COUNCIL STRATEGIC SESSION
Strategic & Policy Priorities Update

February 7, 2020
Community Center Ballroom

Sunnyvale

Sunnyvale

WELCOME

Mayor Klein

AGENDA

OVERVIEW	Purpose of Strategic Session Budget & Fiscal Report Staffing Review
FOCUS AREAS	Council Priorities Update
COUNCIL DISCUSSION ON STRATEGIC PRIORITIES	Strategic Topics Discussion Discussion on Council Priorities
CLOSING COMMENTS	Mayor Klein

Sunnyvale

OVERVIEW

City Manager Kent Steffens

Purpose of Strategic Session

Budget & Fiscal Report

Staffing Review

PURPOSE OF STRATEGIC SESSION

*"Sunnyvale is an **attractive, safe, environmentally-sensitive** community which takes pride in the diversity of its people, the **innovation** of its businesses and the **responsiveness** of its government."*

City of Sunnyvale General Plan, 2-33

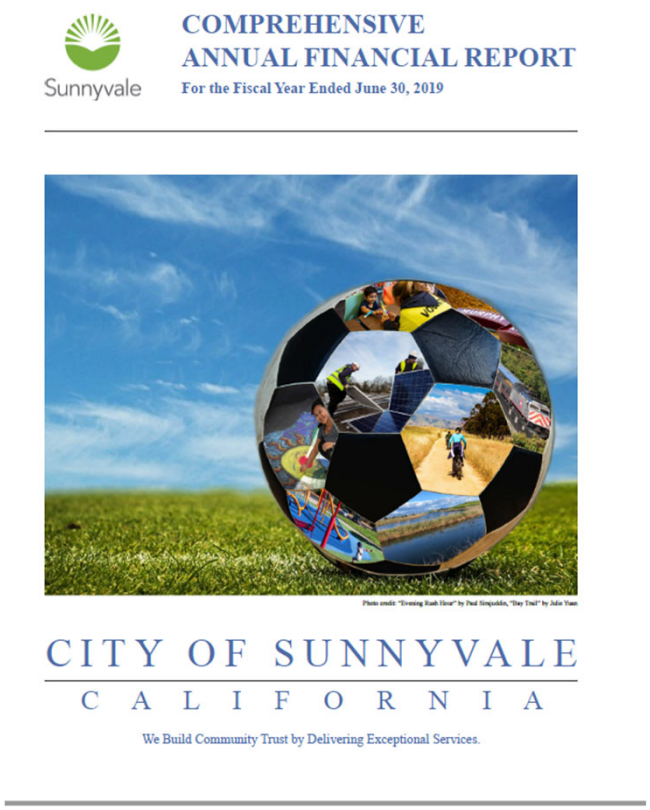
Focus Areas: Council Priorities Update

Strong, Diverse Community	**Council Priority:** Civic Center Modernization
Vibrant & Local Innovative Economy	Economic Development Strategy
Regional Leader in Environmental Sustainability	**Council Priority:** Accelerating Climate Action
Safe, Secure & Healthy Place for All	**Council Priority:** Open Space Acquisition Planning: Future of Golf Courses
City Managed by Responsible & Responsive Government	**Council Priority:** Improved Processes and Services Through the Use of Technology
A Community with a Distinctive Identity	**Council Priority:** Downtown Sunnyvale/ **Council Priority:** Ability of Infrastructure to Support Development & Traffic

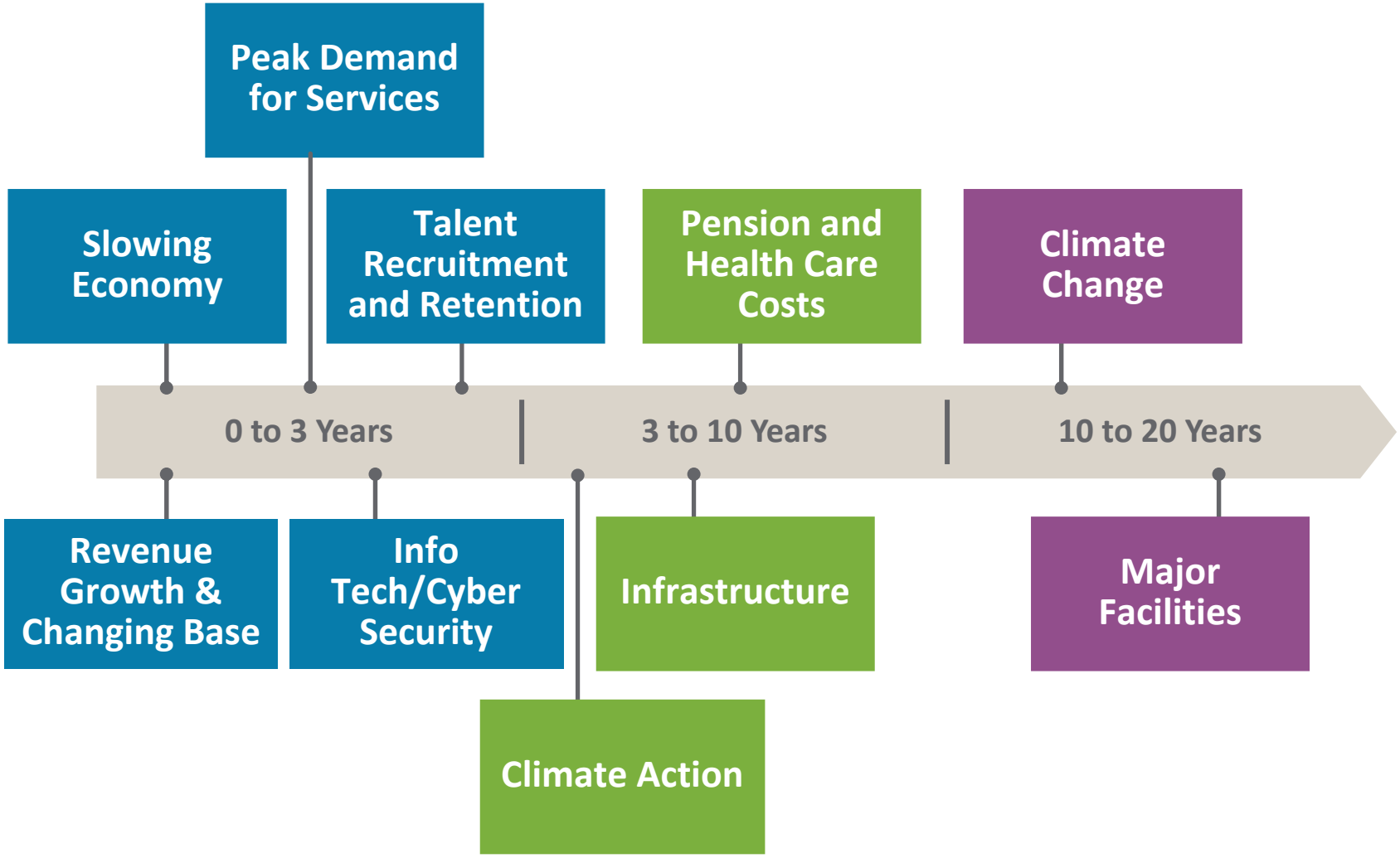
Strategic Discussion Topics

- Moffett Park
- Service Level Set Aside
- El Camino Real Corridor Specific Plan
- Business License Tax

BUDGET & FISCAL REPORT



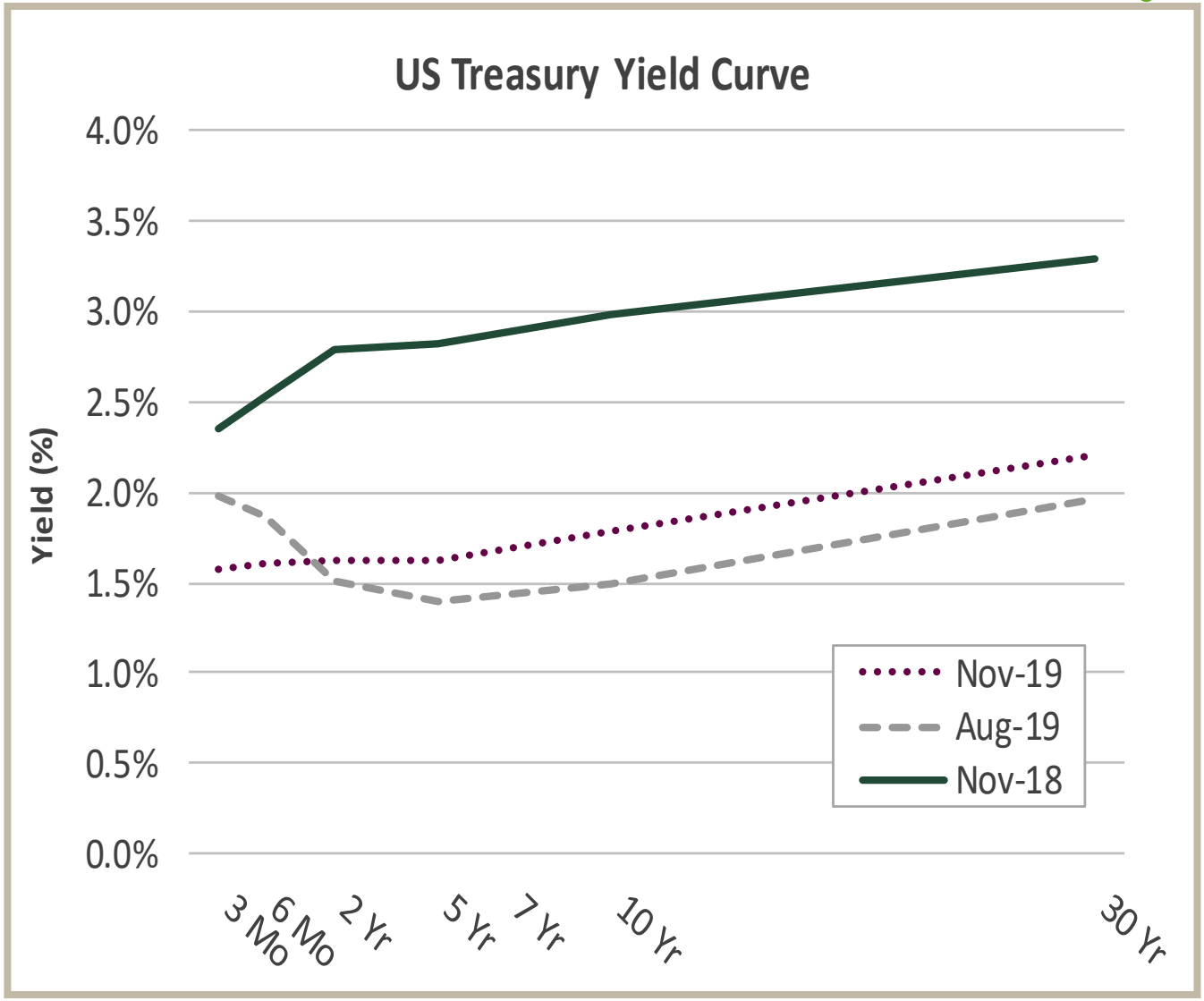
Potential Financial Challenges in Short, Medium, and Long-Term



Slowing Economy

Economic Indicators to Watch

- Labor market and unemployment – indicators remain strong
- Gross Domestic Product – moderate growth
- Global economy (Brexit, tariffs, USMCA) - Uncertainty remains
- Local cost and availability of housing – market cooling
- Year to date revenues – tracking as planned
- Interest rates – remain low



Revenue Growth & Changing Base

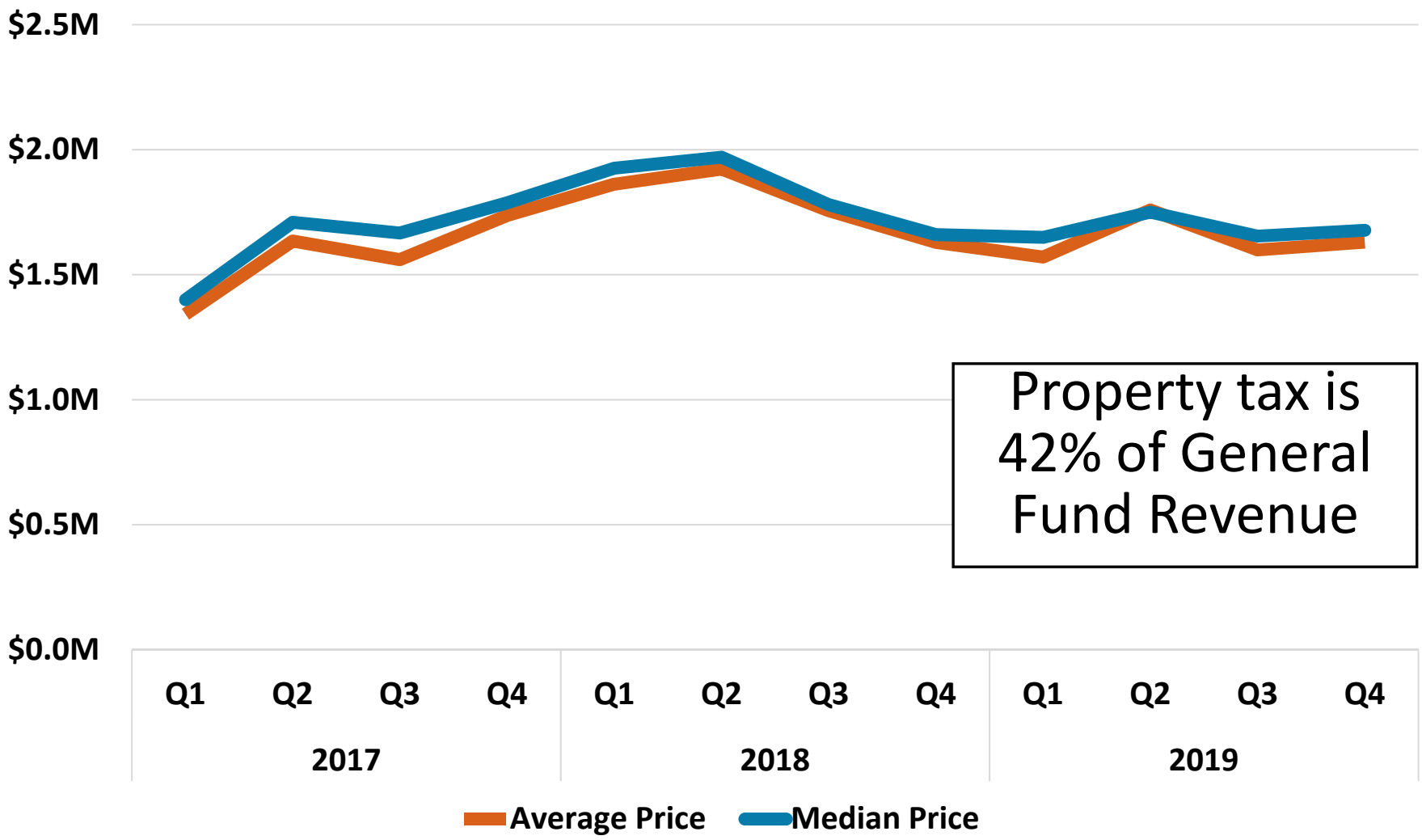
Major General Fund Revenues – Projected Year End

