report and Community Benefits Program
- D** [15-0797](#) Transportation Impact Fees: (1) Review of Projects and Funding, (2) Discussion of an Updated Fee

5 Adjourn Special Meeting**NOTICE TO THE PUBLIC**

Any agenda related writings or documents distributed to members of the City of Sunnyvale City Council regarding any open session item on this agenda will be made available for public inspection in the Office of the City Clerk located at 603 All America Way, Sunnyvale, California during normal business hours and in the Council Chamber on the evening of the Council Meeting, pursuant to Government Code §54957.5. Please contact the Office of the City Clerk at (408) 730-7483 for specific questions regarding the agenda.

Pursuant to the Americans with Disabilities Act, if you need special assistance in this meeting, please contact the Office of the City Clerk at (408) 730-7483. Notification of 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.106 ADA Title II).



Memorandum

Date: August 13, 2015

To: Honorable Mayor and City Councilmembers

From: Deanna J. Santana, City Manager *Deanna*

Subject: August 18, 2015 Study Sessions

The purpose of the August 18 study sessions is to provide the City Council with an overview and an opportunity to discuss four significant topics essential to future land use and transportation policy decisions that will be coming before the Sunnyvale City Council in the coming year. These topics are interrelated, with issues and decisions made in one topic potentially impacting decision points for another, even though separately, each topic area has its own set of timelines and future decision points. Although the topics to be covered in these study sessions will each play their own role in future land use and transportation decision making for our community, collectively the individual topic areas work together to inform how the built environment and traffic infrastructures will evolve in Sunnyvale over the next several years. Given this, it is important to check in with the City Council on the status of these projects, study/project assumptions, and next steps to implement Council's priorities and directions.

Study Session #1: Transportation Initiatives, Proposed Ballot Measure, and Upcoming Update to the Transportation Impact Fee and Project Prioritization

Attachments

- Attachment 1 – VTA Goals and Strategies for Envision Silicon Valley
- Attachment 2 – VTA Envision Schedule
- Attachment 3 – VTA Projects in VTP 2040
- Attachment 4 – Letter from North and West County Cities

The first study session topic covers regional traffic and transportation issues impacting the City's future. A Transportation Ballot Initiative is anticipated for the November 2016 General Election. This initiative represents an opportunity to fund large-scale regional projects that are not feasible for individual communities to finance alone. This effort is in the formation stage, where City priorities must be identified, and voter support evaluated prior to being placed before the voters of Santa Clara County. The Valley Transportation Authority (VTA) developed the Envision Silicon Valley process to determine project priorities and expenditure of funds. The VTA board approved the Goals and Strategies (Attachment 1) and has developed a schedule (Attachment 2) to facilitate the process up to the November 2016 election. The City will be including all current projects in the Valley Transportation Plan

(VTP) 2040, and is considering new projects so they are eligible for future funding (Attachment 3).

The City also attended meetings with the North County and West Valley Cities to determine if there were projects that could be jointly supported. Although no specific projects were identified for the ballot measure, the attached letter (Attachment 4) requests that VTA undertake an effort to perform a comprehensive study to better serve the North County and West Valley Communities. As written, this request is not linked to the ballot initiative and signing onto it seems reasonable and consistent with our interests.

Study Session #2: Update on Draft Land Use and Transportation Element and Consideration of Land Use Alternatives for Environmental Impact Report

Attachments

- Attachment 5: LUTE PowerPoint Presentation (May 19, 2015)
- Attachment 6: LUTE EIR Alternatives Analysis

The second study session topic is a follow-up to the May 19, 2015 study session that provided Council with an update on the Horizon 2035 Land Use and Transportation Element (LUTE). The presentation from May 19, 2015 is provided as Attachment 5. An Environmental Impact Report (EIR) is required in order to update the LUTE, which will include an evaluation of several land use alternatives in accordance the California Environmental Quality Act (CEQA). Staff will present the recommended land use alternatives for the EIR and will also discuss updated data and policies to reflect Council comments and recent development trends and community issues. Attachment 6 summarizes the LUTE land use alternatives. The revised draft LUTE and Draft EIR will be released in fall 2015 with certification and adoption anticipated in spring 2016.

Study Session #3: Peery Park Specific Plan - Consideration of Land Use Alternatives for the Environmental Impact Report and Community Benefits Program

Attachments

- Attachment 7: PPSP Policy Framework (April 28, 2015)
- Attachment 8: PPSP EIR Recommended Land Use Alternatives
- Attachment 9: Recommended List of Tiered Community Benefits for Peery Park

The third study session topic involves the Peery Park Specific Plan. Two topics will be discussed: 1) EIR land use alternatives as requested for review by the City Council; and 2) market analysis and concept for a community benefits program based on zoning incentives. Both items are essential components for completing the Draft EIR and Draft Peery Park Specific Plan, which are scheduled to be released in October/November 2015 with certification and adoption in March 2016. Attachment 7 is the policy framework for the Peery Park Specific Plan that was accepted by the City Council on April 28, 2015, and Attachment 8 summarizes the recommended EIR alternatives for the Perry Park Specific Plan.

A community benefits program is a key element of the implementation strategy for the Peery Park Specific Plan. At this session, we will begin the discussion of a Community Benefits Program for the PPSP: this may be one of several discussions. Cities can obtain community benefits from developments through a variety of mechanisms, including impact fees, conditions of approval, and development agreements. Community benefit programs offer another mechanism for cities to obtain public benefits. These programs use zoning incentives to offer increases in development potential in return for funding public facilities or programs desired by cities. The public benefits are typically beyond those that could otherwise be required through a standard project entitlement process. Community benefit programs are marked by transparency, predictability, a sense of community ownership, and address the policy objectives established by the City Council. These programs are structured to capture a portion of the added market value that is available through zoning incentives. An economic consultant will present a market analysis of potential office/industrial projects in Peery Park to provide a financial framework for a community benefits program. Attachment 9 contains a recommended list of tiered community benefits for Peery Park.

Study Session #4: Transportation Impact Fees: (1) Review of Projects and Funding, (2) Discussion of an Updated Fee

Attachments

- Attachment 10: TIF Project List
- Attachment 11: TIF Report to Council (December 17, 2013)

The fourth and final topic of the evening is Traffic Impact Fee's (TIF). The TIF is a revenue source for major transportation capital improvements for the City. A study to update the TIF will be undertaken over the next months and staff would like to begin the discussion regarding project priorities, next steps to advance projects, and implications for amending the TIF.

In closing, at this point in time relative to the various efforts underway, this is a great opportunity to evaluate each of these key areas of work, the current status of them, assumptions in each study that will reflect in the final products presented to Council, and next steps to continue to implement them. The session is carefully structured to begin at the highest level of land use and transportation policy, Envision 2040/anticipated 2016 ballot initiative, and conclude with our local TIF update, our local revenue source. I hope that you find these reference materials useful to prepare you for this multi-part study session.

Goals and Strategies Envision Silicon Valley

Goal: Enhance Safety

- Prioritize projects that address safety concerns.
- All projects will result in a safe, reliable and comfortable transportation system.

Goal: Provide Congestion Relief and Improve Transportation Efficiency

- Improve regional connectivity and seamless travel.
- Improve transit service and travel times to meet demand.
- Relieve roadway, highway and expressway bottle necks and minimize traffic in residential neighborhoods.

Goal: Expand Transportation Choices and Improve Travel Experience

- Use technology to improve the transportation experience.
- Provide amenities to attract transit riders.
- Deliver high quality bicycle and pedestrian projects that close gaps, provide trail connections and promote countywide connectivity.
- All transit and roadway projects should take into consideration geographic equity.

Goal: Expand Transit Ridership and Continue to Promote Quality Transit for Everyone – Including Low-income Areas

- Prioritize transit programs and projects for commuters, students, seniors, people with disabilities, economically disadvantaged and all who choose to use public transit.
- Support equitable development by promoting transit-oriented development that includes affordable housing and prevents displacement.

Goal: Actively Promote Healthy Communities, Environmental Sustainability and Plan for the Next Generation

- Projects will promote healthy communities and a high quality of life especially in communities marked by poor health outcomes.
- Projects should help minimize Green House Gas Emissions and Vehicle Miles Traveled.

Goal: Improve System Financial Sustainability and Maintenance

- Increase maintenance funding for roadways, sidewalks, bike lanes, pedestrian paths and transit stops.
- Leverage new revenues with other funding sources to attract private investment and outside grant funds.
- Strategically apply new local fund sources to underfunded project categories.
- All projects and programs must have high levels of support from the residents of Santa Clara County.

Goal: Continue to Support Silicon Valley's Economic Vitality

- Projects should stimulate economic development, encourage investment and provide employment opportunities including disadvantaged communities.
- Ensure land-use decisions are consistent with transportation project priorities.
- Projects should benefit economic vitality and sustainability of Silicon Valley to the benefit of all residents and businesses.

ENVISION

SILICON VALLEY

July 9, 2015

2015	JUN	JUL	AUG	SEP	OCT	NOV	DEC
	Board of Directors <ul style="list-style-type: none"> • Adopt Goals Advisory Committees <ul style="list-style-type: none"> • Review and provide input on evaluation criteria Stakeholder Groups <ul style="list-style-type: none"> • Review Call for Projects • Review Evaluation Criteria 	Stakeholders <ul style="list-style-type: none"> • Review Evaluation Criteria 	Advisory Committees <ul style="list-style-type: none"> • Review Evaluation Criteria Ad Hoc Committee <ul style="list-style-type: none"> • Review Evaluation Criteria 	Board <ul style="list-style-type: none"> • Adopt Evaluation Criteria Stakeholders <ul style="list-style-type: none"> • Distribute initial unconstrained project lists and costs Advisory Committees <ul style="list-style-type: none"> • Distribute initial unconstrained project lists and costs VTA Staff <ul style="list-style-type: none"> • Launch Budget Tool on Micro Site • Evaluate projects • Host community meetings 	Board <ul style="list-style-type: none"> • Approve Project List to submit to MTC Advisory Committees <ul style="list-style-type: none"> • Update process VTA Staff <ul style="list-style-type: none"> • Evaluate Projects 	Stakeholders <ul style="list-style-type: none"> • Compare projects with criteria • Receive presentation on Budget Tool Advisory Committees <ul style="list-style-type: none"> • Compare projects with criteria • Receive presentation on Budget Tool Ad Hoc Committee <ul style="list-style-type: none"> • Compare projects with criteria • Receive presentation on Budget Tool 	VTA Staff <ul style="list-style-type: none"> • Begin developing draft expenditure plan

Ongoing dialogue with community partners and stakeholders

2016	JAN	FEB	MAR	APR-MAY	JUN-AUG	SEPT-NOV
	VTA <ul style="list-style-type: none"> • Develop draft expenditure plan 	Stakeholders <ul style="list-style-type: none"> • Review draft expenditure plan Advisory Committees <ul style="list-style-type: none"> • Review draft expenditure plan Ad hoc Committee <ul style="list-style-type: none"> • Review draft expenditure plan 	Board of Directors <ul style="list-style-type: none"> • Review draft expenditure plan 	Stakeholders <ul style="list-style-type: none"> • Recommend approval of final draft expenditure plan Advisory Committees <ul style="list-style-type: none"> • Recommend approval of final draft expenditure plan Ad hoc Committee <ul style="list-style-type: none"> • Recommend Board approval of final draft expenditure plan 	Board of Directors <ul style="list-style-type: none"> • Approve final expenditure plan for August 4 submittal VTA <ul style="list-style-type: none"> • Submit arguments in favor by August 16 • Submit rebuttal arguments by August 23 	<ul style="list-style-type: none"> • November 8, 2016 Election Day

Ongoing dialogue with community partners and stakeholders

DRAFT**PROJECTS IN VTP 2040 & BAY AREA LONG RANGE PLAN**

<u>TITLE</u>	<u>COST (\$M)</u>
<u>Current Projects</u>	
• Realign Wildwood Ave. to connect with Lawrence Exp. (Includes a new traffic signal).	5.9
• Widen intersections and improve sidewalks throughout the City.	17.0
• Implement Downtown specific plan transportation improvements.	15.3
• Mary Ave. extension.	69.4
• Install ped countdown signals.	0.2
• Bernardo Ave. Caltrain undercrossing.	9.9
• Mary Ave. Bike Lanes; Fremont to Maude.	1.4
• Mathilda Ave. Bike Lanes; US 101 to El Camino Real.	4.1
• Steven Creeks trail connector.	20.0
• Maude Ave. Bike Lanes; Mathilda to Wolfe.	0.9
• Belleville Way Bike Lanes & Detection; Fremont to Homestead.	0.1
• Bernardo Ave. bike detection; El Camino Real to Evelyn	0.2
• Bernardo Ave. bike detection; Remington to Homestead.	0.2
• California Ave. bike detection; Mary to Fair Oaks.	0.2
• El Camino Real Bike Lanes; west to east City Limits.	0.3
• Fair Oaks Bike Lanes; Old San Francisco to Ahwanee.	1.2
• Hendy Ave. Bike Lanes; Sunnyvale to Fair Oaks.	0.0
• Hollenbeck Ave. Bike Lanes & Detection; Danforth to Alberta.	0.2
• Java Dr. Bike Lanes & Detection; Mathilda to Crossman.	0.1
• Lakewood/Sandia Dr. Bike Lanes.	0.0
• Moffett Park East Channel and West Channel Trail.	3.6
• Tasman Dr. Bike Lanes and Detection; Fair Oaks to Reamwood.	0.3
• Fair Oaks / Tasman East Channel Trail; Greenbelt to Tasman.	0.7
• Fair Oaks Junction Trail; Arques to Wolf along East Channel Trail.	0.2
• Olive Ave. Bike Lanes; Mathilda to Fair Oaks.	0.0
• Advance adaptive traffic management system.	4.0
• Citywide CCTV deployment.	1.3
• Traffic signal controllers update/replacement.	0.7
• Citywide traffic count and speed monitoring system (RTMS).	1.2

- Citywide ITS communication infrastructure. 2.0
- Traffic management center integration/upgrades. 0.4
- Emergency Vehicle Preemption (EVP) system. 1.2
- SR 237/ Mathilda Ave. & US 101 / Mathilda Ave. Interchange. 17.0

Proposed New Projects

- Marry Ave. RR Grade Crossing. 80.0
- Sunnyvale Ave. RR Grade Crossing. 100.0
- Fair Oaks / US 101 Interchange Reconstruction. 30.0

August 21, 2015

Dear Chair Woodward:

The Mayors and City Managers of West Valley and North County cities have been meeting in recent weeks to discuss regional transportation issues and our common interests in addressing the transportation-related needs of our residents and businesses. A commitment to an innovative, intermodal and geographically balanced transportation vision for Santa Clara County is critical to the continued growth and vitality of the Silicon Valley as well as the quality of life of its residents.