	Stable	FY 2019/20 Trend vs. Planned	City Controlled	Percent of General Fund Budget
Property Tax	☑	↑		**42%**
Sales Tax		↔		**15%**
TOT		↑	☑	**10%**
UUT	☑	↔	☑	**4%**
Total				**71%**

* View as a group, not individually

Revenue Growth & Changing Base

Sunnyvale Average and Median Home Prices

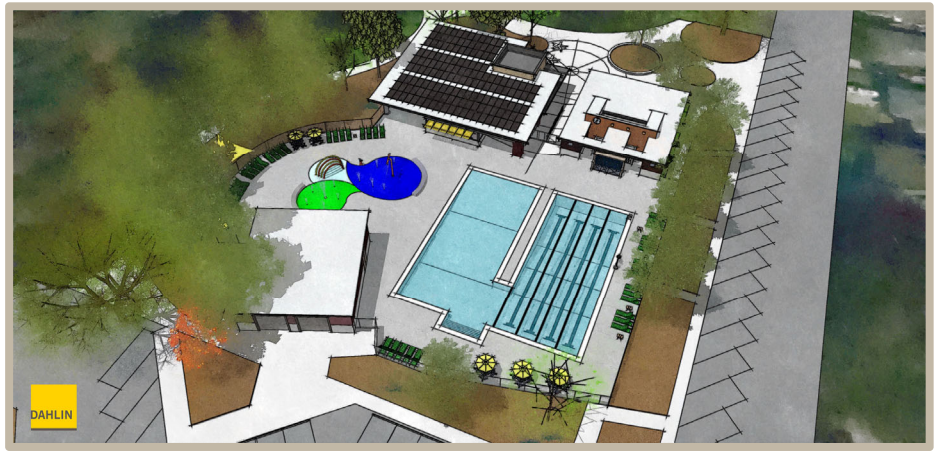


Property tax is 42% of General Fund Revenue

Peak Demand for Services

Resourcing Services

- Need to evaluate a potential permanent increase in demand for services
- May require additional resources to meet elevated service levels
- New facilities will increase demands for services (Washington Swim, Lakewood Branch, 2 new parks)



Info Tech/Cyber Security

Technology Costs and Risk Increasing

- Move to cloud or hosted solutions increasing ongoing costs – offset by one-time savings
- Cost of security rising, risk increasing
- Public's expectation of mobile access and immediate response impacting City resources

Climate Action

Funding the Climate Action Playbook

- Adopted by Council in August 2019
- Implementation Budget:
  - Updated CAP budget approved in FY 2019/20
  - Ongoing Operating Costs ~$500K/year
    - 2 FTE: Environmental Program Specialist and Transportation Planner
  - One-time ~$1.6M over three years; Consultants, Temp Staffing
- Funding for actions in CAP beyond FY 2021-22 still to be fully identified

Infrastructure

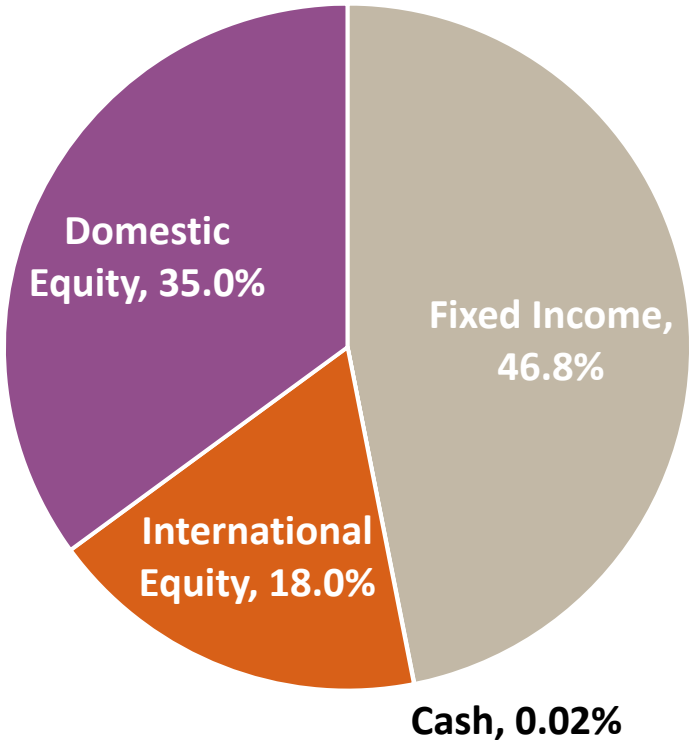
Future Known Investments

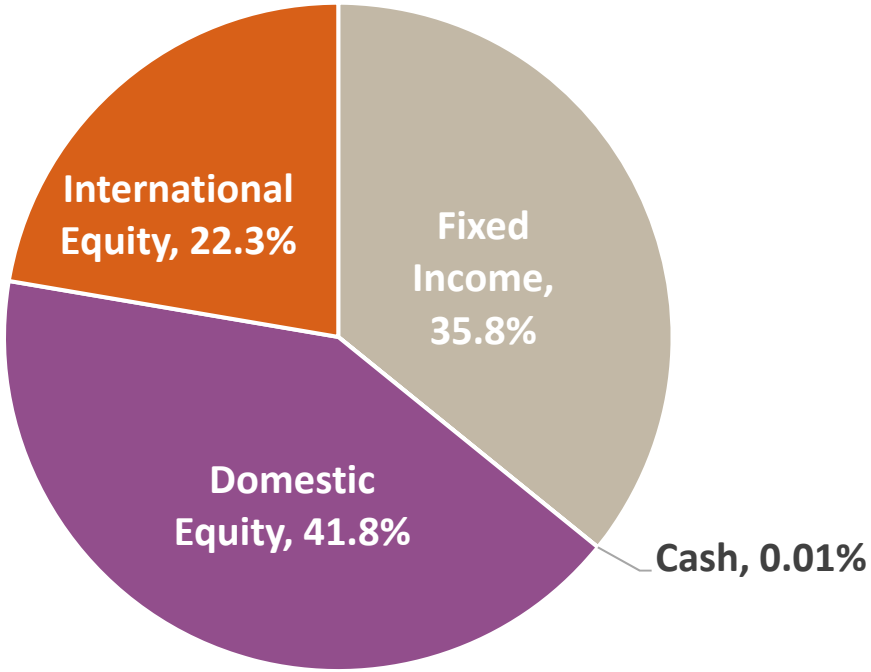
- Resolution of Golf Course operations
- Transportation infrastructure
- Bicycle & pedestrian infrastructure
- Operations cost for new parks
- Water/Sewer/Storm infrastructure
- Modernized evidence storage
- Street maintenance

Pension and Health Care Costs

Trust Fund Performance

Asset Allocation





Pension Trust - $3.1 M,
Yield since inception – 5.13%

OPEB Trust - $107.2M
Yield since inception – 7.28%

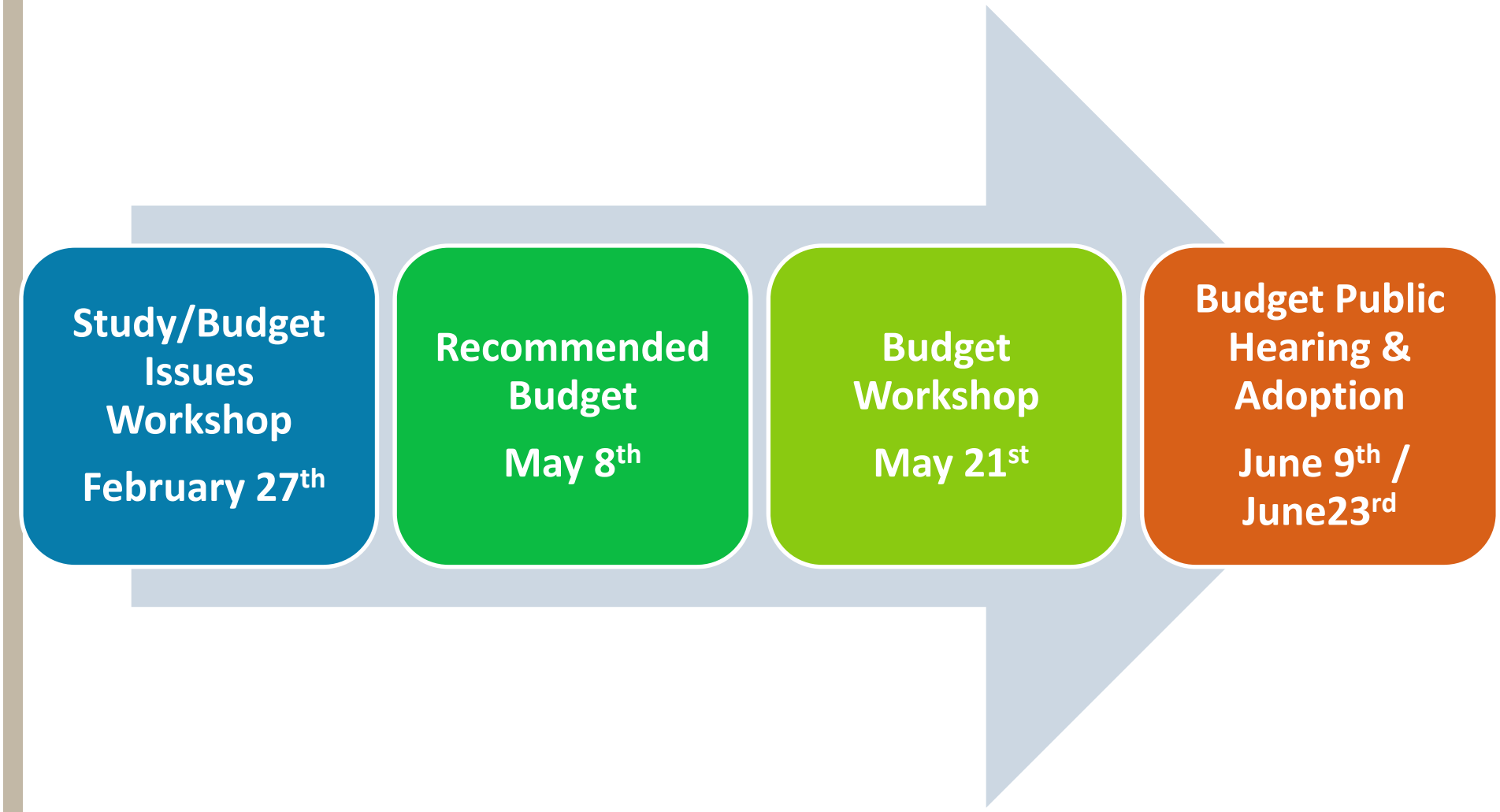
Climate Change

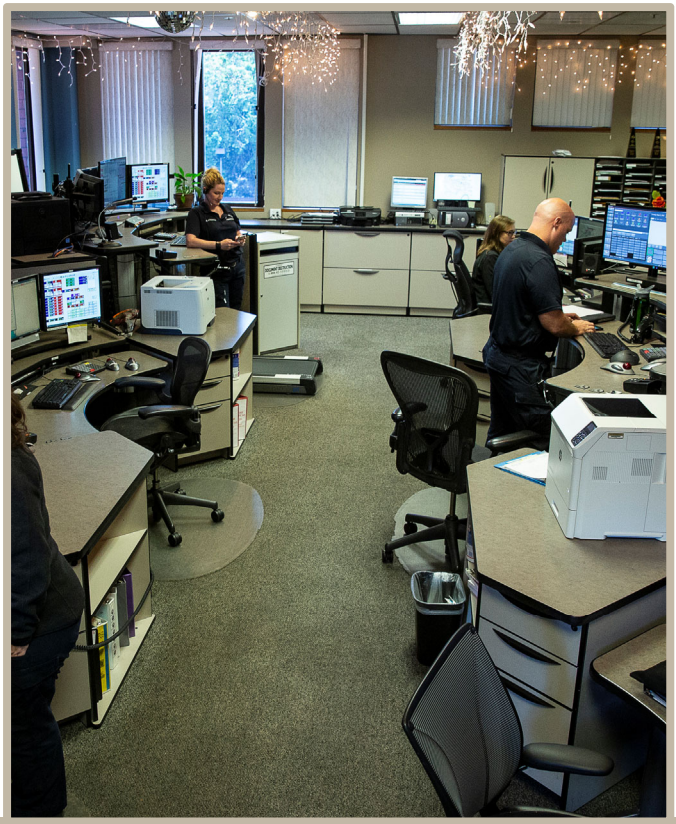
Major Facilities

Anticipated Costs

- Evaluation of long-term impacts of climate change and required needed mitigation investments
- Corporation Yard Modernization
- Fire Stations renovation
- Park and Recreation Facilities
- Golf Buildings
- Main Library and future Civic Center phases