The Valley Transportation Authority's (VTA's) current effort to update the list of projects to be included in the Valley Transportation Plan (VTP) 2040 provides Valley leaders with a critical opportunity to shape a new and transformative long-range vision for transportation in Santa Clara County.

Representatives of the West Valley and North County cities believe that in addition to VTP project requests submitted from each city, a stronger "systems" perspective is needed to support an integrated regional strategy and decisions on future mass transit investments. Specifically, the cities signing this letter respectfully request that the VTA initiate a comprehensive study, leading to an alternatives analysis and formal Federal environmental review process and clearance, to develop a system-wide plan that integrates future mass transit investments in Santa Clara County with connections to other counties, via such systems as Caltrain, as well as community-level systems and "first/last mile" strategies. The study's initial focus should be on the Highway 85/U.S. Route 101/State Route 237/Interstate 280 corridors, recognizing the changing dynamics of commute patterns within the Peninsula, East Bay and southern Santa Clara County that affect West Valley and North County cities.

The undersigned cities all agree that it is imperative that work on this study begin as soon as possible, so that the study can inform near-term project funding decisions, and that the study process include the consideration of the formation of a joint powers advisory board.

Thank you for your attention to this request.

Sincerely,

CITY OF SUNNYVALE

ATTACHMENT 5



Horizon 2035 LUTE

City Council & Planning Commission
Joint Study Session
May 19, 2015

Overview

- History
- Objectives
- Horizon 2035 Recommendations
- Transformation Areas
- Transportation System
- Outreach Efforts
- Next Steps



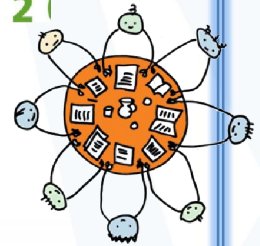
LUTE

- Land Use and Transportation Element
- Chapter of General Plan
- 2 of 7 State Required GP Elements



Horizon 2035 Committee

- Appointed by City Council
- LUTE & CAP
- 10+ Meetings
- Policy Recommendations

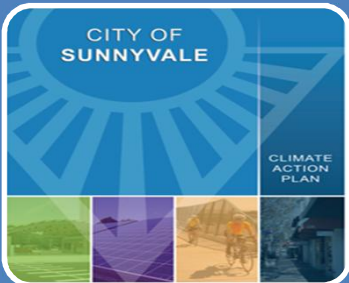


Project History



2011-2012

- Horizon 2035 Committee
- Draft LUTE & CAP



2014

- CAP Adopted



2015

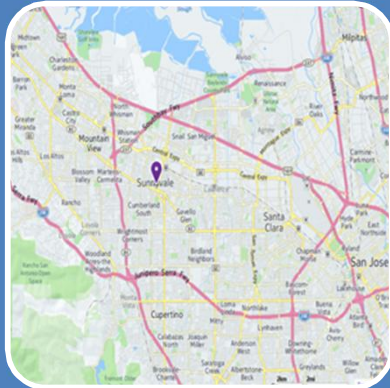
- Updated transportation analysis
- Re-energize

Horizon 2035 Recommends

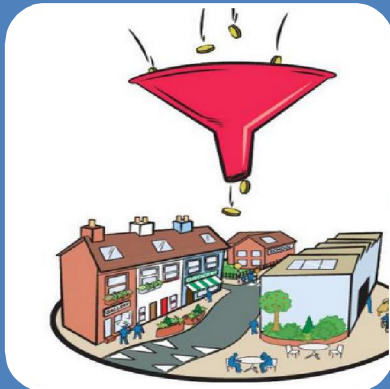
- Sustainable Community
- Climate Action Programs
- Progressive Transportation Policies
- Village Centers



LUTE Objectives



Coordinated Regional Planning



Economic Development

LUTE Objectives Cont'd



Environmental
Sustainability



Multimodal
Transportation

LUTE Objectives Cont'd



Healthy Living



Complete Community

LUTE Objectives Cont'd

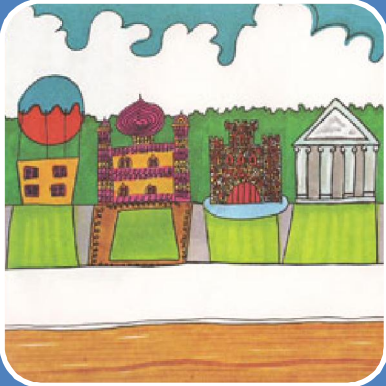


Placemaking



Attractive Design

LUTE Objectives Cont'd



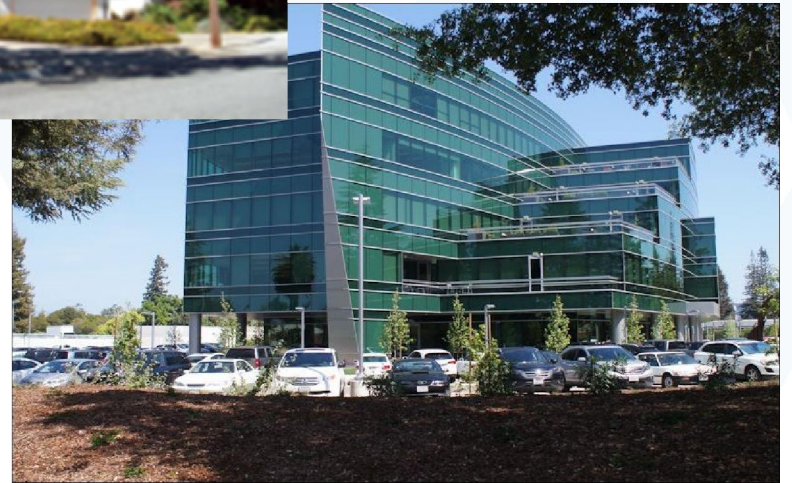
Diverse Housing



Special & Unique Land Uses

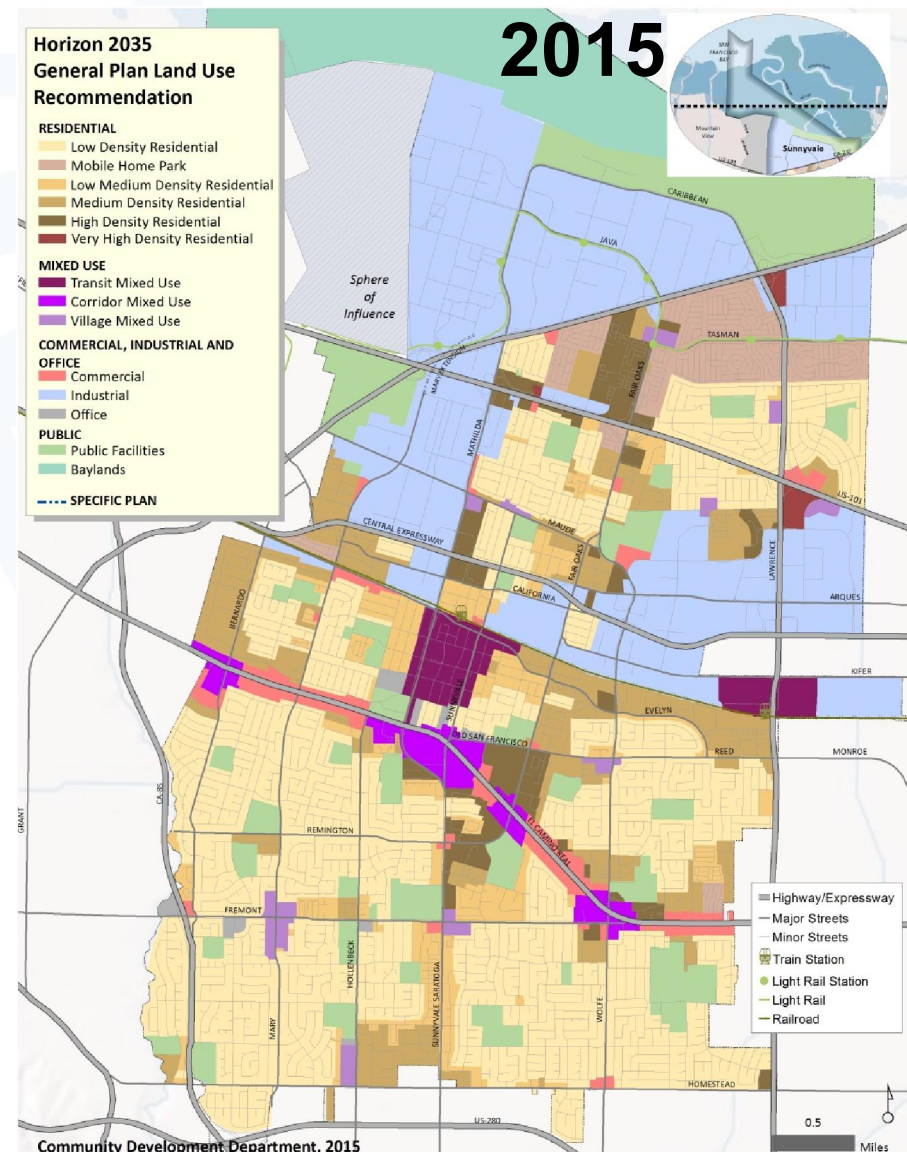
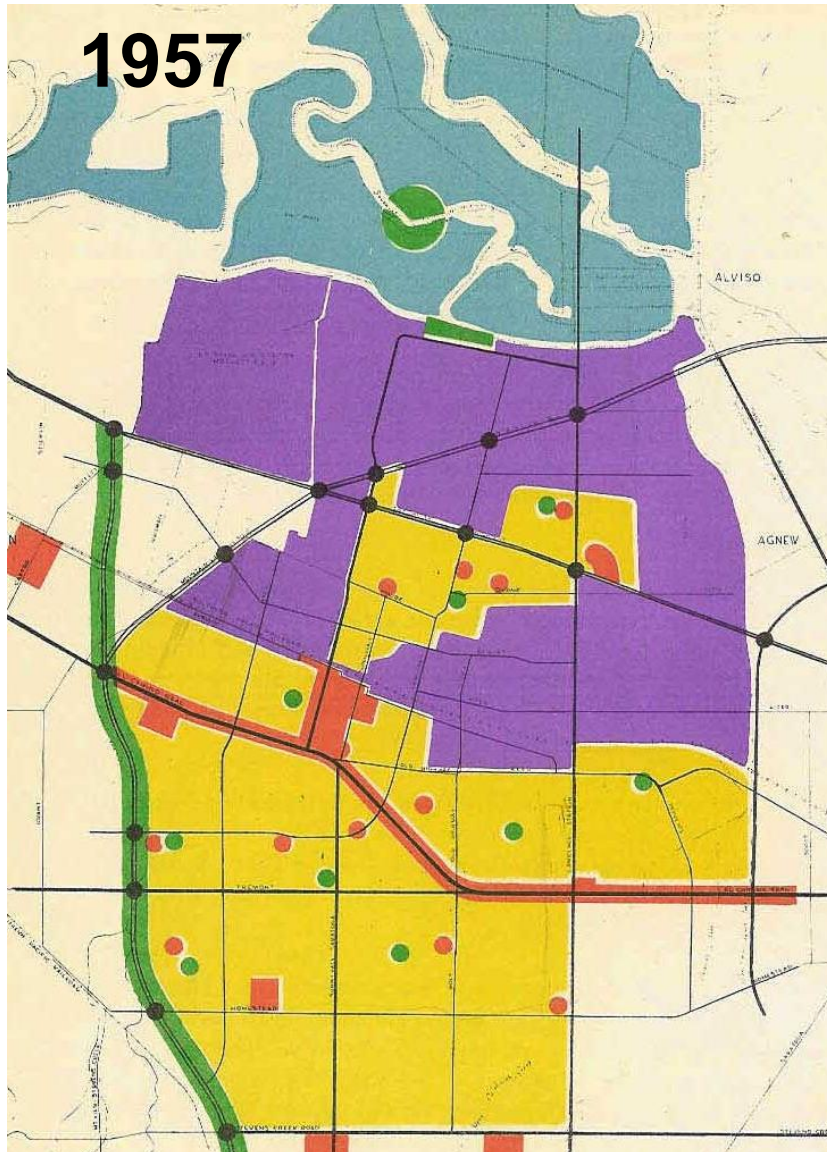
Land Use

ATTACHMENT 5

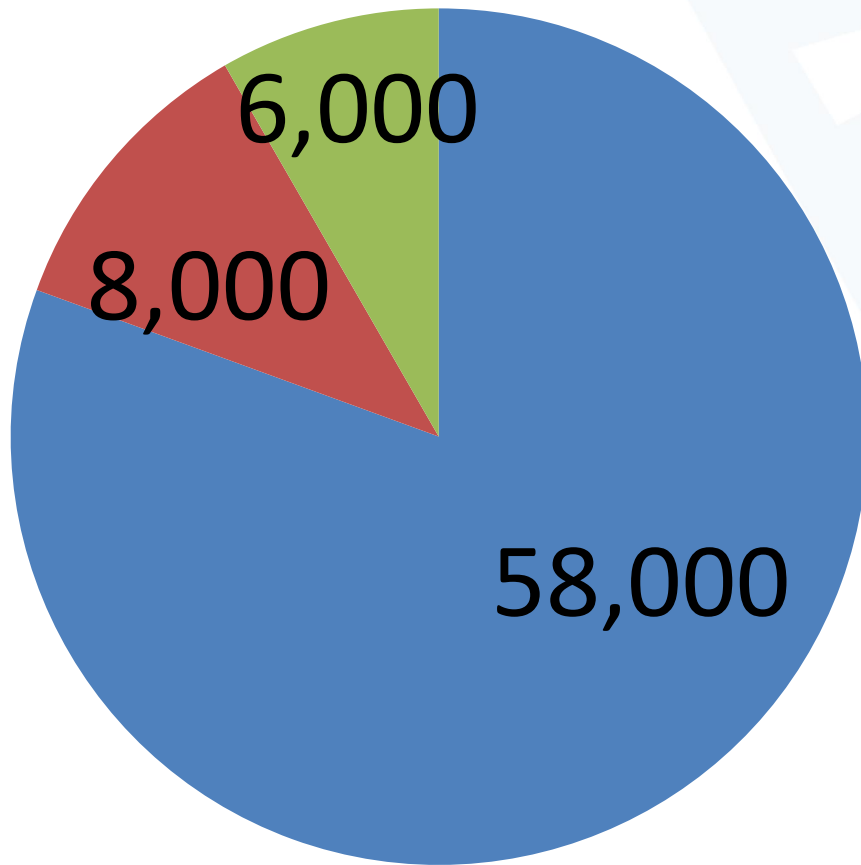


1957 vs 2015

ATTACHMENT 5



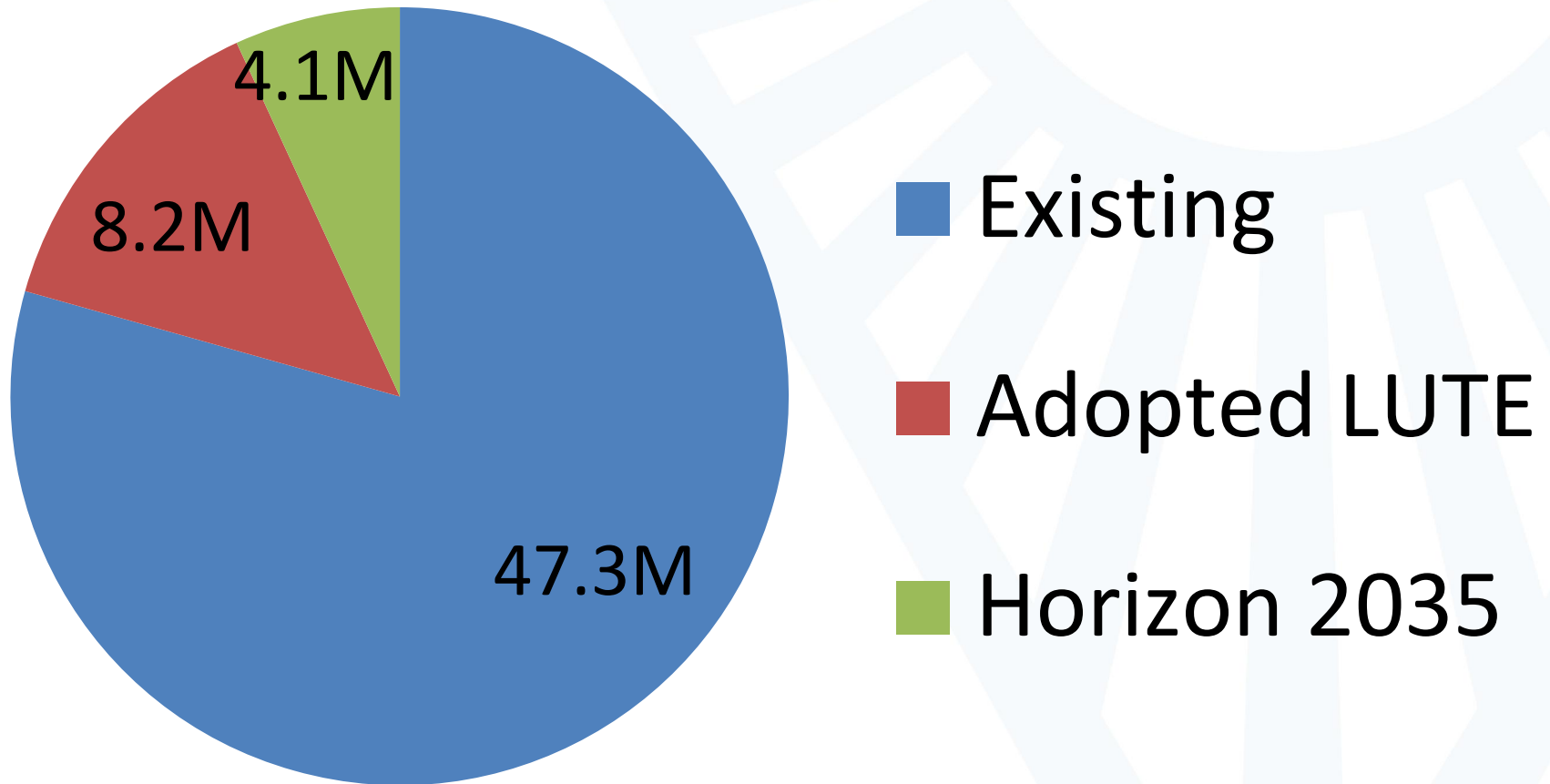
Housing 72,000 Units



- Existing
- Adopted LUTE
- Horizon 2035

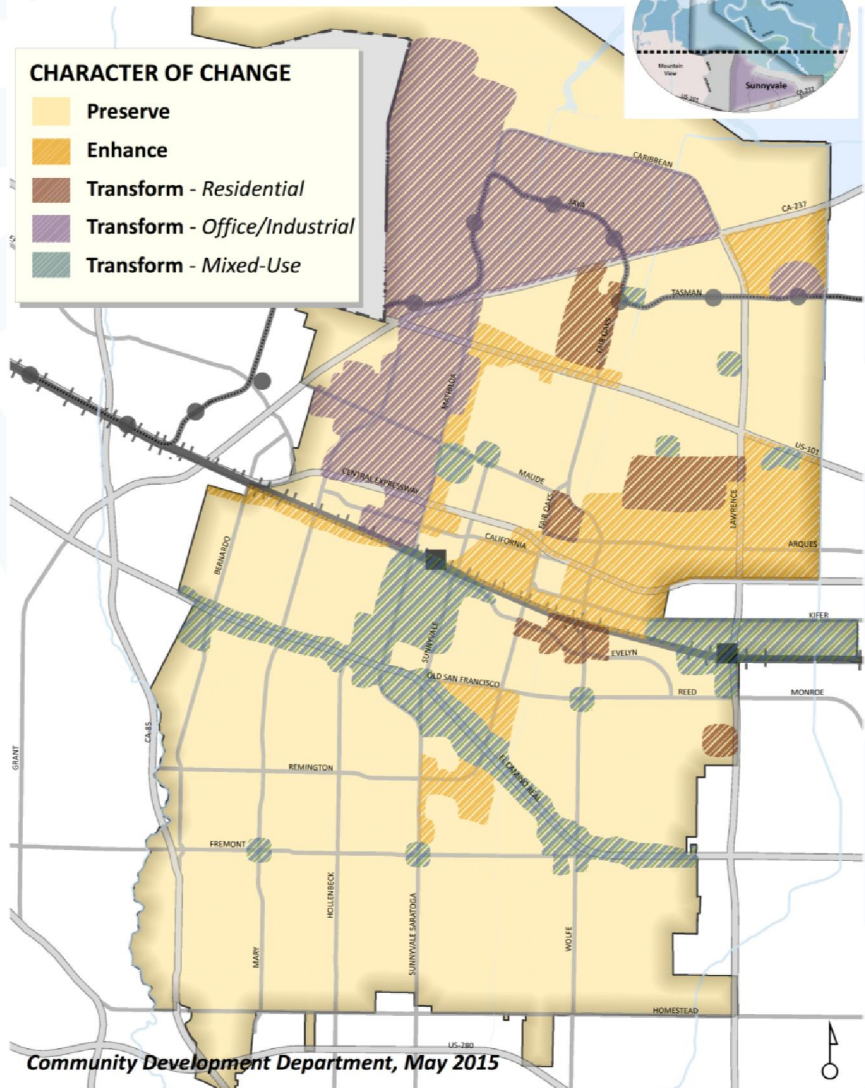
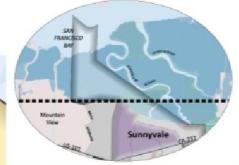
Office/Industrial/Commercial

59.6M SF



TRANSFORMATION areas

CHANGING CONDITIONS 2010-2035



Completed Plans

- ✓ Downtown
- ✓ Moffett Park
- ✓ Futures ITR
- ✓ El Camino Real

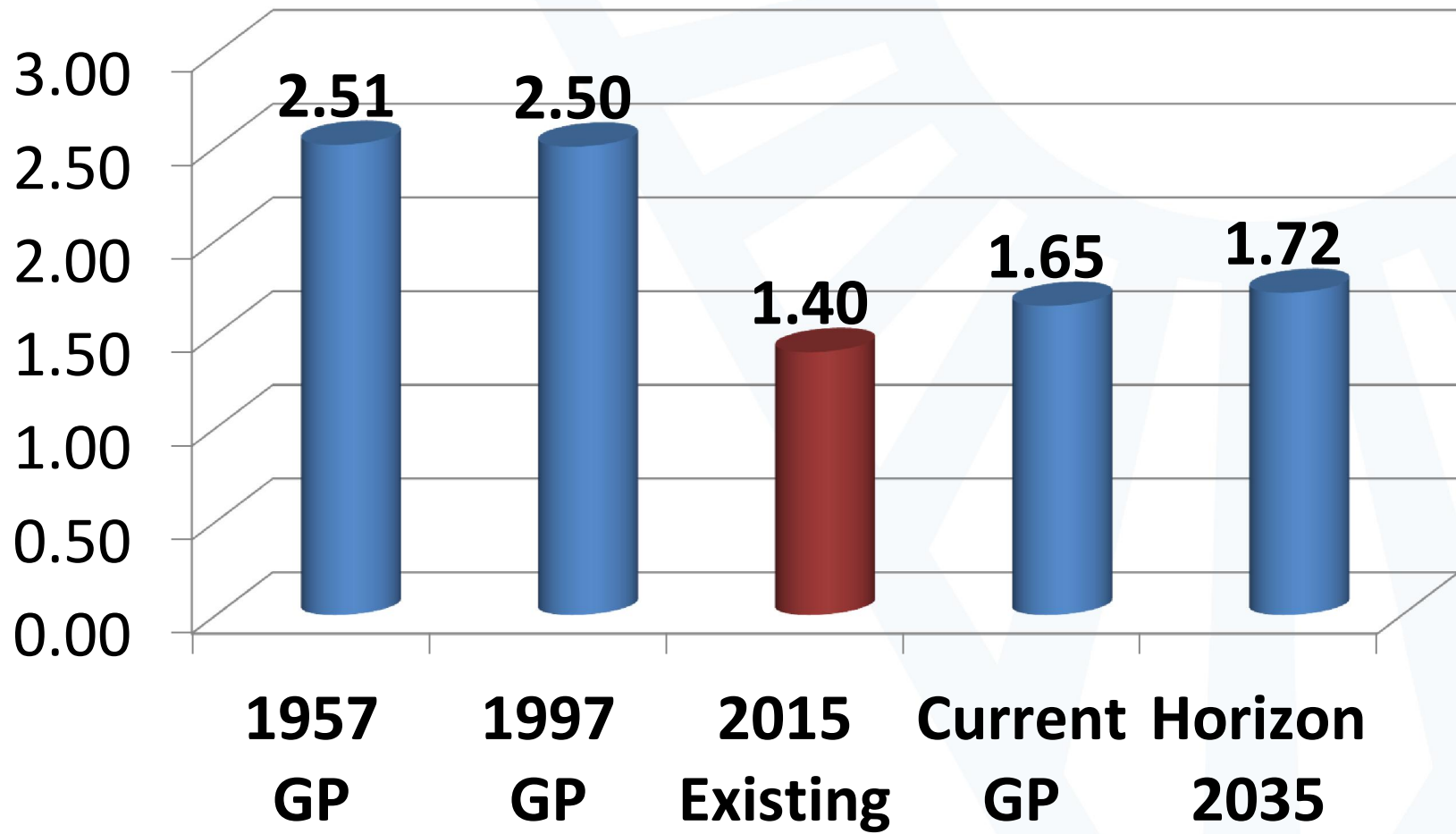
Pending Plans

- ⚙ Lawrence Station
- ⚙ Peery Park

Future Plans

- ⚙ ECR Update
- ⚙ Village Centers

Jobs / Housing Ratio



Transportation

ATTACHMENT 5



Transportation Policy

- Integrated Land Use and Transportation
- Plan for People; Not Cars
- Walkable and Bike Friendly
- Complete Streets / Multi-modal
- Regional Transit Systems