FY 2020/21 Recommended Budget

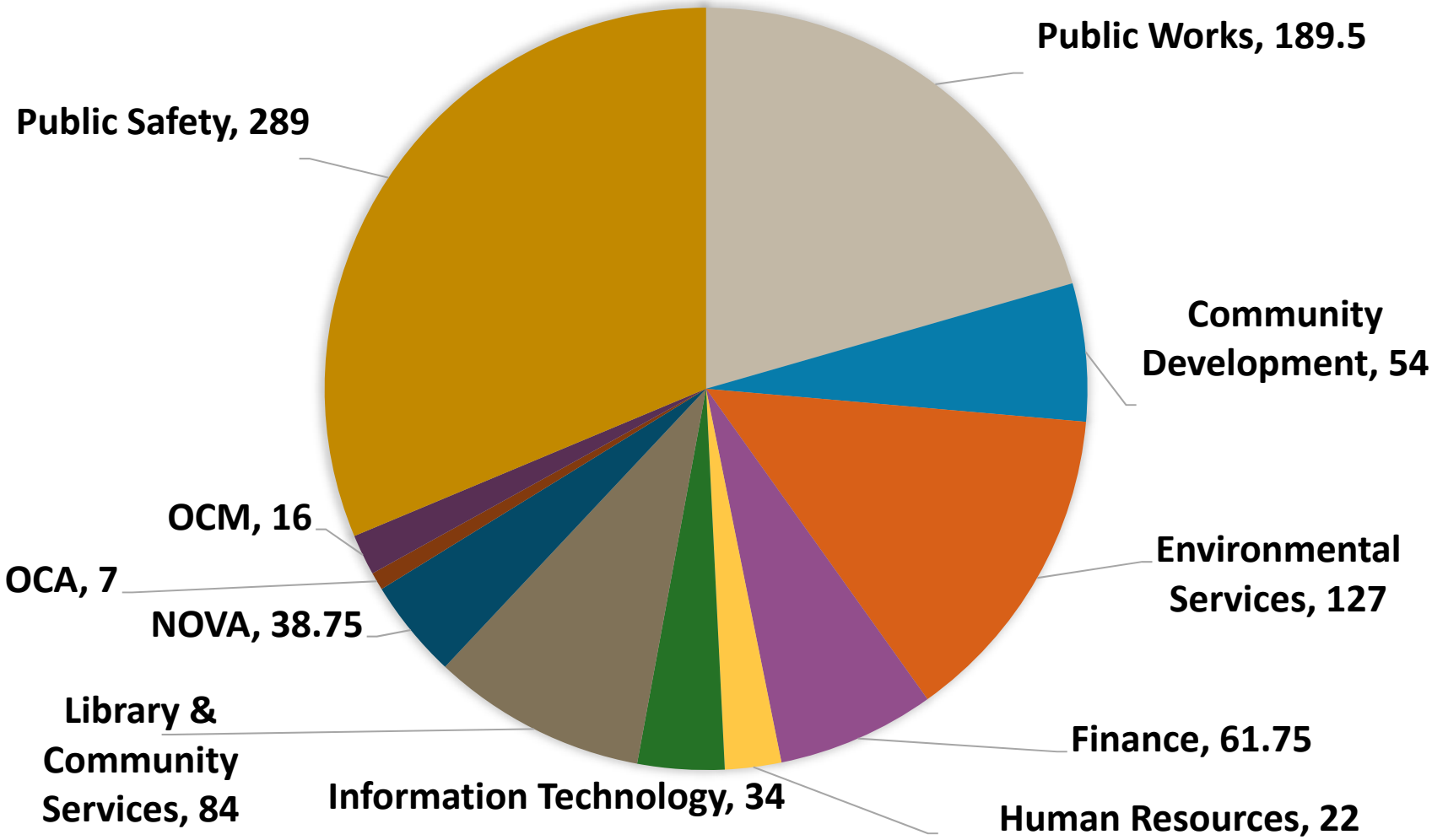




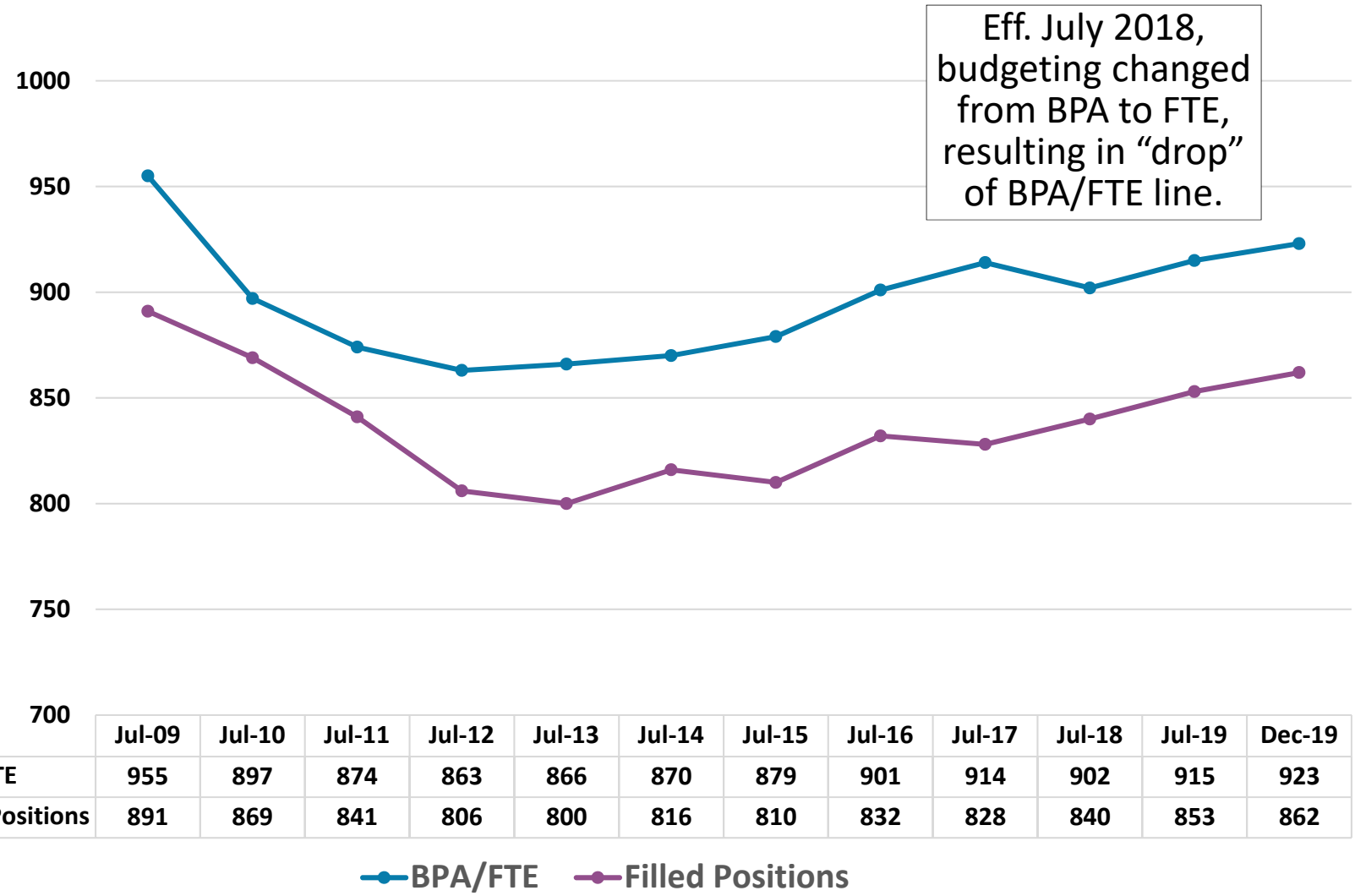
STAFFING REVIEW

Authorized FTE Counts (as of 12/28/2019)

Full-time, Part-time, & Term Limited, Excludes Casual

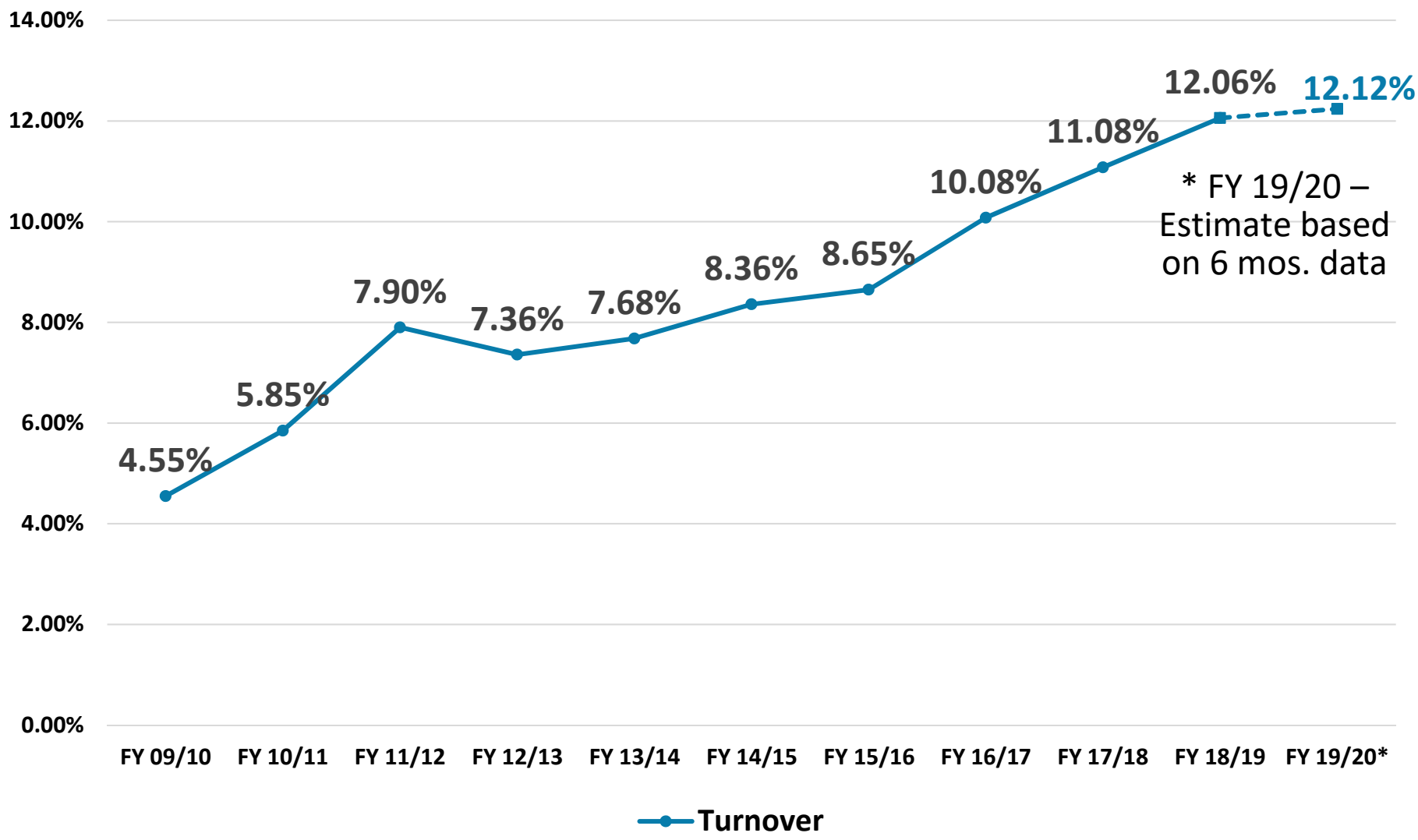


Staffing Level Trends (2009-2019)

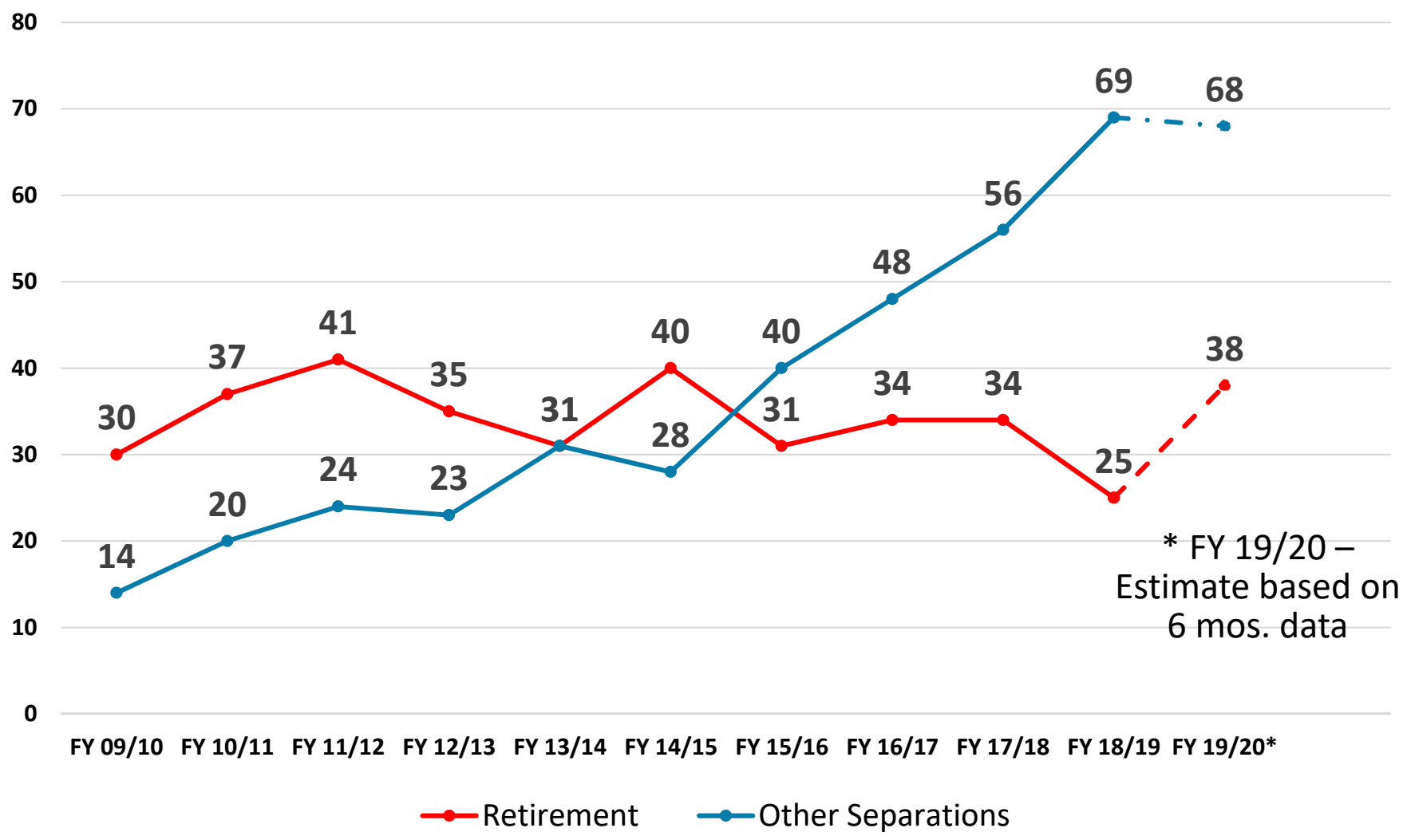


	Jul-09	Jul-10	Jul-11	Jul-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18	Jul-19	Dec-19
BPA/FTE	955	897	874	863	866	870	879	901	914	902	915	923
Filled Positions	891	869	841	806	800	816	810	832	828	840	853	862

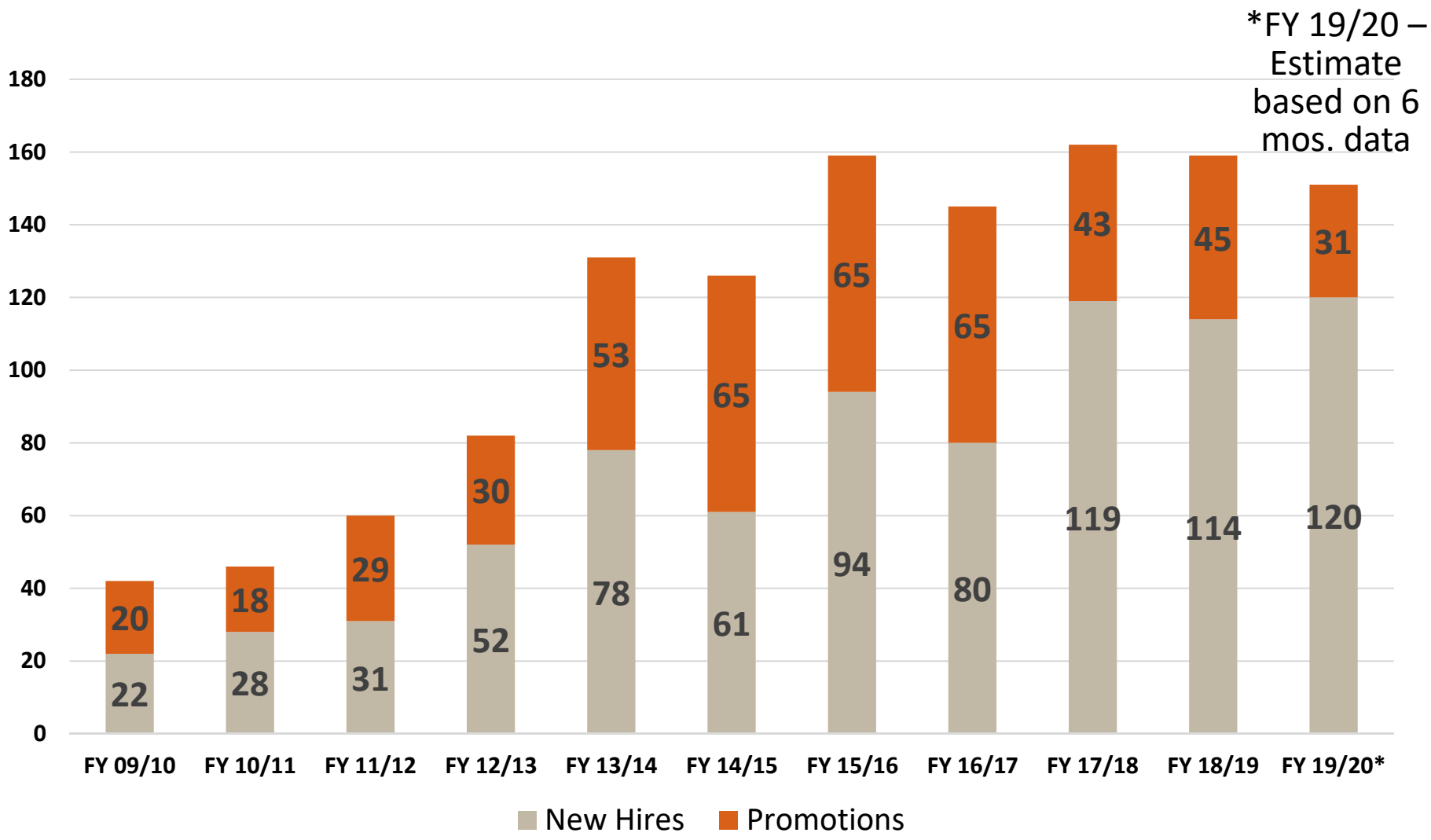
Historical City-wide Turnover Rate



Number of Employee Separations: City-wide



New Hires and Promotions



FTE & Vacancy by Department (as of 12/28/19)

Department	Full-Time	Part-Time	Total FTE	Vacancy Rate
Community Development	54.00	-	54.00	16.7%
Environmental Services	127.00	-	127.00	7.9%
Finance	61.00	0.75	61.75	14.6%
Human Resources	22.00	-	22.00	4.5%
Information Technology	34.00	-	34.00	23.5%
Library & Community Services	64.00	20.00*	84.00*	11.6%
NOVA Workforce Services	38.00	0.75	38.75	22.6%
Office of the City Attorney	7.00	-	7.00	14.3%
Office of the City Manager	16.00	-	16.00	6.3%
Public Safety	286.00	3.00	289.00	8.3%
Public Works	185.00	4.50	189.50	6.7%
Total	894.00	29.00*	922.00	10.2%

*Rounded to Whole Numbers

Recruitment and Retention Strategies

Continuation of Social Media Advertising

Applicant Texting Capabilities

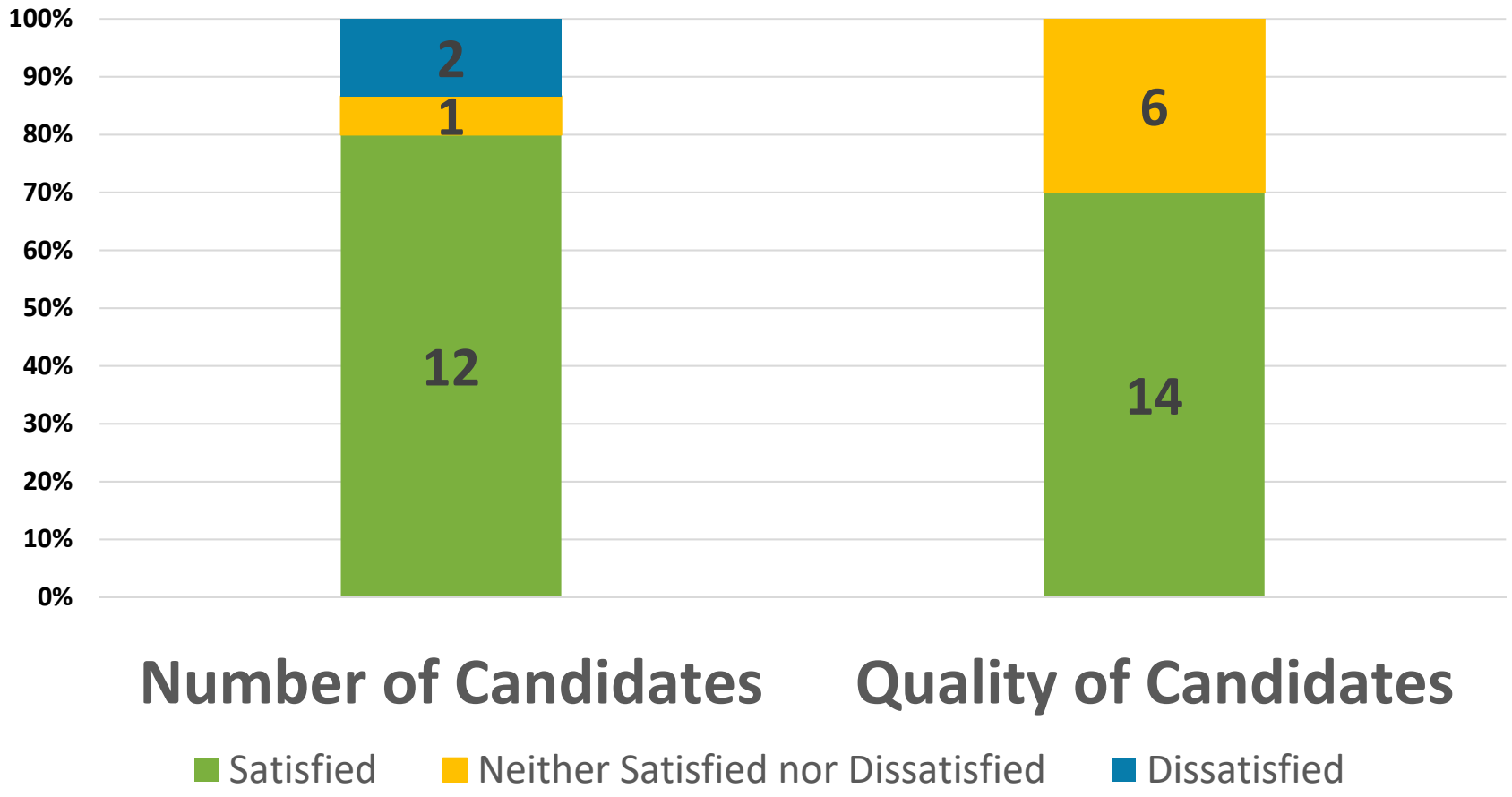
KTVU Spotlight on DPS Employee

City-wide Organizational Culture Assessment

- Updates to On-Boarding & Off-Boarding Checklists
- Performance Evaluation Focus Groups
- Employee Task Force on Process Streamlining
- Implementation of Bi-Annual Supervisor Meetings

Recruitment Process Feedback Results

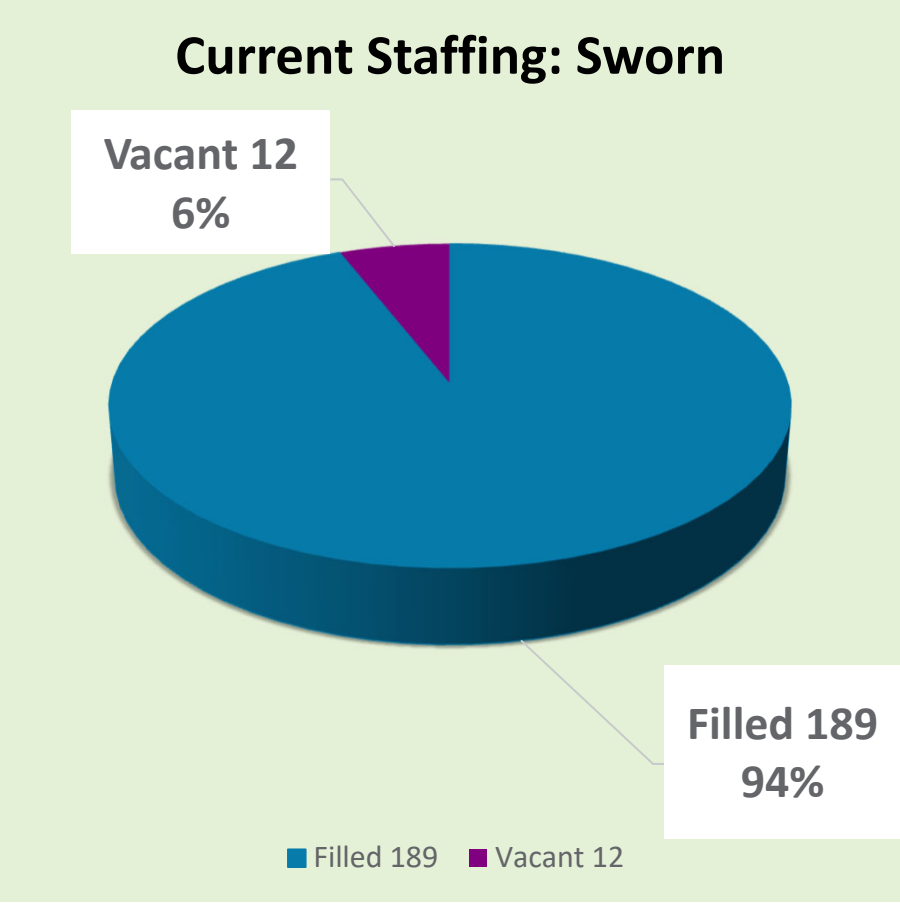
*20 Managers Responding



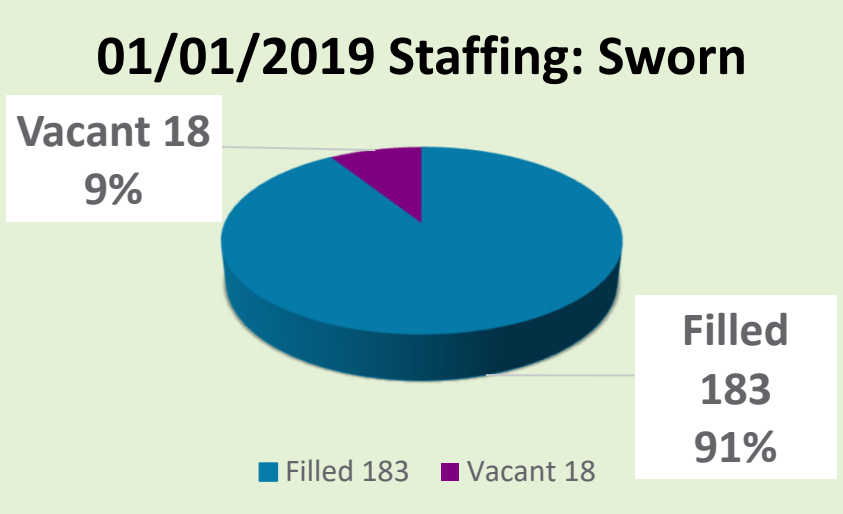
Public Safety Recruitment & Training

Current Staffing (as of 1/13/2020)

Budgeted Sworn Positions: 201 Total



Director of Public Safety	1
Deputy Chief	3
Captain	7
Lieutenant	42
PSO II	148
Total	201



Current Recruitment Efforts

Two Person Full-time Team	• Primarily strategic and administrative duties
Department-wide Recruiting Strategy Team	• Strategy idea generator • Staffing for events
Social Media	• Facebook • Instagram • Twitter
Texting Application	• Interview Now app • Text “SDPSJOBS”