Multi-modal

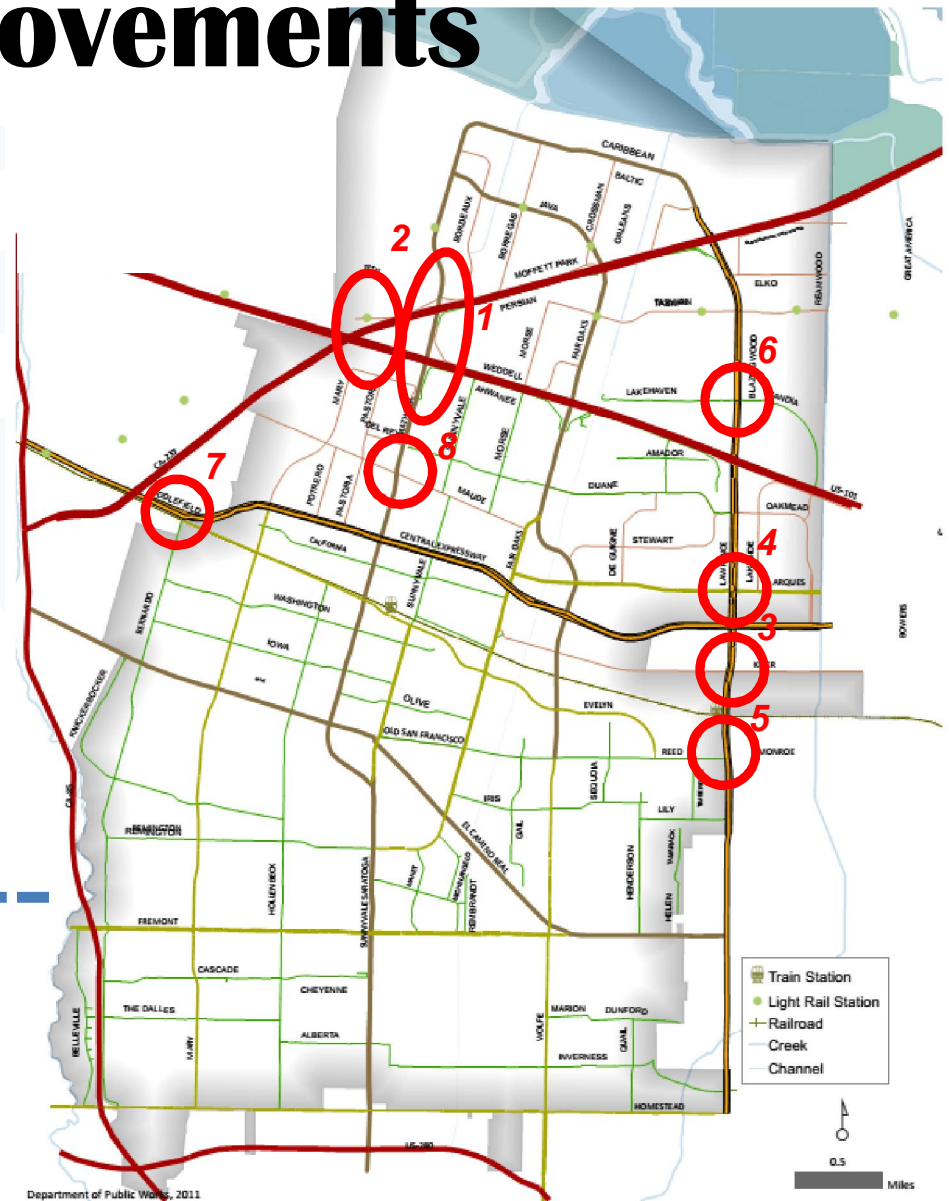
ATTACHMENT 5



ATTACHMENT 5

TIF Improvements

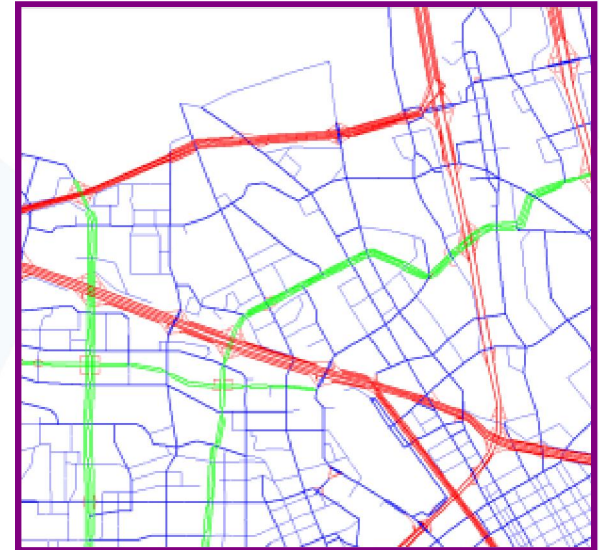
1. Mathilda/237/101
2. Mary Ave Extension
3. Lawrence/Kifer
4. Lawrence/Arques
5. Lawrence/Reed
6. Lawrence/Wildwood
7. Bernardo Undercrossing
8. Mathilda/Maude Left Turn
9. Future Signals
10. Sidewalks
11. Bike Network



Department of Public Works, 2011

Transportation Impact Analysis

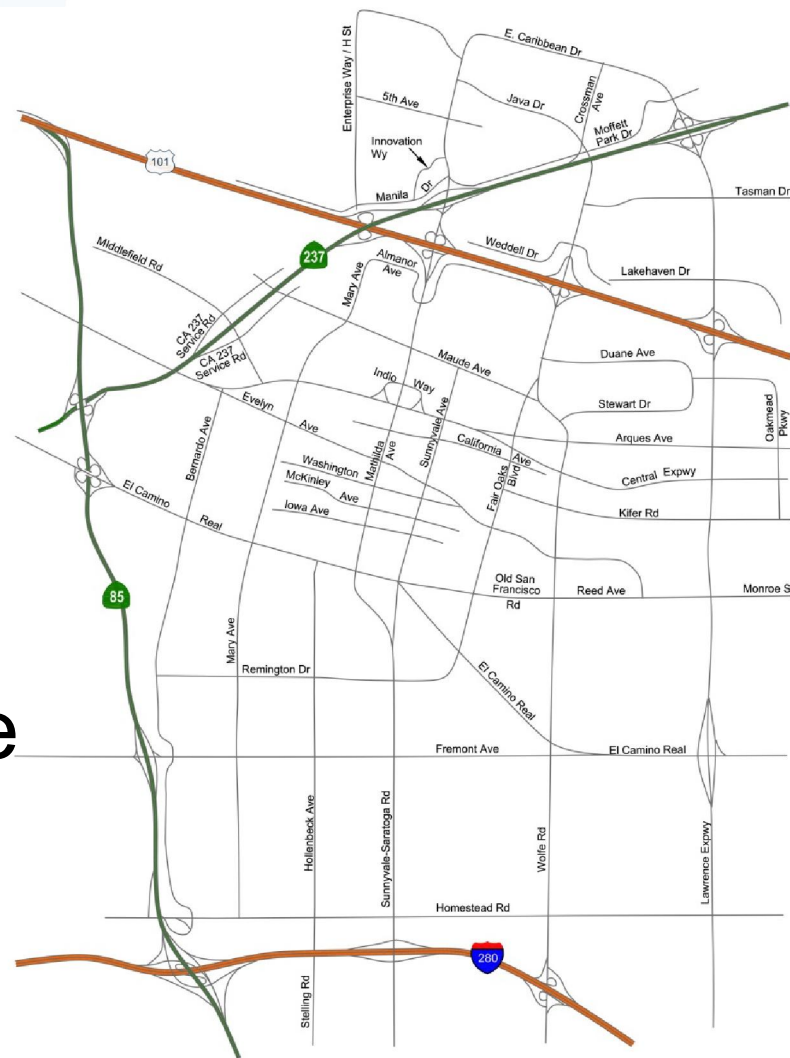
- Planned & Proposed Growth
 - Lawrence Station Area Plan
 - Peery Park Specific Plan
 - Other Horizon 2035 changes
 - Regional growth



Future Travel Observations

ATTACHMENT 5

- VMT Analysis
 - Regional perspective
 - Mitigation supports less vehicle travel
 - Focus on entire road
 - Supports mixed-use
- Travel Through Sunnyvale
 - Freeways (<90%)
 - Expressways (<50%)
 - El Camino Real (<30%)



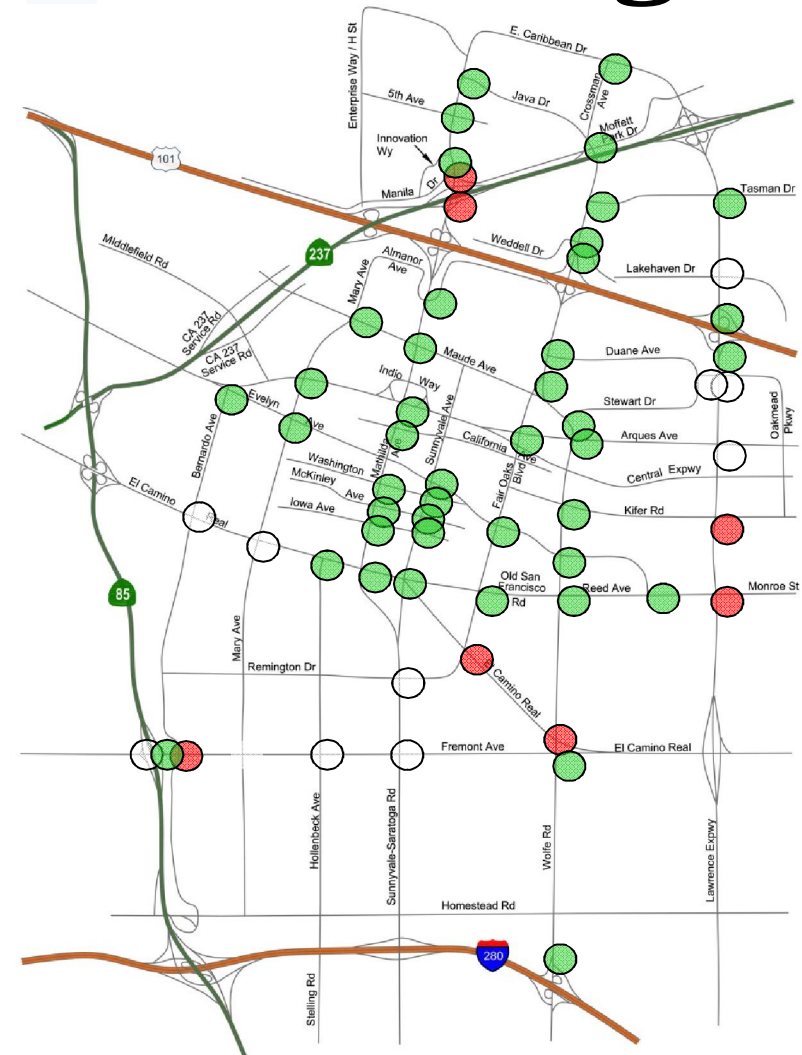
Preliminary Results - Existing

- Existing Intersection LOS
- 60 Intersections Analyzed

LOS A-C ● (43)

LOS D ○ (10)

LOS E-F ● (7)