Recruitment Project Data

* As of 01/13/2020

Projects	Total Allocated Positions	Hired	In Training	Separated	Fully Trained Positions Filled
FY 2016/17	20	20	0	9	11
FY 2017/18	20	20	2	8	10
FY 2018/19	22	22	19	3	0
FY 2019/20	19	10	9	0	1
FY 2020/21	13	0	0	0	0

Recruitment & Training

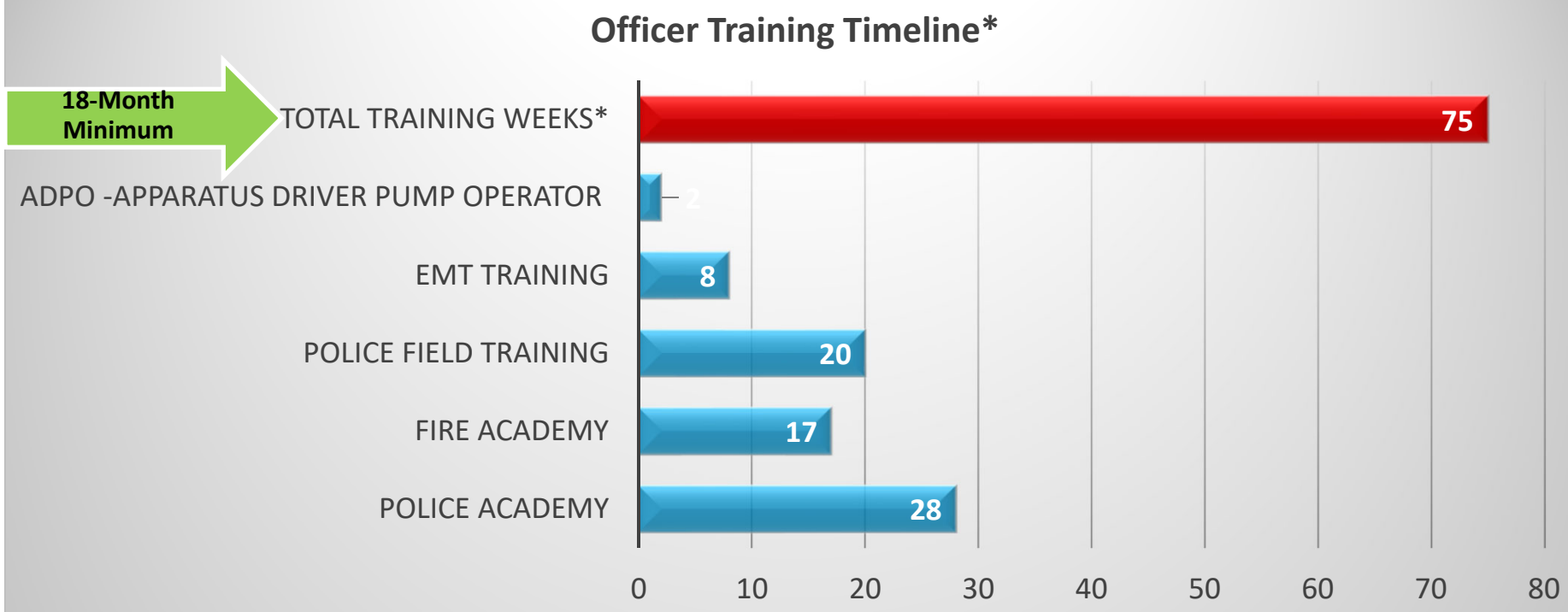
Project Number	Project Initiated Year	Positions	Hired	Open Positions	Separated	In Training	PSOII	FY2019/20 Budget	FY2020/21 Budget
826330	FY16/17	20	20	-	7	-	13	-	-
826340	FY17/18	20	20	-	8	2	10	$ 1.5 M	-
826350	FY18/19	22	22	-	3	19	-	7.0 M	-
834110	FY19/20	19	10	9	-	-	-	6.5 M	$ 3.7 M
834120	FY20/21	13	-	13	-	-	-	205 K	5.0 M
	FY21-41							74 K	2.4 M
	Total Budgeted for Current Recruitment Projects							$ 15.2 M	$ 11.1 M

Recruitment & Training

- Ongoing funding for the selection, recruitment and training of new recruits over the next 20 years.
- Each project is based on a two-year budget plan that covers the entire training cycle of a cohort of recruits.
- Costs are all inclusive until training is complete.
- Twenty-year plan increased by $22.3 M
- The twenty-year investment for recruitment and training projects is approximately $84 million.

New Officers

Officer Training Timeline



	Police Academy	Fire Academy	Police Field Training	EMT Training	ADPO - Apparatus Driver Pump Operator	Total training weeks*
Weeks Required	28	17	20	8	2	75

Three Year Staffing Projection

	FY 19/20	FY 20/21	FY 21/22
Beginning FY Staffing Level (Fully Trained / Positions Filled)	187	198	195
Projected to Retire	-2	-14	-2
Other Separations (Estimated Average)	-7	-6	-6
Completed/Will Complete Training	20	17	-0-
Potential FY19/20 Hires Completing Training	-0-	-0-	10
Ending FY Staffing Level (Fully Trained / Positions Filled)	198	195	197

Council Questions & Discussion

Sunnyvale

FOCUS AREAS: COUNCIL PRIORITIES UPDATE

Strong, Diverse Community

- ***Council Priority:*** Civic Center Modernization

Vibrant & Local Innovative Economy

- Economic Development Strategy

Regional Leader in Environmental Sustainability

- ***Council Priority:*** Accelerating Climate Action

Safe, Secure & Healthy Place for All

- ***Council Priority:*** Open Space Acquisition Planning: Future of Golf Courses

City Managed by Responsible & Responsive Government

- ***Council Priority:*** Improved Processes and Services Through the Use of Technology

A Community with a Distinctive Identity

- ***Council Priority:*** Downtown Sunnyvale
- ***Council Priority:*** Ability of Infrastructure to Support Development and Traffic

STRONG DIVERSE COMMUNITY
COUNCIL PRIORITY:
CIVIC CENTER MODERNIZATION

Progress

Timeline

Highlights

Civic Center Progress

Timeline

- Spring 2020 – Construction Plans, Permits, and RFP
- Late 2020 – Construction Award
- Early Winter 2021 – Begin Construction

Timeline

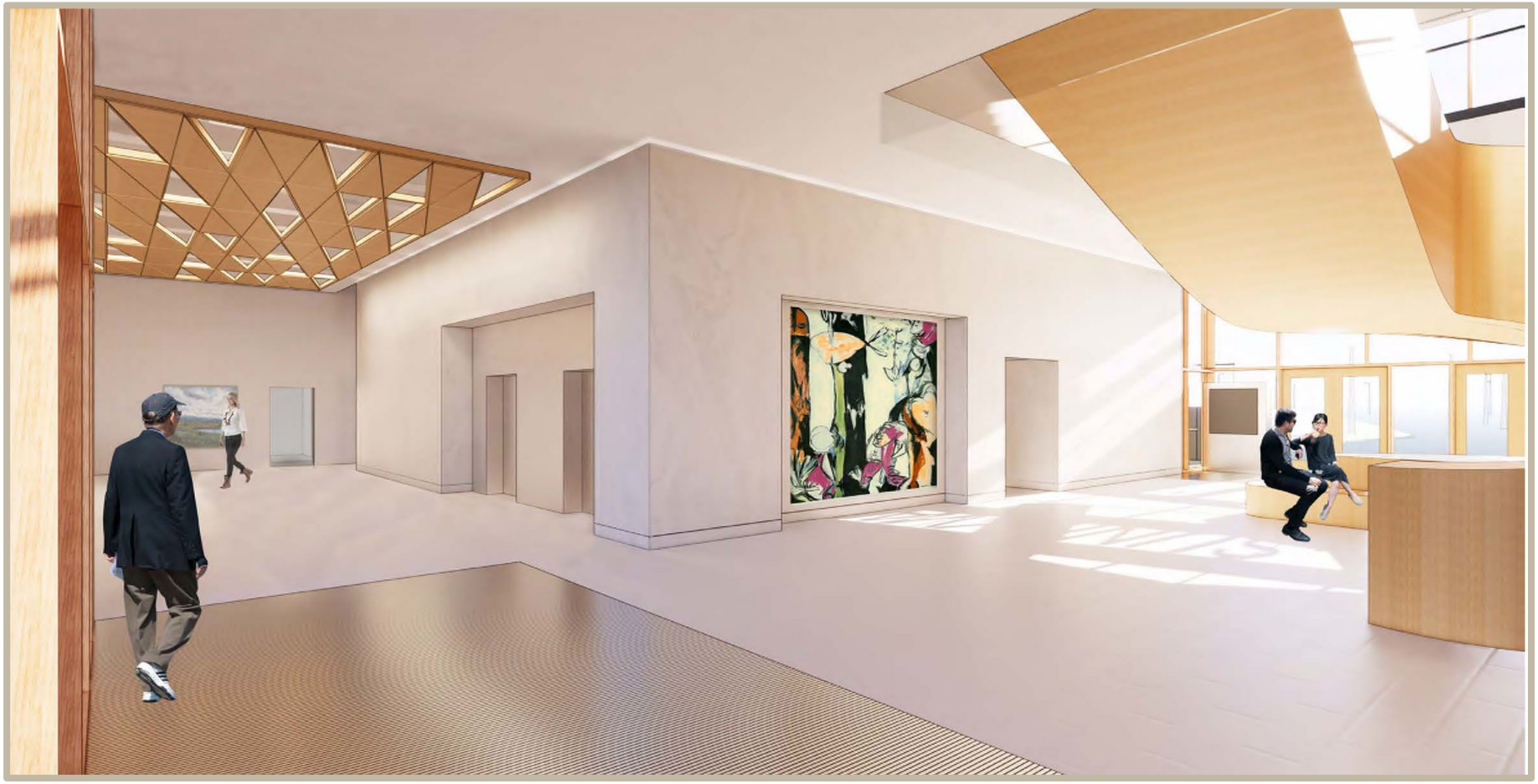
Master Plan Approval
Q4 2018
01
Schematic Design Approval
Q3 2019
02
Construction Plans & Permits
Construction Award
Q4 2020
03
Construction
Move into New City Hall
Q2 2022
04
Completion
Q1 2023
Q1
Q2
Q3
Q4
2019
2020
2021
2022

Civic Center Interior

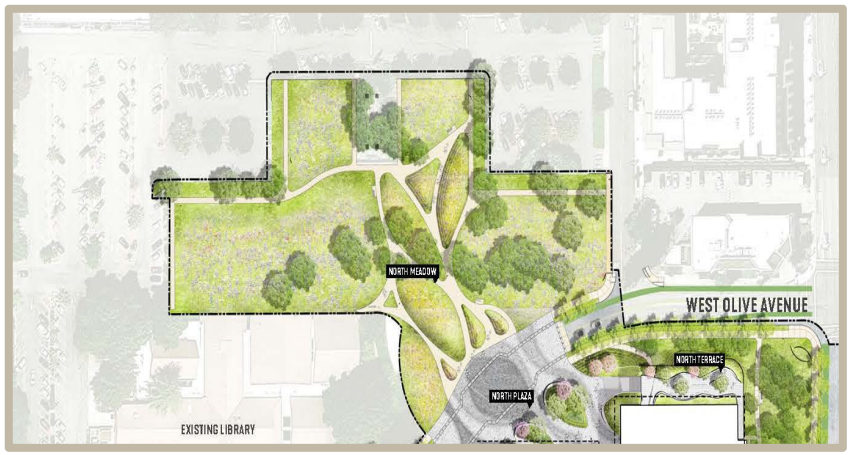
ONE STOP SHOP – RM. 201

37 10.24.2019 INTERIOR DESIGN PRESENTATION SUNNYVALE CIVIC CENTER - PHASE I CITY HALL Sunnyvale SMITHGROUP

Civic Center Lobby



Civic Center Open Space Enhancements



Open Space Highlights

- Six acres
- Pedestrian oriented Olive Ave.
- An outdoor amphitheater
- Passive landscaping where Sunnyvale Office Center is currently located

VIBRANT & INNOVATIVE LOCAL ECONOMY: *ECONOMIC DEVELOPMENT STRATEGY*

Economic Development Strategy Process

Overview of Existing Conditions

Stakeholder Interviews: Major Themes

Process

Economic Development Strategy Process

Review data	Summer – Fall 2019
Interview stakeholders	
Identify opportunities and challenges	
Develop goals and priorities	
Research best practices	
Formulate strategic actions	Spring 2020

Existing Conditions

Demographic Characteristics

Resident Population

2010 to 2019

+11.3% residents
+ 9.0% households

Recent Growth

Today

2019

155,000 residents
57,900 households

2020 to 2040

+43.4% residents
+45.4% households

Future

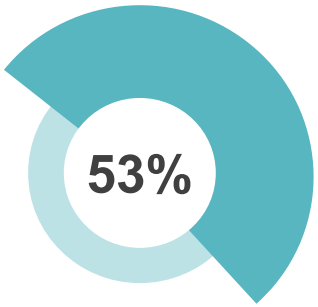
Source: Plan Bay Area 2040 Projections, 2018