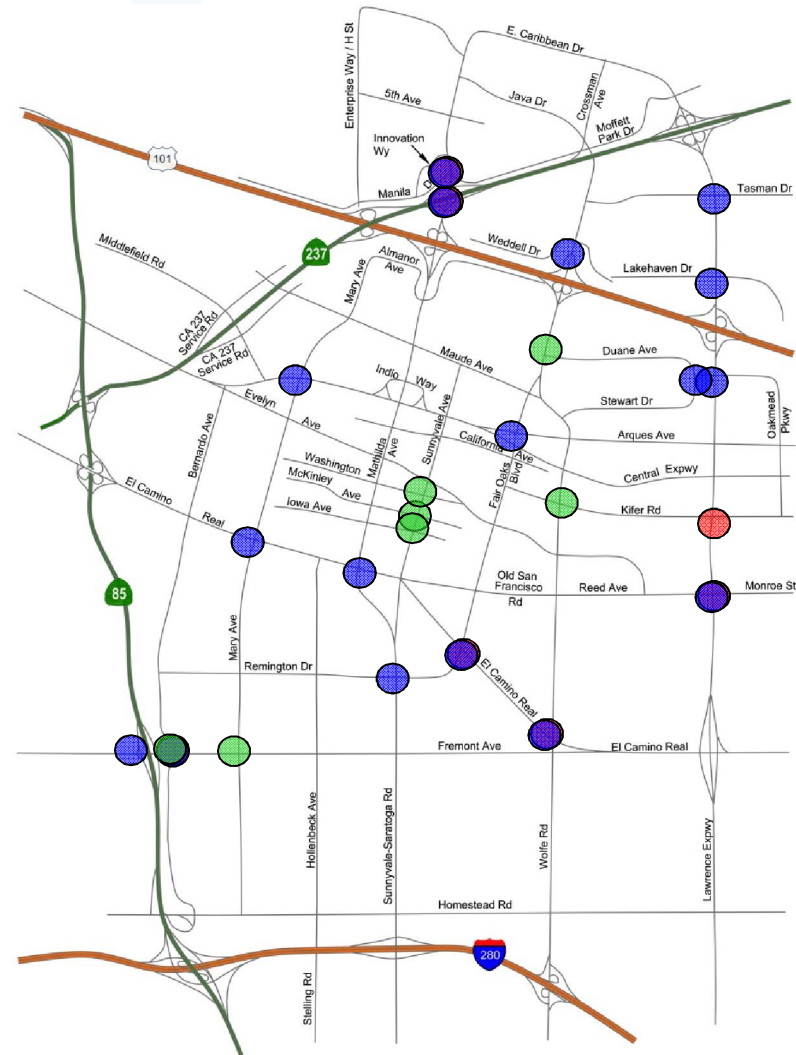


Preliminary Results - Future

ATTACHMENT 5

LOS E-F:

- Existing (7)
- Adopted GP (+11)
- Horizon 2035 (+7)



HEXAGON TRANSPORTATION CONSULTANTS, INC.



NORTH

Map Scale

1" = 100'

0 100 200

Feet

0 100 200

Meters



HORIZON 2035

Outreach 2012

- Neighborhood Associations
- Business Groups
- Boards and Commissions
 - Planning
 - BPAC
 - Sustainability
- Website
- Paper & Online Surveys



Horizon2035.inSunnyvale.com



2012 Feedback

Land Use and Density



SUPPORT

Density, TOD and village centers

Enhances neighborhood character

CONCERNS

Density, TOD and village centers

Density disrupts neighborhood character

2012 Feedback Transportation



SUPPORT

Addresses traffic congestion

Transit, walking, biking options

CONCERNS

Higher density = congestion

Transit not useful and is costly

Loss of free parking

Takes away right to use cars



2012 Feedback

Sustainability and Economic Dev

SUPPORT

Green business

Tree preservation

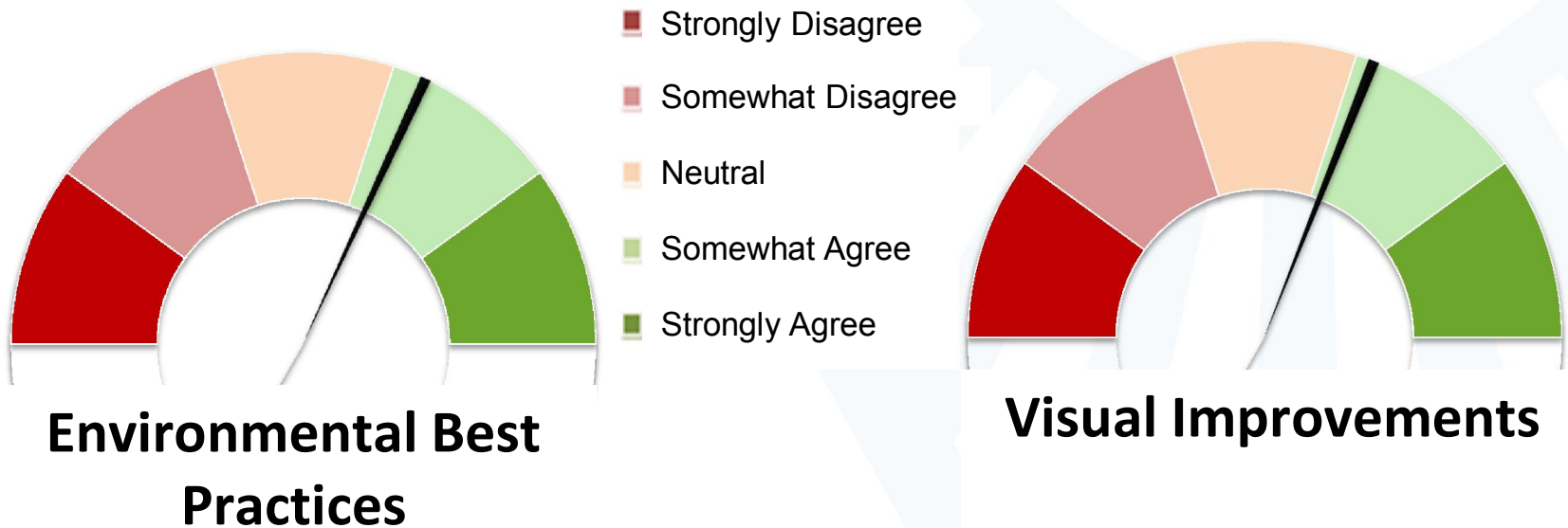
Enhances neighborhood character

Economic growth and new jobs

CONCERNS

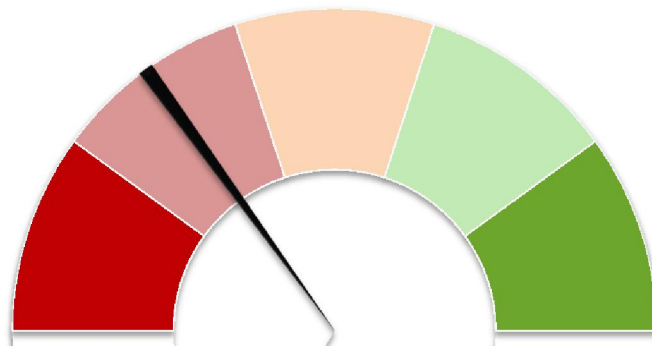
2012 Feedback

Most Supported Concepts:

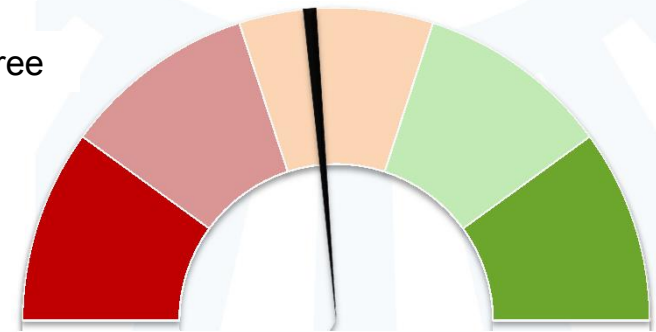


2012 Feedback

Least Supported Concepts:



**Reduced free
parking**



Village Centers

Tentative Schedule

August 2015

• **Draft LUTE**

August 2015

• **DEIR**

Jan-Feb 2016

• **Boards/Commissions**
• **City Council**

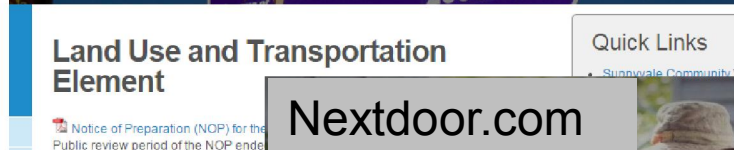
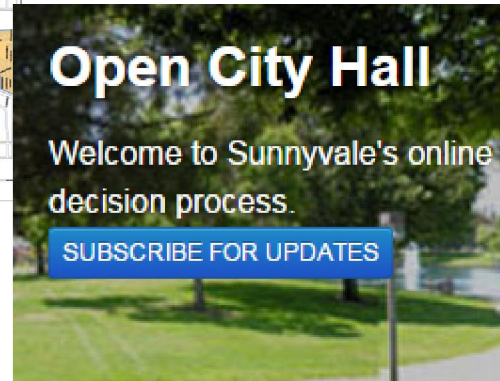
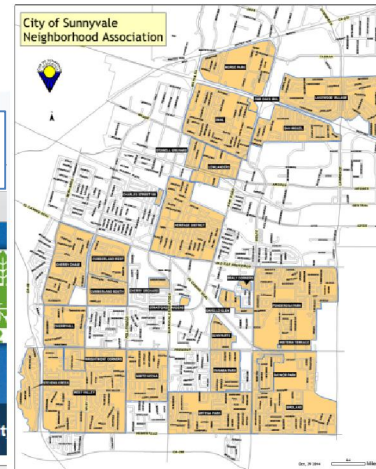
March 2016

• **Publish**

2016 – 2017

• **Noise & Air Quality**

2015 Outreach



Questions & Comments



HORIZON 2035: LUTE ENVIRONMENTAL IMPACT REPORT

ALTERNATIVES ANALYSIS

ALTERNATIVES

Several alternatives to proposed project are evaluated in this EIR. The impacts of the alternatives are compared to the impacts of the proposed project to determine whether any of the alternatives have the ability to reduce or avoid the significant impacts associated with the project, and therefore may be considered environmentally superior to proposed project. Alternatives evaluated in this EIR include:

Alternative 1 – Existing LUTE Alternative (No Project)

Under this alternative, the Draft LUTE would not be adopted and the current 1997 LUTE (included in the 2011 Consolidated General Plan) would remain in effect. Buildout under Alternative 1 would consist of 66,570 residential units and 109,900 total jobs. This represents an increase of 11,170 residential units and 32,010 jobs over existing conditions, and a decrease of 5,590 and 14,100 jobs relative to the Draft LUTE. The jobs-housing ratio under this alternative would be 1.65. While the overall extent of urban development between the existing LUTE and the proposed project would be the same, notable differences include the lack of mixed-use land use designations within the existing LUTE. The existing LUTE would also not include new policy provisions (e.g., Environmental Sustainability, Multimodal Transportation, Village Centers) that support the project objectives.

Alternative 2 – Reduced Jobs/Housing Ratio Alternative

Alternative 2 would be similar to the proposed project except that the residential development potential of the Draft LUTE would be increased and the employment potential of the Draft LUTE would be reduced in order to achieve a jobs/housing ratio of approximately 1.5. This Alternative would increase the number of housing units in all areas of growth (Downtown, ITR sites, planned Mixed-Use areas, El Camino Real, and other areas) by 60%. This Alternative would also reduce planned nonresidential floor area at the Industrial to Residential (ITR) 5 site (Northrop Grumman) by 40%. The proposed employment potential of all other project areas would be retained. Buildout under Alternative 2 would consist of 82,575 residential units and 123,000 total jobs. This represents an increase of 27,175 residential units and 45,110 jobs over existing conditions, and an increase of 10,416 units, but a decrease of 1,000 jobs relative to the proposed project. The jobs-housing ratio under this alternative would be 1.5.



Alternative 3 – Redistribute a Portion of Neighborhood Village Growth to Commercial Nodes Alternative

Alternative 3 would relocate 600 housing units (approximately 66%) currently identified within the Village Mixed Use land use designation to the Transit Mixed Use and Corridor Mixed Use land use designations. Specifically, planned housing units in four of the Neighborhood Village areas would be re-distributed, resulting in a higher concentration of these uses along transportation corridors (e.g., El Camino Real) and in Transit Village Centers (e.g., Downtown, Lawrence Station). Proposed Neighborhood Village Centers would be retained as neighborhood commercial uses. Buildout under Alternative 3 would consist of 72,160 residential units and 124,000 total jobs. This represents an increase of 16,760 residential units and 46,110 jobs over existing conditions. It represents no change in total residential units or jobs relative to the proposed project; rather it would result in growth occurring in different areas. The jobs-housing ratio under this alternative would be the same as the proposed project, at 1.72.

Draft Vision, Guiding Principles, Goals, Policies and Key Implementation Concepts for the Peery Park Specific Plan

(as amended for City Council meeting of April 28, 2015)

Vision Statement:

A cutting edge workplace district that has been physically re-shaped to align with 21st century workplace trends and the innovation economy.