Existing Conditions

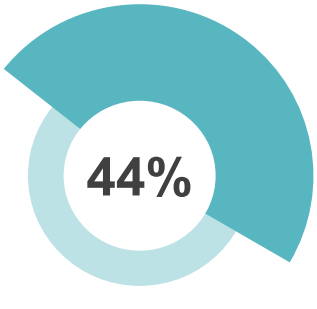
Demographic Characteristics

Majority Renter Households

% renter-occupied households



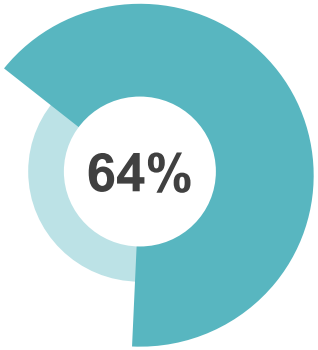
Sunnyvale



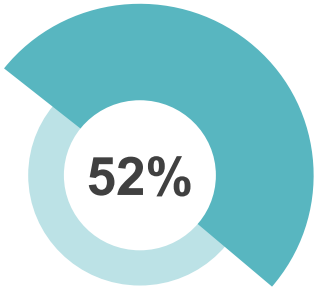
Santa Clara County

Highly Educated Consumer Base

% residents age 25+ w/ Bachelor's Degree or higher



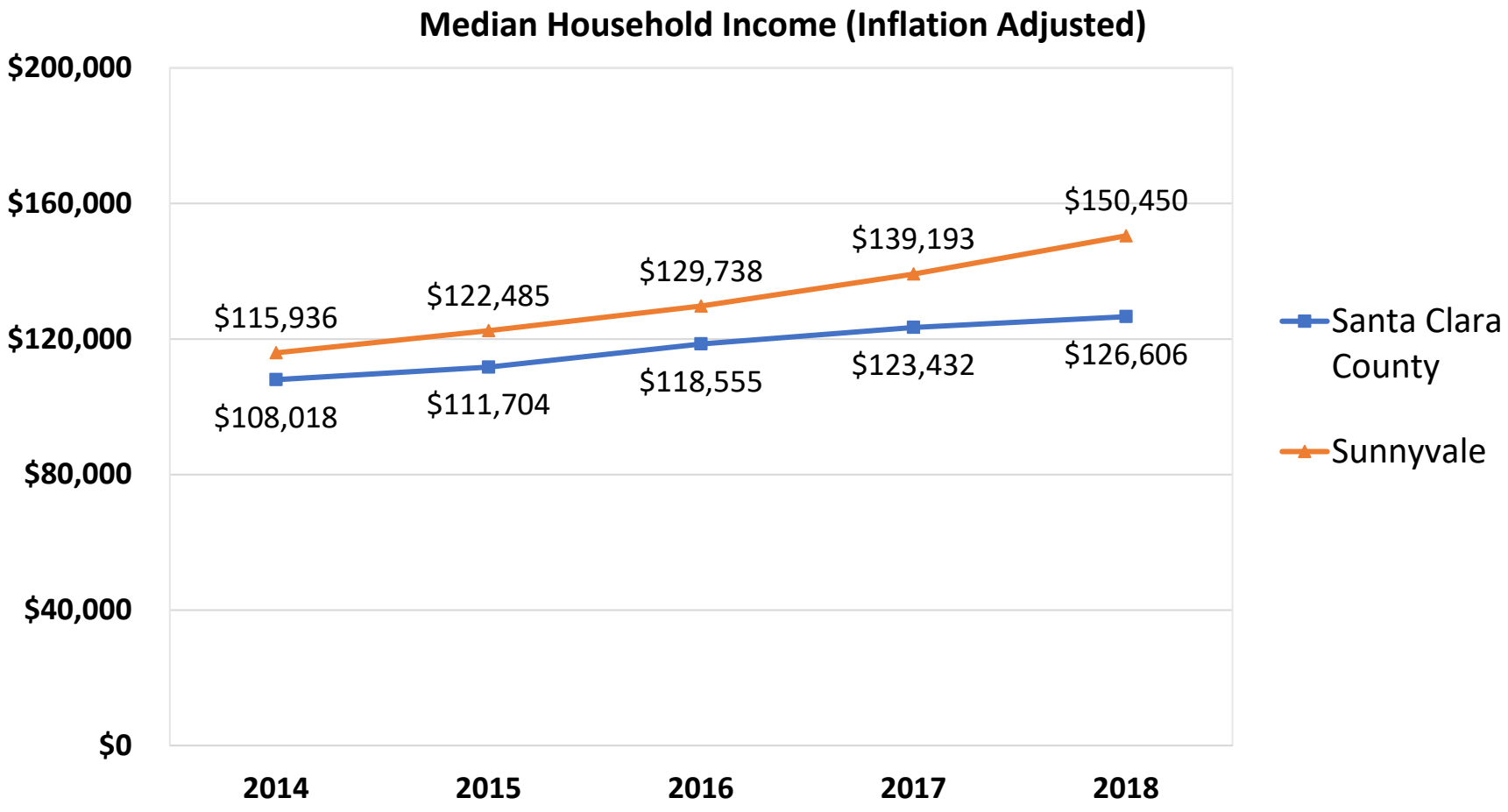
Sunnyvale



Santa Clara County

Existing Conditions

Demographic Characteristics



Source: American Community Survey (ACS), 1-year estimates, Table S1903

Existing Conditions

Economic Context – Top 3 Industries

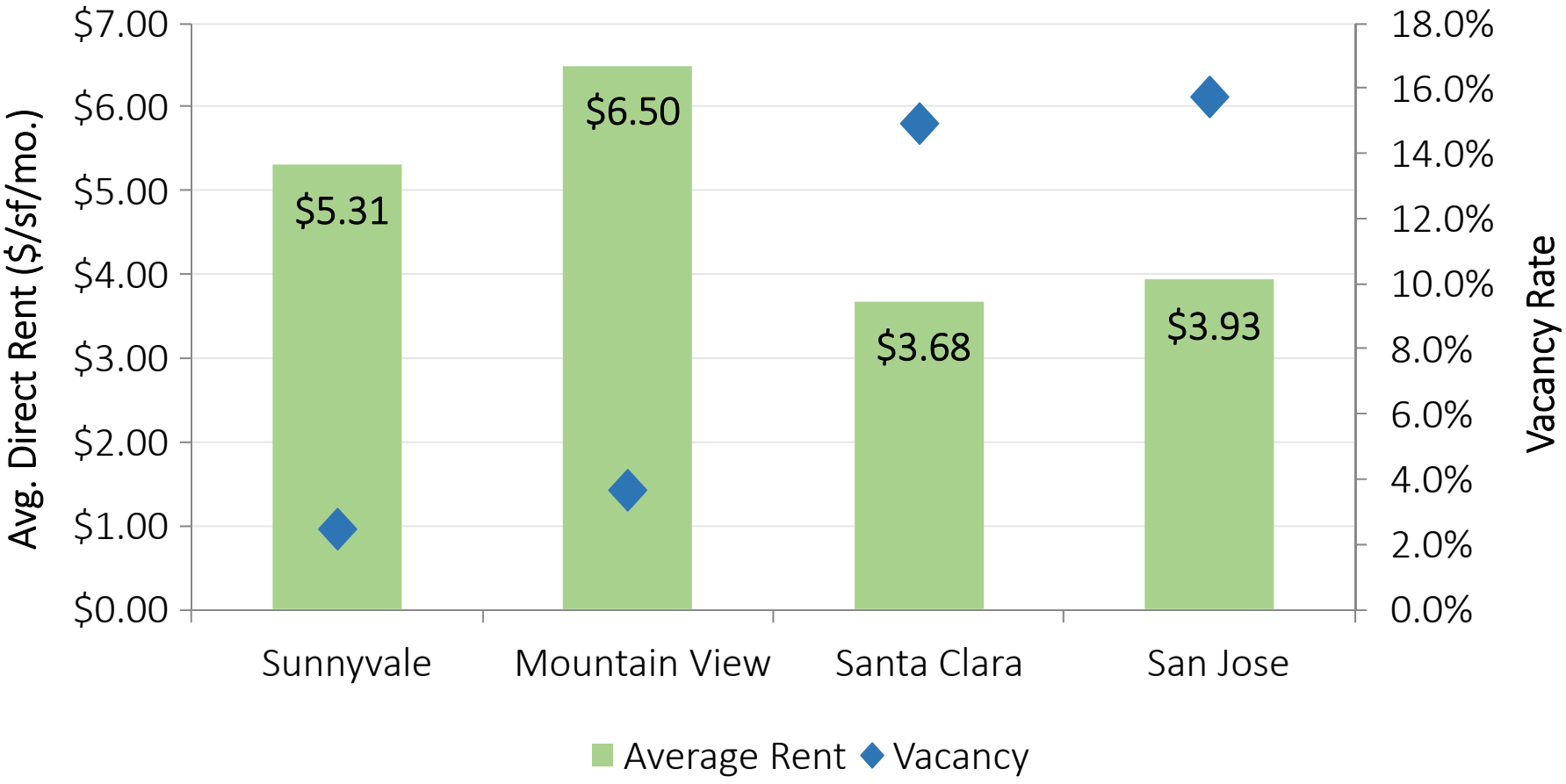
	Employment	% of Total
1	Professional, Scientific & Tech. Services	25%
2	Information	17%
3	Manufacturing	17%
	Total Jobs (2018)	**84,421**

	Firms	% of Total
1	Professional, Scientific & Tech. Services	23%
2	Health Care & Social Assistance	12%
3	Accommodation & Food Services	11%
	Total Firms (2018)	**3,431**

Source: Quarterly Census of Employment and Wages (QCEW), CA Employment Development Department

Existing Conditions

Strong Class A Office Market



Source: CoStar Group, 2019.

Existing Conditions

Top 5 Sales Tax Business Types, FY 10-11 v. FY 18-19

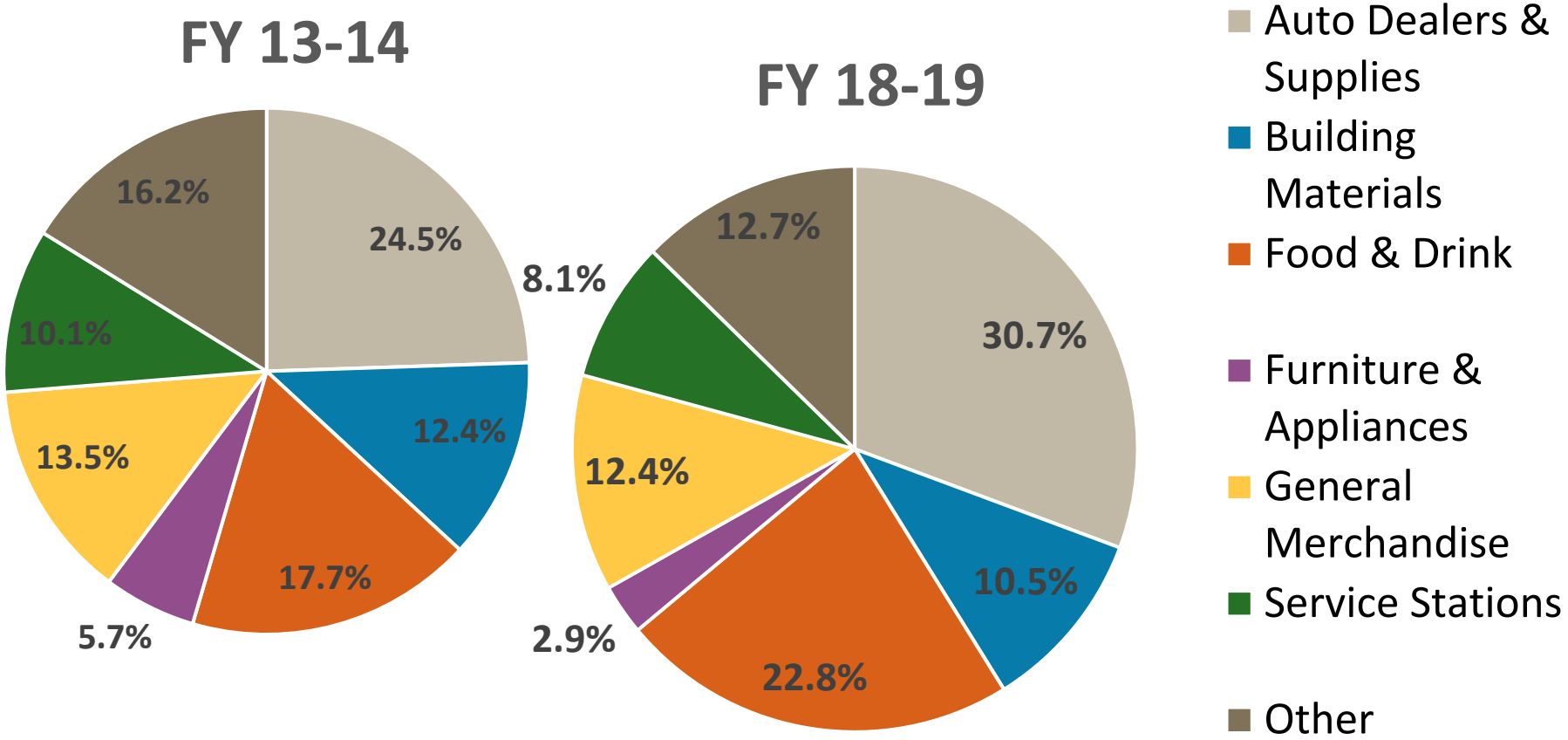
FY 2010-11	% of Total
1. New Auto Dealers	12%
2. Office Equipment	11%
3. Electrical Equipment	10%
4. Medical/Biotech	8%
5. Discount Dept. Stores	7%
Subtotal (%), Top 5	**48%**
Subtotal ($), Top 5	11.7 million
Total ($) All Bus. Types	**$24.5 million**

FY 2018-19	% of Total
1. New Auto Dealers	17%
2. Medical/Biotech	13%
3. Discount Dept. Stores	8%
4. Quick-Serv Restaurants	7%
5. Casual Dining	7%
Subtotal (%), Top 5	**51%**
Subtotal ($), Top 5	$13.4 million
Total ($) All Bus. Types	**$26.3 million**

Sources: HdL, Inc.; City of Sunnyvale, 2019.

Existing Conditions

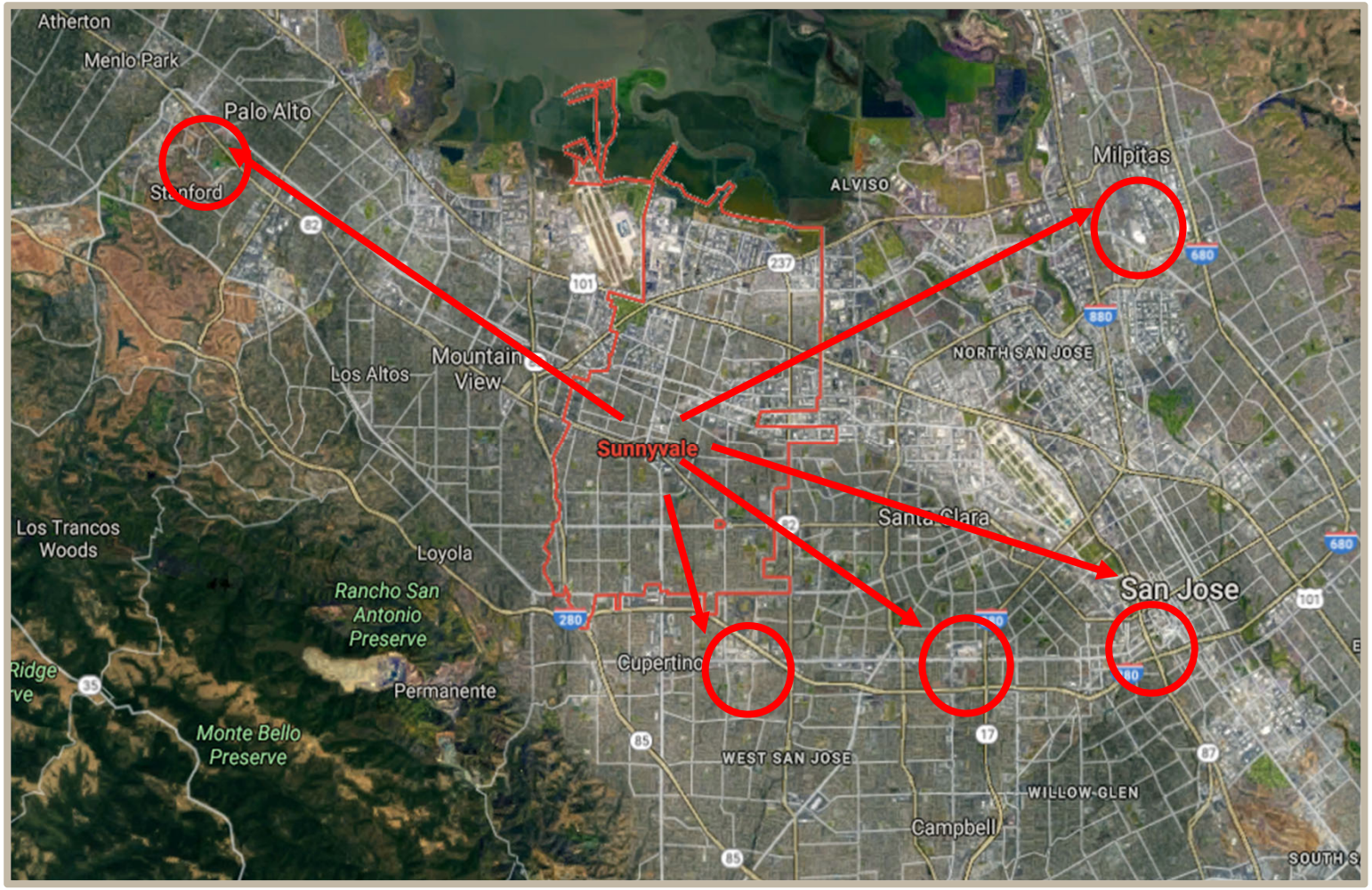
Sunnyvale Taxable Sales by Store Type



Sources: HdL, Inc.; City of Sunnyvale, 2019

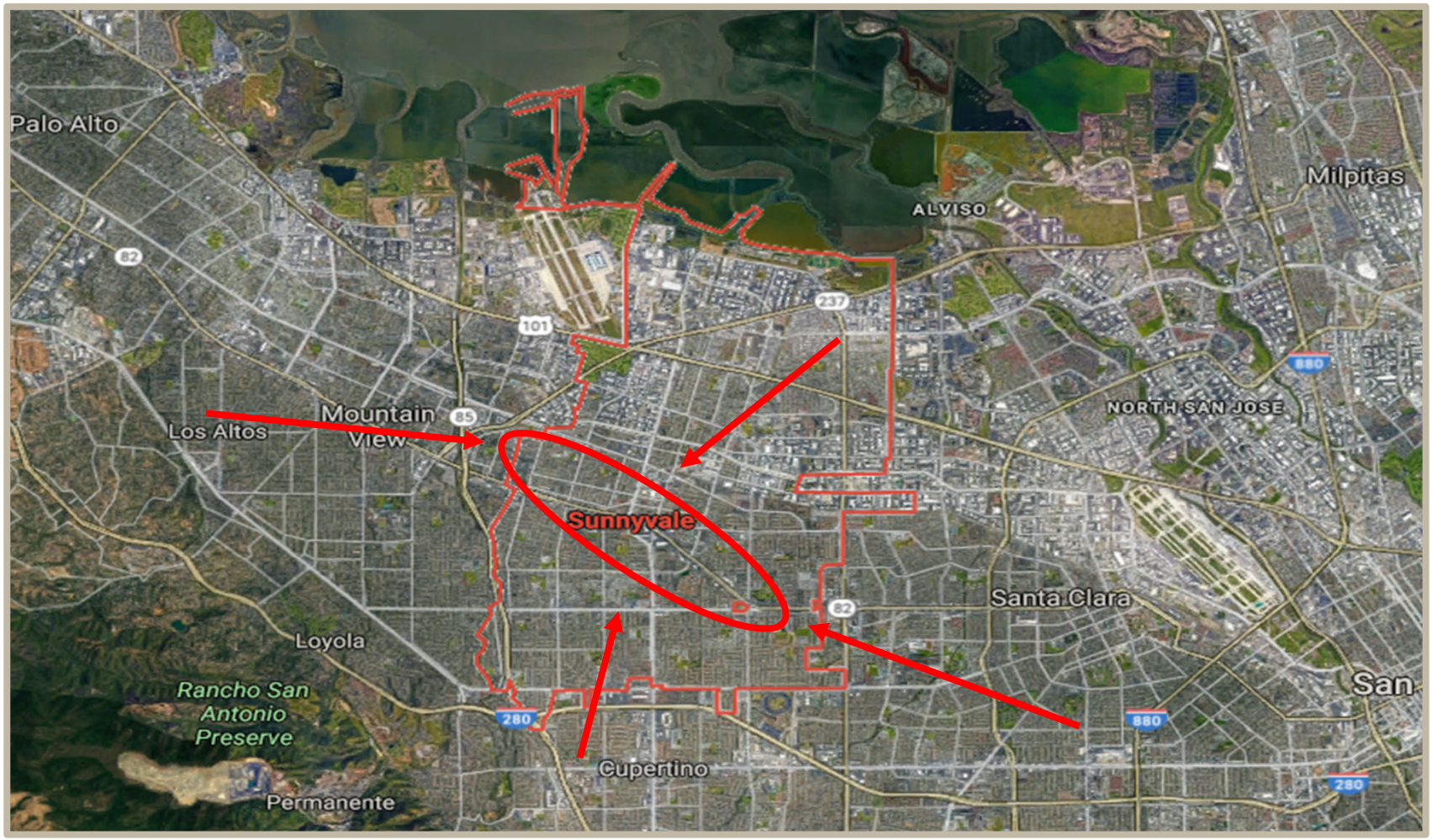
Existing Conditions

Regional Competition



Existing Conditions

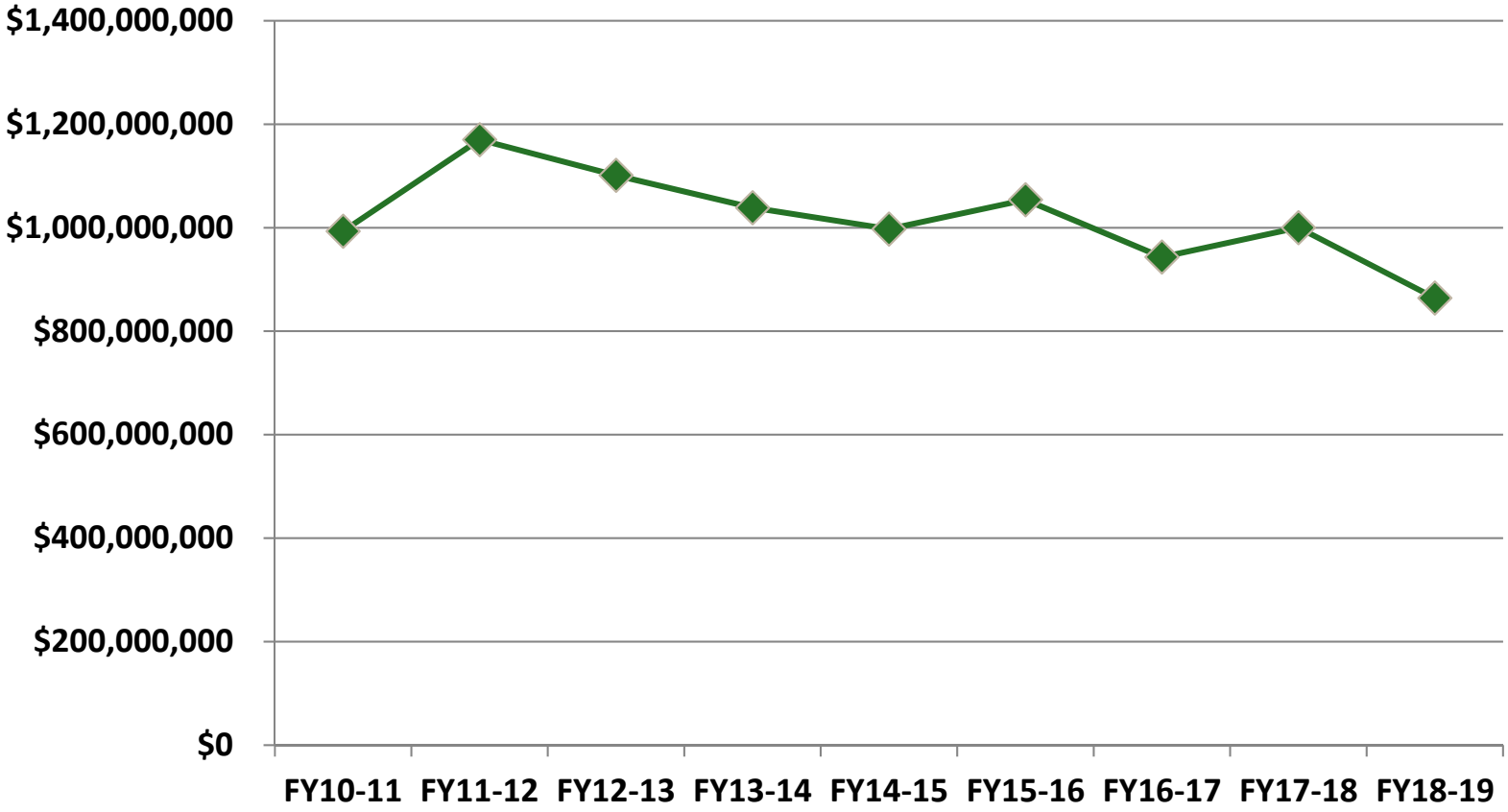
Sunnyvale's Auto Dealers Attract Customers



Existing Conditions

Total Taxable Sales Trends for Business & Industry Group (B2B)

Taxable sales for Sunnyvale businesses and industries have declined in recent years



Sources: HdL, Inc.; City of Sunnyvale, 2019

STAKEHOLDER INTERVIEWS: MAJOR THEMES

- **Desirable City**
- **Development Review Process**
- **Business Diversity/Retention**
- **Transportation/Mobility**
- **Housing**
- **Amenities/Services**

Stakeholder Interviews Themes

- **Desirable City**
  - Preferred location
  - Well-managed City
  - “one-stop” inventor
- **Development Review Process**
  - Longer Processing Times
  - Inconsistent & Unpredictable Review Process Perception

Stakeholder Interviews Themes

- **Business Diversity/Retention**
  - Lack of space for small to mid-sized companies
  - Development pressures
- **Transportation/ Mobility**
  - Inadequate infrastructure
  - Need for more options
  - TDM policies/requirements often not feasible for tenants

Stakeholder Interviews Themes

- **Housing**
  - Employee recruiting & retention challenges
  - High cost of living
  - Long commutes
- **Amenities and Services**
  - Uneven distribution of services and amenities
  - Need for entertainment, activities & attractions
  - Amenities for smaller and mid-sized businesses

KEY TRENDS AFFECTING ECONOMIC DEVELOPMENT IN SUNNYVALE

- **Changing Preferences**
- **Development Trends**
- **Changing Retail Industry**

Changing Preferences

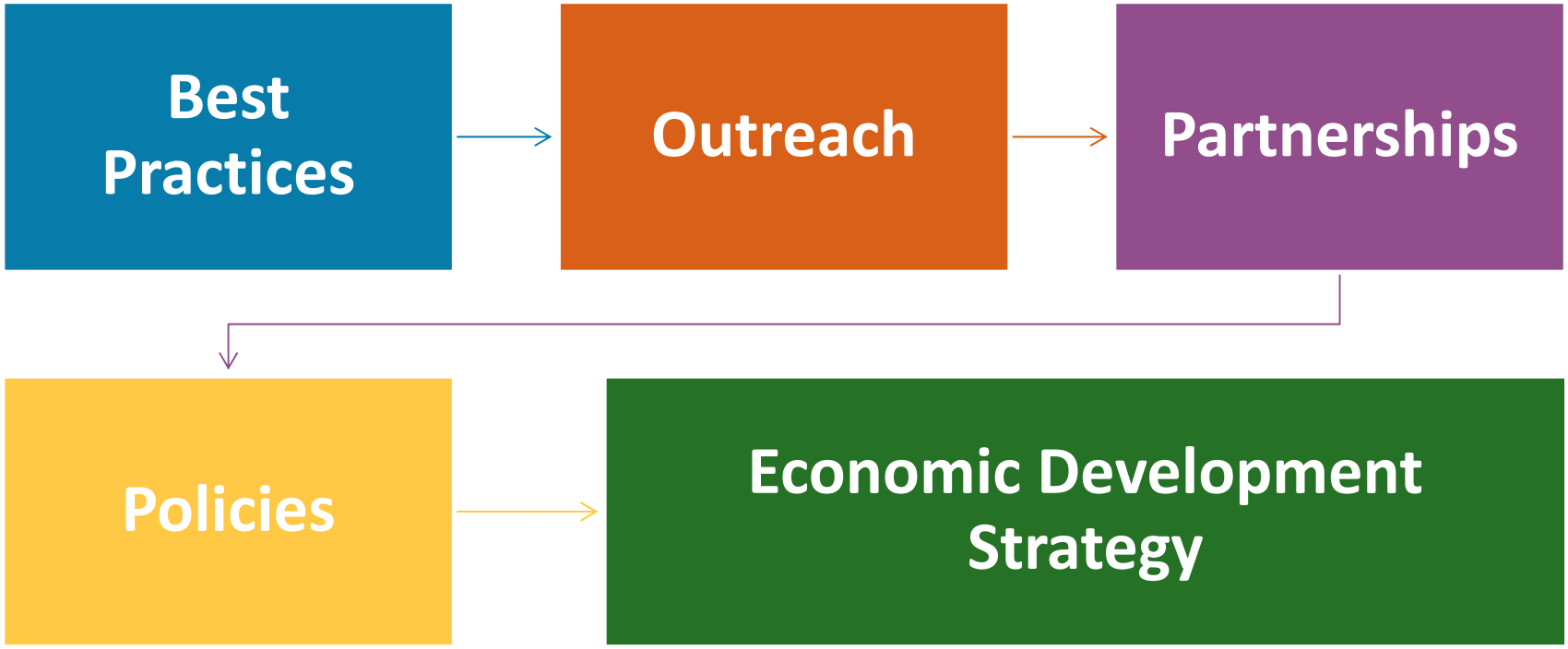
- **Residential**:
  - Dynamic urban environments
  - Multifamily housing
- **Office/R&D**:
  - Amenity-rich locations
  - Proximity to transit
  - Preference for mixed-use
  - Larger floor plates

Retail Trends

- Commodity vs specialty retail
- Rise of e-commerce
- Experiential retail
- New retail format
- Social media influencers
- Landlord/tenant relations – malls vs downtowns

These factors all influence the degree to which Sunnyvale can enhance its retail sector.