Guiding Principles:

1. **Innovation:** New development and capital improvements will provide the district with the mix of uses, building types, and public spaces that businesses and workers need to be innovative and successful in the 21st Century economy.
2. **Connectivity:** New and improved vehicular, pedestrian, and bicycle connections into, out of, and within Peery Park will improve the experience of district businesses/employees, nearby residents, and reduce traffic impacts. New development will not be isolated and cut-off from the surrounding district or adjacent neighborhoods.
3. **Transportation Demand Management (TDM):** The transportation impacts of new development will be limited by focusing on pedestrians, bicyclists, transit, and alternative transportation improvements. Emphasis will be on improvements that reduce vehicle trips instead of street network changes that simply accommodate more cars. A Transportation Management Association will be one of the tools used to manage district-wide transportation demand.
4. **Environmental sustainability and resilience:** Increased open space, improved landscaping, and green architecture will improve water quality, improve air quality, and reduce energy within the district and contribute to City-wide sustainability goals.
5. **Public spaces:** Creating spaces for people to meet, interact, recreate, and relax will support innovation in the district and provide amenities for residents of nearby neighborhoods.
6. **Complementary uses, diverse job opportunities and businesses:** A broad range of mutually supportive land uses will be encouraged to create a strong workplace ecosystem and provide diverse jobs.
7. **Economic viability:** District transformation will build first off existing strengths by retaining existing firms and targeting existing industry clusters. A mix of building types for businesses of different sizes and flexible workspaces will allow the district to adapt to a changing economy by accommodating a range of uses and tenants over time.
8. **Respect nearby neighborhoods:** Residents will have convenient retail services within walking distance. Height limits, land use transitions, and landscape buffers will preserve neighborhood character.
9. **Quality design:** New development will contribute to an improved district image with architecture and landscaping that reflects the Sunnyvale community's standards for quality development.

10. Healthy lifestyles: The district will include a mix of uses, a variety of public spaces, and a bike/pedestrian network connecting it all that will encourage and enable healthy lifestyles.
11. Community Benefits: New development within Peery Park will provide benefits serving the whole community. Projects will include public improvements such as parks and public space, pedestrian and bicycle improvements, shared parking, and impact fees or assessments to fund items such as transportation improvements and affordable housing.

Goals & Policies:

1. Align both public and private interests with workplace and market trends.
 - a. Balance demand for new development with neighborhood preservation.
 - b. Permit market feasible development types which meet the needs of current and future Silicon Valley businesses.
 - c. Plan streetscape/transportation improvements, restrict development, and require landscaping in ways that will buffer neighborhoods from potential traffic, noise, visual, and safety impacts caused by Peery Park development and uses.
 - d. Make the plan consistent with county density & height guidelines to maintain safety in airport protection areas.
2. Make Peery Park a center of knowledge and innovation.
 - a. Physically transform the district to create the type of environment that attracts innovative businesses and employees.
 - b. Plan a network of signature streets and public spaces that establish the district's identity and mark it as a premier Silicon valley workplace destination.
 - c. Avoid isolated developments that are cut-off from the surrounding district. Instead, require public space, streetscape improvements, and workplace-oriented retail to give the district as a whole a campus-like feel.
 - d. Work with property owners, developers, and institutions to attract and integrate innovation anchors in to the district (such as start-up schools, incubators/accelerators, co-working spaces, college/university branches, business development services, etc.).
 - e. Consider creating an online idea sharing portal or directory that promotes the district and creates a platform to facilitate connections, idea sharing, collaboration, networking, and discussion between businesses and workers.
3. Allow innovative businesses and workers to thrive.
 - a. Prioritize actions, development, and district improvements that encourage collaboration, interaction, and activity.
 - b. Create public spaces and encourage designs that bring people together.
 - c. Encourage and accommodate innovative, 21st century infrastructure including fiber-optic cable and district wifi.
4. Foster a dynamic mix of buildings and uses.
 - a. Ensure a healthy business ecosystem by

- i. Accommodating large established firms, small firms, and start-ups through a wide range of building types and work space sizes and classes. Use a variety of regulatory/policy tools to ensure that space for small scale tenants are maintained throughout the district.
 - ii. Permit a range of land uses that align with innovation economy and market trends. Use a variety of regulatory/policy tools to maintain a variety of research, design, engineering, and manufacturing activities within the district.
 - b. Regulate development capacity district-wide in order to allow development flexibility on individual properties while limiting environmental impacts.
 - c. Adopt economic development policies to proactively attract a variety of uses.
5. Provide settings that bring people together.
- a. Require on and off-site open space in a variety of configurations that accommodate a variety of activities.
 - b. Plan a connected network of pedestrian/bike-friendly streets and paths to connect workers/businesses with district activity and public spaces.
 - c. Require architecture and building disposition that makes work visible and brings activity to sidewalks and public spaces.
 - d. Encourage land owners to site buildings in a manner that promotes joint use of open space along and across property lines.
6. Provide new district amenities and uses.
- a. Plan and strategically locate one or two publicly accessible activity centers in addition to small clusters of lunch time activity evenly distributed throughout the district.
 - b. Encourage personal and business services within activity centers to serve district employees and nearby residents.
 - c. Plan a network of public open spaces that can accommodate recreation, physical activity, and encourage healthy lifestyles.
 - d. Plan seating, shelters, kiosks, turn-outs, bulb-outs, and other amenities/improvements to support transit use.
 - e. Improve pedestrian comfort with improved street lighting, sidewalks, street trees, and other landscaping.
7. Contribute to community sustainability.
- a. Establish a variety of standards and guidelines to ensure the district is part of an environmentally sustainable Sunnyvale. Include regulations addressing:
 - i. Green buildings
 - ii. Pedestrian, bike, and vehicular connectivity to improve air quality though decreased VMT and reduced congestion.
 - iii. Moderate to low impact traffic design on roadways and at intersections to promote pedestrian and bike safety.
 - iv. Climate Action Plan strategies to decrease energy use, water consumption, solid waste and greenhouse gas emissions.
 - v. Stormwater best management practices to improve water quality

- vi. Green Streets techniques to improve air quality, provide species habitat, minimize urban heat island effect, reduce stormwater run-off, and improve the pedestrian environment.
 - vii. Preservation of existing mature trees, including routing sidewalks around existing mature trees to preserve the trees.
 - viii. Alternative sources of water for new development to reduce water use, based on availability.
8. Protect adjacent neighborhoods.
- a. Limit the height of development where it is visible from adjacent residential neighborhoods, especially along Mathilda Ave.
 - b. Manage transportation to reduce traffic impacts.
 - c. Manage parking to limit spillover in to adjacent neighborhoods and encourage alternative modes of transportation.
 - d. Buffer existing residential neighborhoods from new development with increased landscaping.
9. Place priority on TDM and alternative transportation.
- a. Work with VTA to identify and implement changes or additions to bus routes in order to better serve the district and increase headways.
 - b. Maintain, improve, and increase connections throughout the district to distribute traffic and create more direct and more bike/pedestrian-friendly routes.
 - i. Add or improve Bike lanes/paths and make connections with the existing bike network.
 - ii. Add sidewalks where they do not exist, increase landscaping and pedestrian amenities throughout the district, and create new routes to create a more connected pedestrian network.
 - iii. Add a bike and pedestrian connection from Peery Park to Moffett Park.
 - c. Encourage the provision of convenient services within the district to reduce vehicular trips into/out of the district throughout the day and especially mid-day trips.
 - d. Require each development application to include TDM plan with clear trip reduction and management goals.
 - e. Require a transportation management association to coordinate TDM programs, monitor and report on traffic performance, and guide placemaking improvements.
 - f. Outline a plan to implement a Private/Public district shuttle including early phase pilot program, feasibility study, and potential funding/implementation strategies.
 - g. Seek grants to assist with financing and implementing TDM programs and tools.
10. Enable feasible development and provide clear direction for investors.
- a. Prepare regulations which permit market feasible development types.

- b. Present a clear entitlement process that ensures straight-forward approval of projects which meet all of the Plan's requirements and are consistent with the Plan's vision.
- c. Prepare simple to administer development regulations that simplify application review and make requirements and built outcomes clear to developers and the community.
- d. Establish a clear set of fees and required infrastructure/placemaking improvements to ensure an implementable vision, support intensification, and minimizing impacts without limiting feasible development.

Key Implementation Concepts:

Transportation Demand Management (TDM)

- The City may require TDM target goals at a sliding scale of 20-35% for each project based on project gross square footage and changes in occupancy. Preliminarily this scale may look similar to the following table:

Project (gross sq. ft.)	TDM Trip Reduction Goal*
Over 750,000	35%
300,001 to 750,000	30%
100,001 to 300,000	25%
Up to 100,000 and change in occupancy that intensifies prior use	20%

*Trip reduction goal based on Institute of Transportation Engineers (ITE) AM/PM peak hour rates for each development.

- A reduced TDM goal could be considered for a project if district-wide transportation improvements are proposed that would increase mobility (e.g. local street, bicycle, or pedestrian connections), or substantial onsite or offsite facilities/amenities are proposed that could reduce local vehicle trips for employees and visitors.
- Annual vehicle driveway counts will be performed by the City that will be paid for by the property owners/tenants. Penalties will be assessed annually if TDM goals are not met based on the percentage or number of trips exceeding the required TDM goal for each project.
- For phased projects, the TDM goal would increase as the cumulative amount of constructed building square footage increases.
- TDM goals will be reviewed periodically by the City Council to determine the feasibility of adjusting or increasing TDM goals as deemed appropriate.

Transportation Management Association (TMA)

- Property owners will be required to participate in a TMA that will have certain responsibilities and is privately funded.
 - Responsibilities of TMA are flexible, will be defined by governing board and can be adjusted over time, but may include:
 - Transportation Coordinator/district informational website;

- Transportation program with employer/employee incentives;
 - Carshare, rideshare, carpooling and bikeshare programs;
 - Transit passes;
 - Coordination on TDM monitoring and reporting;
 - Feasibility study and shuttle bus coordination or operation;
 - Installation and maintenance of pedestrian, bicycle, transit, recreation and sense of place amenities (bike shop?);
 - Regular reporting of updates to the City; and Work with the City to obtain TDM grants and with VTA to implement bus transit improvements.
- TMA or property owners shall prepare a feasibility study to determine the feasibility of operating a privately funded pilot shuttle bus program to serve the district and possibly a larger area. Individual property owners/tenants can include a shuttle bus in their TDM program and opt out of the feasibility study.
 - The timing for creating a TMA is still under discussion with Peery Park stakeholders. The City will consider offering a one-time matching grant of up to \$100,000 to help form a TMA or implement a shuttle bus program following adoption of the PPSP.

Parking

- The City proposes to set maximums for overall parking and for surface parking in a sliding scale that may look like the following:

Project (gross sq. ft.)	Parking Maximums* (spaces/1,000 sq. ft.)
Over 750,000	3.0
300,001 to 750,000	3.2
100,001 to 300,000	3.4
Up to 100,000 and change in occupancy that intensifies prior use	3.6

*Additional parking allowed up to 3.6/1,000 with structured parking or project enhancements; count structured parking spaces as a fractional amount (e.g. 0.75 per space) for complying with the parking maximums.

- Allow additional parking greater than the listed maximum may be allowed with incentives or benefits to the community and district, such as additional open space, shared parking, unbundled parking or more aggressive TDM measures.
- Allow reduced or no parking for small retail uses and cafes.
- Allow reduced parking for mixed use, shared parking or unbundled parking.

Open Space/Landscaping

- On-site open space/landscaping requirements will vary based on the size of the proposed project and can include paved plazas and courtyards:

Project (gross sq. ft.)	Minimum Open Space/Landscaping (percentage of total project site)
Over 750,000	40%
501,000 to 750,000	35%
300,001 to 500,000	30%
100,001 to 300,000	25%
Up to 100,000	20%

- A reduction in minimum open space/landscaping can be considered when:
 - Other on-site or district amenities are provided, such as cafes/restaurants or exercise facilities that are open to the public; or
 - On-site open space, plazas or courtyards are accessible to the general public to enjoy.
- Exceptions to development standards or zoning regulations can be considered with provision of increased open space.
- Combine or link open space on adjoining properties whenever feasible to create larger usable outdoor areas.

Community Benefits:

Potential Infrastructure Concepts/Fees

- Each property will be responsible for frontage improvements such as sidewalks, street trees, utilities, etc.
- The following fees or assessments would be determined following further analysis to define projects, estimated cost and fair share formula.
 - Specific Plan Fee – prepare and manage Peery Park Specific Plan, with credit for pre-paid contribution
 - Sense of Place Fee – fund bicycle, pedestrian and area-wide amenities
 - Supplemental Transportation Impact Fee (TIF) - fund district-related transportation improvements to mitigate traffic impacts
 - Infrastructure Improvement Fee – fee or assessment for improvements to accommodate planned development capacity
 - Park Dedication In Lieu fee – acquire/improve parkland and other recreational facilities, with credit for on-site usable open space, plazas and courtyards that are designed for employee or public use
 - Other community benefit fees or incentives that may be proposed with future study.
- In addition, projects will be subject to paying housing linkage fees for affordable housing based on net increase in floor area.

Attachment 8

Peery Park Specific Plan EIR

Recommended Land Use Alternatives

The following identifies recommended alternatives to be analyzed in the Peery Park Specific Plan (Project) Environmental Impact Report (EIR).

Purpose of Land Use Alternatives

The State Guidelines for implementation of the California Environmental Quality Act (CEQA) require that EIRs identify and evaluate a reasonable range of alternatives that would avoid or reduce the significant environmental impacts of a proposed project, while still attaining most of the basic project objectives.

Alternatives to the proposed Project are identified, screened, and recommended to either be retained for further analysis or eliminated as described below. The Alternatives screening process consisted of the following steps:

Step 1: Define the alternatives to allow comparative evaluation.

Step 2: Evaluate each alternative in the context of the following criteria:

- The extent to which the alternative would accomplish most of the basic goals and objectives of the Project;
- The potential feasibility of the alternative, taking into account site suitability, economic viability, availability of infrastructure, General Plan consistency, and consistency with other applicable plans and regulatory limitations;
- The extent to which the alternative would avoid or lessen one or more of the identified significant environmental effects of the Project; and
- The requirement of the state CEQA Guidelines to consider a “no project” alternative and to identify, under specific criteria, an “environmentally superior” alternative. For example, pursuant to State CEQA Guidelines section 15126.6, subdivision (e), “if the environmentally superior alternative is the ‘no project’ alternative, the EIR shall also identify an environmentally superior alternative among the other alternatives.”

Step 3: Determine the suitability of the proposed alternatives for full analysis in the EIR based on Steps 1 and 2 above. Alternatives considered to be unsuitable, were eliminated, with appropriate justification, from further consideration.

Descriptions of Potential Alternatives

- 1. No Project Alternative** - Under the required No Project Alternative, the Project would not be adopted and piecemeal development and redevelopment would occur in accordance with land use designations and provisions of the 2011 General Plan, existing Zoning Ordinance for M-S and C-1 zone districts, and the City's Industrial Design Guidelines. Over the long-term, the No Project Alternative would substantially reduce overall development of the Project area when compared to the Project. Specifically, the amount of Class A office space and mixed use commercial that could be developed under the Project would be substantially reduced. Instead, this alternative would favor development of more R&D type uses under the current Industrial–Service (M-S) zoning with associated reductions in potential future employment. This alternative would incrementally reduce some potential impacts of the proposed Specific Plan, such as traffic congestion, utilities, and jobs-housing balance. However, this alternative would also not provide the level of potential community benefits as the Project, including streetscape improvements, activity centers, and employee amenities.
- 2. Mixed Use Housing Alternative** – The goal of this alternative would be to replace some proposed commercial uses with residential uses to diversify the land uses within the Project area. Specifically, this alternative would adjust the land use plan to allow housing at the ***Southern Mixed Use Activity Center***.

This proposed activity center involves 16 acres of land near the intersection of Mary Avenue and Central Expressway. This alternative would replace approximately 500,000 sf of proposed office uses with residential uses, which would allow up to 640 dwelling units (du) at an average density of 40 du/acre. This alternative would continue to include retail uses at the Activity Center area to serve new residents and employees as well as existing residents in the surrounding area.

Developing housing closer to jobs in the Project area would potentially reduce some environmental impacts, such as regional traffic congestion, air quality, and utilities demand. Under this alternative, the Project would include use of development standards to prescribe the height, Floor to Area ratio (FAR), and allowed uses of potential mixed use development in appropriate locations in the Project area. These areas would be restricted in terms of allowable use to ensure compatibility between residential and commercial uses. This Alternative would limit mixed use development to the Activity Center, while retaining other areas in Peery Park for office and R&D uses. This alternative would incrementally reduce potential impacts, but would not provide as great an increase in employment within the Project area. The incremental reduction in impacts would also be associated with the loss of

employment opportunities and potential community benefits associated with the Project, but would increase housing to meet demand in Sunnyvale and regionally.

- 3. Higher Intensity Buildout Alternative** – The goal of this alternative would be to intensify and concentrate development within the proposed activity centers and edges of the Project Area to increase the employment and economic viability of Peery Park beyond the proposed Project. Under this alternative, the Project would include use of development standards to increase potential development.

In total, this alternative would increase the development potential of the Project area by 1 million square feet beyond the Project for a total net increase of 3.2 million square feet. This alternative would focus development on areas of the Project designated for high profile firms, as well as the proposed activity centers. This alternative may incrementally increase some potential impacts, but would more effectively attract high-profile firms and increase employment within the Project area. The incremental increase in impacts would also be associated with the increase of employment opportunities and potential community benefits associated with the Project.

Key Features and Outcomes of Land Use Alternatives

Project Alternatives	Key Features	Key Outcomes
No Project (Status Quo)	<ul style="list-style-type: none"> • No change to existing Industrial land use and zoning (M-S and C-1) • Continued incremental development of individual properties under the existing General Plan growth assumptions (0.9 million sf of additional development) • No new Development Standards • No uniform public improvement plan 	<ul style="list-style-type: none"> • Incrementally fewer environmental impacts (e.g., transportation and utilities) • Less community benefits or coordinated District improvements - streetscape, activity centers, transportation, etc. • Reduced tech-based employment opportunities
Proposed Project (for	<ul style="list-style-type: none"> • Moderate intensification of Industrial and Commercial 	<ul style="list-style-type: none"> • Provision of community benefits and coordinated

Project Alternatives	Key Features	Key Outcomes
comparison)	<p>land use (2.2 million sf of additional development)</p> <ul style="list-style-type: none"> • Changes to zoning development standards to allow targeted activity centers and revitalized business sub-districts 	<p>District improvements - streetscape, activity centers, transportation, etc.</p> <ul style="list-style-type: none"> • Increased tech-based employment opportunities • Transportation demand management (TDM) goal of 30%
Mixed Use Housing Alternative	<ul style="list-style-type: none"> • Housing in a mixed use setting within two locations (up to 640 additional units), rather than only commercial/ industrial uses • Expanded zoning development standards to address residential uses within activity centers and adjacent business sub-districts 	<ul style="list-style-type: none"> • Incrementally fewer impacts (e.g., transportation and utilities) • Increased benefits of TDM (i.e., jobs near housing) • Increased housing opportunities • Reduced tech-based employment opportunities
Higher Intensity Buildout	<ul style="list-style-type: none"> • Increased intensification of Industrial and Commercial land use (up to 3.2 million sf of additional development) • Higher development capacity or intensity to allow more development within proposed activity centers and business sub-districts 	<ul style="list-style-type: none"> • Potential increases in impacts – transportation, air quality, and utilities • Increased community benefits or District improvements - streetscape, activity centers, transportation, etc. • Transportation demand management (TDM) goal of 30% • Substantial increase in tech-based employment opportunities • Greater increase in housing demand

Attachment 9
Peery Park Specific Plan
Community Benefits Program

Concepts

Value Recapture pertains to the ability for cities to gain community benefits by capturing a portion of added market value that results from increasing the zoning intensity or density for a property.

Community Benefits involve contribution of community facilities, services or impact fees in exchange for added development capacity or intensity. Benefits encompass two categories:

- Prescriptive (impact fees)
- Flexible (project specific)

Zoning Incentives is the implementation tool for community benefits - additional development capacity or bonus is tied to the offer of public benefits.

Program Framework

The starting point is to establish a base zoning that is below market or development potential for the property. Additional development capacity is then allowed above the base zoning by choice or as a voluntary option.

Economics - Cost of community benefits or value recaptured must be within added market value. The objective is to reach the “*Sweet Spot*” whereby public benefits are maximized while preserving the financial feasibility of a project.

Managing Expectations and Balancing Priorities

Community Benefit Program should reflect the following principles:

- Goal and policy based
- Market and financial sensitivity
- Community-driven expectations
- Predictability and transparency
- Established Priorities – foundation for zoning incentives

Community Benefits Tiers

Basic Community Benefits - required for all development

Optional Community Benefits - zoning incentives by choice

The table below outlines the proposed community benefits program for Peery Park. It defines what types of community benefits are required to reach each tier, which is based on floor area ratio (FAR). Project proponents would choose from a “menu” of prioritized community benefits to reach their desired FAR. The recommended approval authority for each FAR tier is also indicated.

Peery Park Specific Plan Recommended Community Benefit Tiers

Level	FAR	Community Benefits	Project Application	Approval Authority
Base	Up to 35%	Basic Requirements	Design Review	CD Director
Tier 1	Up to 55%	Prescriptive only	Design Review	CD Director
Tier 2	Up to 80%	Prescriptive and flexible	Special Development Permit	Planning Commission
Tier 3	Over 80%	Prescriptive and flexible	Special Development Permit	City Council

Basic Requirements for All Projects

- Existing:
 - Transportation Impact Fee
 - School Mitigation Fee
 - Art in Public Spaces
 - Housing Impact Fee
 - Green Building Program
 - Frontage improvements
 - EIR Mitigation measures
- Proposed
 - Sense of Place Fee
 - Infrastructure Fee
 - Specific Plan Fee
 - Transportation Demand Management (20-35%)
 - Transportation Management Association (membership)

Recommended Prescriptive Community Benefits

- Open Space/Landscaping
- Publicly Accessible Open Space
- Public Access Easement
- Retail/recreation/childcare
- Shared parking
- Community Benefits Fund

Recommended Flexible Community Benefits

- Transportation/streetscape improvements (bicycle, pedestrian, transit, sense-of-place)
- TMA programs and facilities (shuttle, parking, apps)
- Sustainability project elements
- Community facilities
- Community programs
- Other community benefits as may be identified in the future or proposed by a developer

Managing Expectations and Balancing Priorities

The following are key considerations for administering and managing an effective community benefits program:

- Balance between certainty and flexibility with prescriptive and opportunistic benefits.
- Review and adjust regularly to respond to changing costs, market conditions and shifting community priorities.
- Keep it simple to administer and understand for decision makers, the community, developers and staff.

Current TIF Improvements

Improvement	TIF \$	Outside \$	Total
Mathilda/237/101	\$12.25	\$12.25	\$24.5
Mary Ave Extension	\$33.6	\$33.6	\$67.2
Lawrence/Kifer	\$23.6	\$35.4	\$59.0
Lawrence/Arques	\$20.9	\$31.3	\$52.2
Lawrence/Reed	\$23.6	\$35.4	\$59.0
New Sidewalks	\$9.8	-	\$9.8
Bike Network	\$1.6	-	\$1.6
Bernardo Undercrossing	\$1.9	\$7.5	\$9.4
Future Signals	\$3.5	-	\$3.5
Lawrence/Wildwood	\$5.2	-	\$5.2
Mathilda/Maude Left Turn	\$0.3	-	\$0.3
TOTAL	\$132.2	\$155.5	\$287.7

**Council Meeting: December 17, 2013****SUBJECT: Discussion and Possible Action to Update the Transportation Strategic Program and Adopt a Resolution Amending the City's Master Fee Schedule for Traffic Impact Fees****BACKGROUND**

In November, 2003 the City approved the Transportation Strategic Program and adopted a Transportation Impact Fee on land development that generated new automobile trips. The fee is a revenue source for major transportation capital improvements in the City. Impact fees require periodic updating of the technical basis that supports the fee. Staff has completed an update of the City's traffic model based on build-out conditions in the current General Plan. Output from the model was used to update a proposed program of transportation projects to be funded by the fee (Attachment A).

During development of the updated Land Use and Transportation Element (LUTE) in 1997, it became clear that a comprehensive program of major transportation capital improvements was required to support planned land use plans. At the time of adoption of the LUTE, no financing program had been identified to fund these improvements. The Transportation Strategic Program was initiated in 1998 to provide the financial basis for the City's current land use and transportation plan through adoption of a Transportation Impact Fee and identification of matching fund sources.

EXISTING POLICY

Land Use and Transportation Element Policy LT-5.7, Pursue local, state and federal transportation funding sources to finance City transportation capital improvement projects consistent with City priorities.

ENVIRONMENTAL REVIEW

Updating of the Transportation Impact Fee is a funding mechanism not subject to environmental review pursuant to CEQA guideline 15378 therefore, no CEQA action is necessary. Environmental review of individual projects to be funded by impact fee funds would occur at the time of approval of the projects for construction.

DISCUSSION

Over the last two decades the City has adopted a number of long range land use plans including the Futures Study, the Lockheed Site Master Use Permit, the Downtown Development Plan, and the Tasman/Fair Oaks, East Sunnyvale, and Fair Oaks Junction industrial to residential plans. These plans and the Land Use and Transportation Element (LUTE) of the Consolidated General Plan identify transportation mitigation required to support the plans, and specify funding from assured sources. The LUTE called for development of a solid financial plan to mitigate negative impacts on the transportation system.

The cost of this mitigation is considerable, currently estimated at \$287.8 million. In order to fund projects that support City plans, a Transportation Impact Fee was approved by Council on November 11, 2003 (RTC 03-385).

Transportation impact fees require a detailed study of revenue generation potential for legal justification of the scope and amount of the fee. Cost estimates of improvements that would be eligible for fee revenue are also necessary. Crafting a logical package of revenue sources and a proposed set of capital improvements is another component of these studies. Regular updating of the technical basis for the fee amount is required by law. At this time staff has updated the program to address certain land development related transportation improvements, and the funding needed from local commitments over the life of the City's general land use plan.

Impact Fee Structure and Funding Levels

The Transportation Impact Fee is based on the following components and concepts of which only a few are funded in the current long-term plan of the Fiscal Year 2013/14 Budget:

- A two-tiered transportation impact fee on new development
 - one tier for areas outside of the Moffett Industrial Park (\$94.2 million)
 - a second tier for the industrial area north of Route 237 (Moffett Park Specific Plan area) that includes funding of a local share of Mathilda/237 area improvements (\$41.8 million)
- Outside funding (\$102.4 million) with appropriate funding contribution by the City from transportation impact fees (\$67.8 million) for Lawrence Expressway grade separations
- Funding for offsetting bicycle and pedestrian improvements identified in the City's adopted bike plan and VTA-approved Citywide Deficiency Plan (\$11.3 million)
- Funding for additional projects that were not included when the original fee was created. These include the Mathilda Improvements at Routes 237 and 101 (\$12.3 million) and local access improvements (future traffic signal construction, Lawrence/Wildwood intersection, Mathilda/Maude left turn, \$9.1 million)
- Outside funding (\$53.4 million) with appropriate City match from transportation impact fees (\$50.3 million) for Mathilda/237 corridor

improvements (Mathilda/237 interchange reconstruction, Mary Avenue Extension) and a Bernardo Avenue Caltrain bicycle/pedestrian undercrossing

The Transportation Impact Fee was adopted by ordinance effective January 1, 2004. Updated transportation forecasting models show that new development over the life of the General Plan will cause transportation capacity deficiencies at various locations around the City. The cause of these deficiencies is not attributable in large fashion to development of any one parcel or area of the City, but rather is due to general traffic growth in the City and the region. Transportation impacts forecast on Lawrence Expressway and at the Mathilda/237 interchange are subject to more regional traffic than City intersections. Therefore, the City Transportation impact fee is proposed to fund only a share of improvements to these locations with outside funding coming from regional, state or federal sources. The Transportation Impact Fee tier for the Moffett Industrial Park funds the local share of major improvements necessary for the Mathilda/237 area (Mathilda/237 interchange reconstruction, Mary Avenue Extension), consistent with the impact of, and benefit to, development of the area.

A broadly applied transportation impact fee on new development is best suited to addressing transportation capacity needs at these locations. It ensures that each development project that address new trips to the street network pays a fair share of future transportation improvement costs. As the City collects fees under the program it can prioritize which projects are most in need as traffic patterns change. This fee is based on transportation impacts caused by future growth as determined by the modeling effort. Staff believes that linking traffic impacts to development at a citywide level is an equitable, reasonable way to apply mitigation. One purpose of the fee is to provide improved predictability and efficiency to the transportation mitigation process. The Transportation Strategic Program and associated development fees address major roadway improvement needs associated with development Citywide.

The level of the fee is corroborated to the level of new development allowed in the City by the General Plan, the amount of (automobile) trips generated by that development, and the cost of roadway system improvement needs necessitated by build out of the General Plan, as forecasted by the transportation model and included in adopted plans. A “cost per new trip” is the output of the process, which is then applied to the trip making characteristics of proposed land-use changes.

The proposed Sunnyvale impact fee also includes the cost of certain sidewalk and bicycle improvements and anticipated future traffic signal construction. These improvements are justified to be included in the fee assessment by virtue of their ability to address regional congestion management requirements, or “deficiency planning.” The City currently has a deficiency plan in place because traffic volumes at build out conditions show that not all intersections in the regional Congestion Management Plan meet level of service goals. The

intersection of Wolfe Road and El Camino Real/Fremont Avenue is projected to fall below regional standards in the future and no feasible mitigation has been identified. State Congestion Management Program rules allow for levels of service at certain locations to decline if offsetting improvements are made at other locations and/or to other modes of transportation. The sidewalk, traffic signal and bicycle improvements proposed to be supported by the transportation impact fee have been selected to offset the deficiency in level of service at Wolfe and El Camino Real/Fremont.

Fee amounts are recommended to be set by modification of the fee schedule and will be effective February 15, 2014 per Government Code 66017. The proposed fee update results in a slight reduction of fees per trip for land uses south of Route 237 (-2.7%) and an increase in fees per trip for land uses north of Route 237 (14.6%). Fees per trip in the south of 237 area drop due primarily to a slight increase in forecast traffic from development in this area of the City. Fees per trip increase in the north of 237 area are due primarily to increases in the projected cost of Mathilda/237 corridor and Lawrence Expressway corridor improvements.

In comparing the proposed traffic impact fees to other cities in the area, the proposed fees are significantly lower than current fees in North San Jose, below Los Gatos, proximate to Gilroy, and slightly higher than Palo Alto's base fee although Palo Alto charges additional exactions depending upon the location of development. Cupertino and Mountain View rely on project-specific exactions. Santa Clara charges a nominal fee that does not cover the cost of planned improvements.

Fee levels will be reviewed annually hereafter during the annual fee resolution adoption in June of each fiscal year. Fees are adjusted annually for inflation based on the Engineering News Record cost index for construction.

Fees amounts would be as follows:

Table 1: Impact Fees south of Route 237

Land Use	Existing Fee	Proposed Fee	Unit of Measure
SF Detached	\$2,144	\$2,087	Per dwelling unit
MF Attached	\$1,317	\$1,281	Per dwelling unit
Office	\$3,164	\$3,078	Per 1,000 sq. ft.
Retail	\$3,970	\$3,863	Per 1,000 sq. ft.
Industrial	\$1,571	\$1,529	Per 1,000 sq. ft.
R&D	\$2,081	\$2,025	Per 1,000 sq. ft.

Hotel	\$1,295	\$1,260	Per room
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**Table 2 – Impact Fee, Industrial Area
North of Route 237**

Land Use	Existing Fee	Proposed Fee	Unit of Measure
Industrial	\$3,602	\$4,129	Per 1,000 sq. ft.
R&D	\$4,763	\$5,459	Per 1,000 sq. ft.
Destination Retail Neighborhood	\$11,420	\$13,087	Per 1,000 sq. ft.
Retail	\$5,710	\$6,543	Per 1,000 sq. ft.
Hotel	\$3,725	\$4,269	Per room

The fee amounts stated here are illustrative of the level of fees that would be anticipated given the amount of forecast growth with current and pending land use plans, and the resultant trip generation. Fees collected are placed in a Transportation Impact Fee Fund, which is available to pay for the costs of those specific transportation projects identified in Attachment A as necessary to mitigate future growth.

The list of projects to be funded by Transportation Impact Fees no longer includes a number of local intersection improvement projects comprised of various turn lane improvements (includes Mary/El Camino Real, Sunnyvale-Saratoga/Remington, Mary/Fremont, Fair Oaks/Arques, and Wolfe/Old San Francisco). Modeling shows that these improvements are no longer necessary to meet the City's transportation capacity needs.

FISCAL IMPACT

Collectively, staff is projecting that successful implementation of the Transportation Strategic Program will result in approximately \$287 million in projects for future transportation needs, of which approximately \$136 million would be direct costs to the City with the remainder funded through grants or by other outside agencies. Revenue to cover the City's share of the plan will come from Traffic Impact Fees.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's Web site.

Additionally, numerous community meetings, meetings with stakeholders, publication of fact sheets, polling of stakeholders, study sessions, and public hearings were held in 2002 and 2003 during consideration of adoption of the Transportation Impact Fee.

Outreach for the current fee update included a community meeting held the afternoon of November 26, 2013 and a meeting with the Moffett Park Business Association Board. Notices of the community meeting were mailed to 140 developers, construction firms, architects, and property owners. One concern expressed was that fees for retail development in the Moffett Park area were high, which may discourage retail development in the area.

ALTERNATIVES

1. Approve the list of projects to be funded by Transportation Impact Fees and adopt the resolution amending the fee schedule to update Transportation Impact Fees as noted.
2. Direct staff to pursue a modified set of financing strategies.
3. Take no action at this time.

RECOMMENDATION

Staff recommends Alternative No. 1: approve the list of projects to be funded by Transportation Impact Fees and adopt the resolution amending the fee schedule to update Transportation Impact Fees as noted. An updated Transportation Impact Fee provides additional funding for roadway capacity, bicycle, and pedestrian improvements shown to be needed by current transportation modeling efforts. Linking traffic impacts to development at a citywide level is an equitable, reasonable way to apply mitigation.

Reviewed by:

Kent Steffens, Director, Public Works

Prepared by: Jack Witthaus, Transportation and Traffic Manager

Approved by:

Gary M. Luebbers
City Manager

ATTACHMENTS

- A. List of Improvements
- B. Resolution Amending Fee Schedule

ATTACHMENT A

Attachment A – List of Improvements

Improvement	Cost	Moffett Park Contribution	South of 237 Contribution	Outside Funding
Mathilda Improvements at 237, 101	\$ 20,500,000	\$7,105,000	\$5,145,000	12,250,000
Mary Avenue Extension	\$67,200,000	\$19,488,000	\$14,112,000	\$33,600,000
Lawrence/Kifer Grade Separation	\$59,000,000	\$4,130,000	\$ 19,470,000	\$ 35,400,000
Lawrence/Arques Grade Separation	\$ 52,200,000	\$3,654,000	\$17,226,000	\$31,320,000
Lawrence/Reed-Monroe Grade Separation	\$59,000,000	\$4,130,000	\$ 19,470,000	\$ 35,400,000
Complete Sidewalks	\$ 9,800,000	\$1,372,000	\$8,428,000	0
Complete Bike Network	\$ 1,582,115	\$221,496	\$1,360,619	0
Bernardo/Caltrain Bike/Ped Undercrossing	\$9,451,575	\$264,644	\$1,625,671	\$7,561,260
Future Traffic Signal Construction	\$3,539,200	\$495,488	\$3,043,712	0
Lawrence/Wildwood Intersection	\$5,231,365	\$959,646	\$4,271,719	0
Mathilda/Maude Left Turn Extension	\$300,000	0	\$300,000	0

ATTACHMENT B

Draft: 12-11-13 K. Berry

ATTACHMENT B

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SUNNYVALE AMENDING RESOLUTION NO. 598-13, FIXING AND
ESTABLISHING FEES, RATES, AND CHARGES FOR GOODS AND
SERVICES TO INCREASE TRANSPORTATION IMPACT FEES**

WHEREAS, on June 25, 2013, the City Council adopted Resolution No. 598-13 fixing and establishing fees, rates, and charges for goods and services provided by the City of Sunnyvale; and

WHEREAS, Chapter 3.50, Transportation Impact Fees of the Sunnyvale Municipal Code was established to defray the costs of certain transportation improvements required to service new development within the City; and

WHEREAS, Resolution No. 598-13 requires amendment to reflect an increase in transportation impact fees;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE THAT:

1. Section 8.10 of Exhibit A to Resolution No. 598-13 is hereby amended to read as follows:

SECTION 8.10 TRANSPORTATION/TRAFFIC FEES

(California Code of Regulations, Title 21, Chapter 4,
Subchapter 7, Section 1411.3).

PERMITS

For each single Transportation Permit issued by the Department of Public Works authorizing the operation on certain City streets of vehicles of a size, load weight or vehicle weight exceeding the maximum specified in the Vehicle code of the State of California [Text unchanged]	\$16.00 [Fee unchanged]
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TRANSPORTATION IMPACT FEES

Impact Fees South of Route 237

Single family detached, per dwelling unit	\$2,087
Multifamily attached, per dwelling unit	\$1,281
*Office, per 1,000 square feet	\$3,078
*Retail, per 1,000 square feet	\$3,863
*Industrial, per 1,000 square feet	\$1,529
*Research and Development, per 1,000 square feet	\$2,025
Hotel, per room	\$1,260
Uses not enumerated, per trip	\$2,087

* Fees are reduced by 50% between January 1, 2004 and June 30, 2004.

* Fees are reduced by 25% between July 1, 2004 and June 30, 2005.

Impact Fees, Industrial Area North of Route 237

*Industrial, per 1000 square feet	\$4,129
*Research and Development, per 1,000 square feet	\$5,459
*Destination Retail, per 1,000 square feet	\$13,087
*Neighborhood Retail, per 1,000 square feet	\$6,543
Hotel, per room	\$4,269
Uses not enumerated, per trip	\$5,635

* Fees are reduced by 50% between January 1, 2004 and June 30, 2004.

* Fees are reduced by 25% between July 1, 2004 and June 30, 2005.

2. The transportation impact fee amendments will take effect 60 days after approval.
3. Except as herein modified, Resolution No. 598-13 shall remain in full force and effect.

Adopted by the City Council at a regular meeting held on _____, by the following vote:

AYES:

NOES:

ABSENT:

ATTEST:

APPROVED:

City Clerk
(SEAL)

Mayor

APPROVED AS TO FORM:

City Attorney