Process


Best Practices
Outreach
Partnerships
Policies
Economic Development Strategy

Next Steps

Council Strategic Session	February 7, 2020
Existing Conditions Report	February 2020
Stakeholders Focus Group	February/March 2020
Council Meeting – Draft EDSP	March 31, 2020
Council Approval – Final EDSP	May 2020

REGIONAL LEADER IN ENVIRONMENTAL SUSTAINABILITY

COUNCIL PRIORITY:
ACCELERATING CLIMATE ACTION

- Playbook Overview
- GHG Reductions
- Progress Reporting
- Initiatives Underway

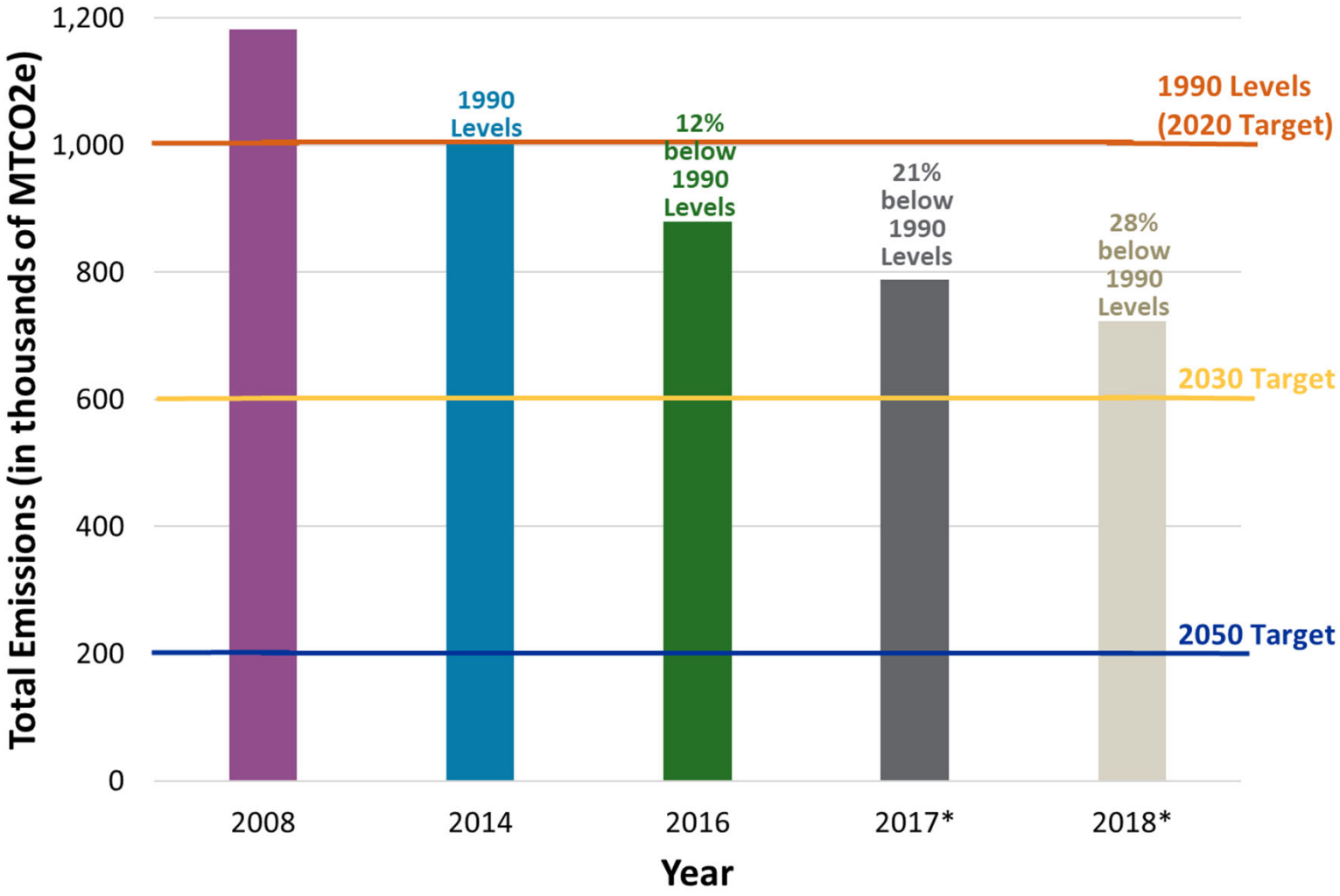
Climate Action Playbook

- Adopted August 2019
- Bold Targets
  - 56% GHG Redux by 2030
  - 80% GHG Redux by 2050
- Six Strategies for the Win!
- Game Plan of Next Moves to 2022
- Citywide Implementation Team

Playbook Strategies

1. Promoting Clean Electricity
2. Decarbonizing Buildings
3. Decarbonizing Transportation & Sustainable Land Use
4. Managing Resources Sustainably
5. Empowering Our Community
6. Adapting to a Changing Climate

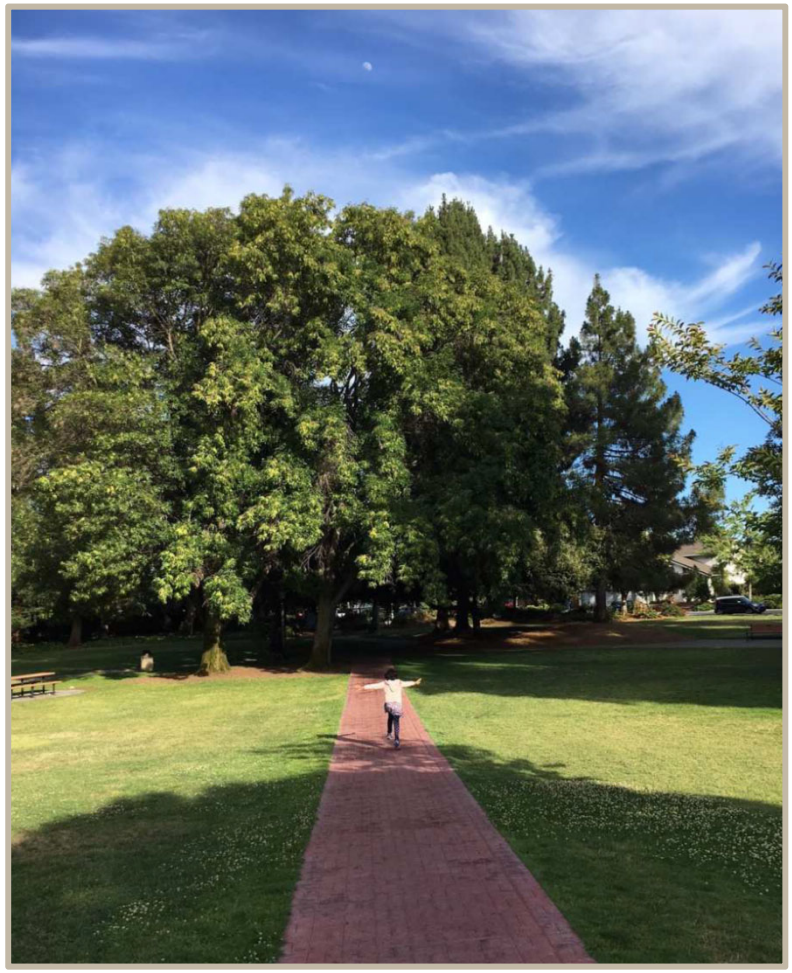
Greenhouse Gas Reductions



**2017 and 2018 draft GHG emissions; inventory development in progress.*

Progress Reporting

- Annual GHG inventories
- Scorecard in fall 2020
- Progress reports at Sustainability Commission
- Project updates on City website



Initiatives Underway

Strategy 2: Decarbonizing Buildings

Play 2.2

- Move 2.D: All-Electric New City Buildings
  - WPCP Cleanwater Center
  - City Hall
- Move 2.C: All-Electric Technology
  - SVCE heat pump water heater pilot

Edwina Benner Plaza, first all-electric multi-family residential development in Sunnyvale.

Play 2.3

- Move 2.E: Streamlining Electrification
  - Green Building
  - Reach Codes

Reach Code Schedule

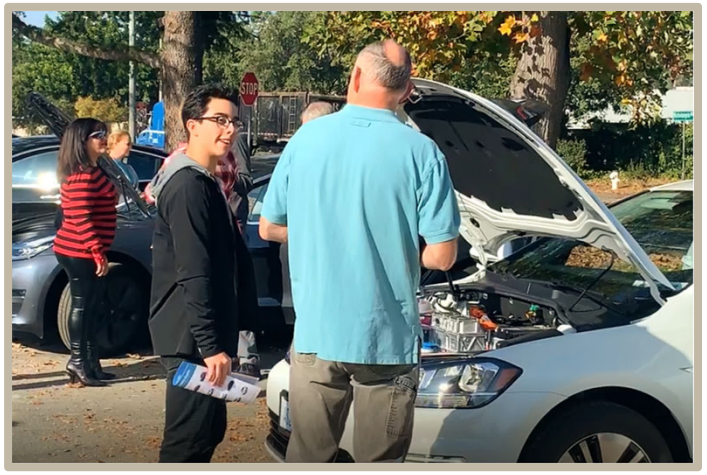
- **JAN 2020** Selection of Study Options
- **FEB 2020** Cost Effectiveness Study
- **MAR 2020** Stakeholder Input
- **APR 2020** Draft Code Amendments
- **MAY 2020** Council Action
- **JUL 2020** Effective Date of Reach Code

Initiatives Underway

Strategy 3: Decarbonizing Transportation & Sustainable Land Use

Play 3.3

- Move 3.K: Community EV Education
  - Speaker Series event (Nov. 2019)
  - Dedicated program (May 2020)



Electric vehicle expo at Sustainability Speaker Series, November 2019.

- Move 3.J: EV Charging Infrastructure
  - Leverage SVCE/State funding
  - Priority zones for public charging
  - Charging coming to Corps Yard and New Civic Center
- Move 3.L: City Fleet
  - Replace 16 vehicles with EVs in 3 years

Initiatives Underway

Strategy 3: Decarbonizing Transportation & Sustainable Land Use

Play 3.2

- Move 3.E: Active Transportation Plan
  - Ongoing community engagement
  - Launch Spring 2020
- Move 3.C: Transportation Demand Management
  - Hiring Transportation Planner
  - Program improvements, monitoring, reporting

Initiatives Underway

Strategy 4: Managing Resources Sustainably

Play 4.1

- Move 4.A: Food Cycle Program
  - Expansion to additional customers
  - Cart retrofits
  - Customer outreach
  - Food processing at WPCP

- Move 4.B: Processing Improvements
  - Short-lived climate pollutants (SB 1383) implementation by 2022
  - Collection Services Franchise
  - NextGen SMaRT Station
    - Contractor
    - Partnerships

Initiatives Underway

Strategy 5: Empowering Our Community

Play 5.1

- Move 5.A: Grassroots engagement
  - Peer-to-peer program
- Move 5.B: Online resources
  - SVCE's Customer Resource Center (April 2020)
- Move 5.D: Sustainability Speaker Series
- Move 5.C: Social media engagement

More Initiatives on the Horizon in 2020

Strategy 1: Promoting Clean Electricity

Play 1.3

- Move 1.D: Electricity storage partnership with SVCE

Strategy 4: Managing Resources Sustainably

Play 4.3

- Move 4.G: Implement the City's Green Stormwater Infrastructure Plan

Strategy 5: Empowering Our Community

Play 5.1

- Move 5.E: Climate Youth Ambassadors

Strategy 6: Adapting to a Changing Climate

Play 6.2

- **Move 6.C:** Shoreline resilience with Valley Water
- **Move 6.D**: Moffett Park Specific Plan

SAFE, SECURE & HEALTHY PLACE FOR ALL

COUNCIL PRIORITY:

OPEN SPACE ACQUISITION PLANNING: FUTURE of GOLF COURSES

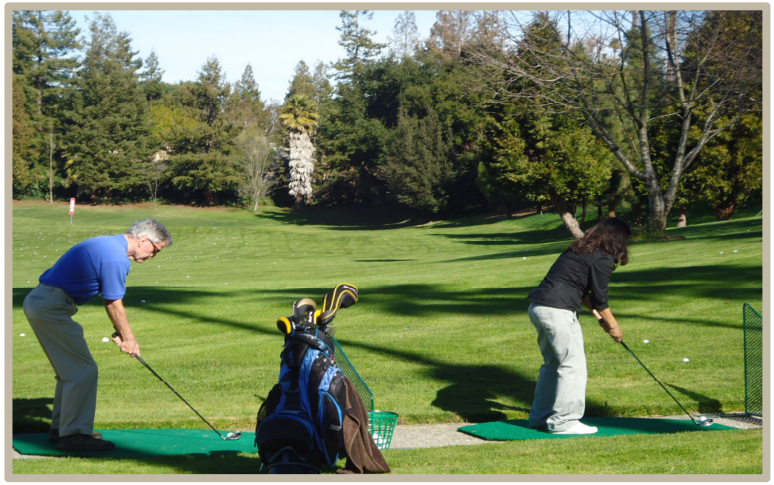
Analysis of Golf Program

Capital Improvement Projects

Analysis of Sunnyvale Golf Program and Property Options

Study Issue - DPW 18-11

- Golf Rounds
- Santa Clara Agreement
- Kemper Sports Contract

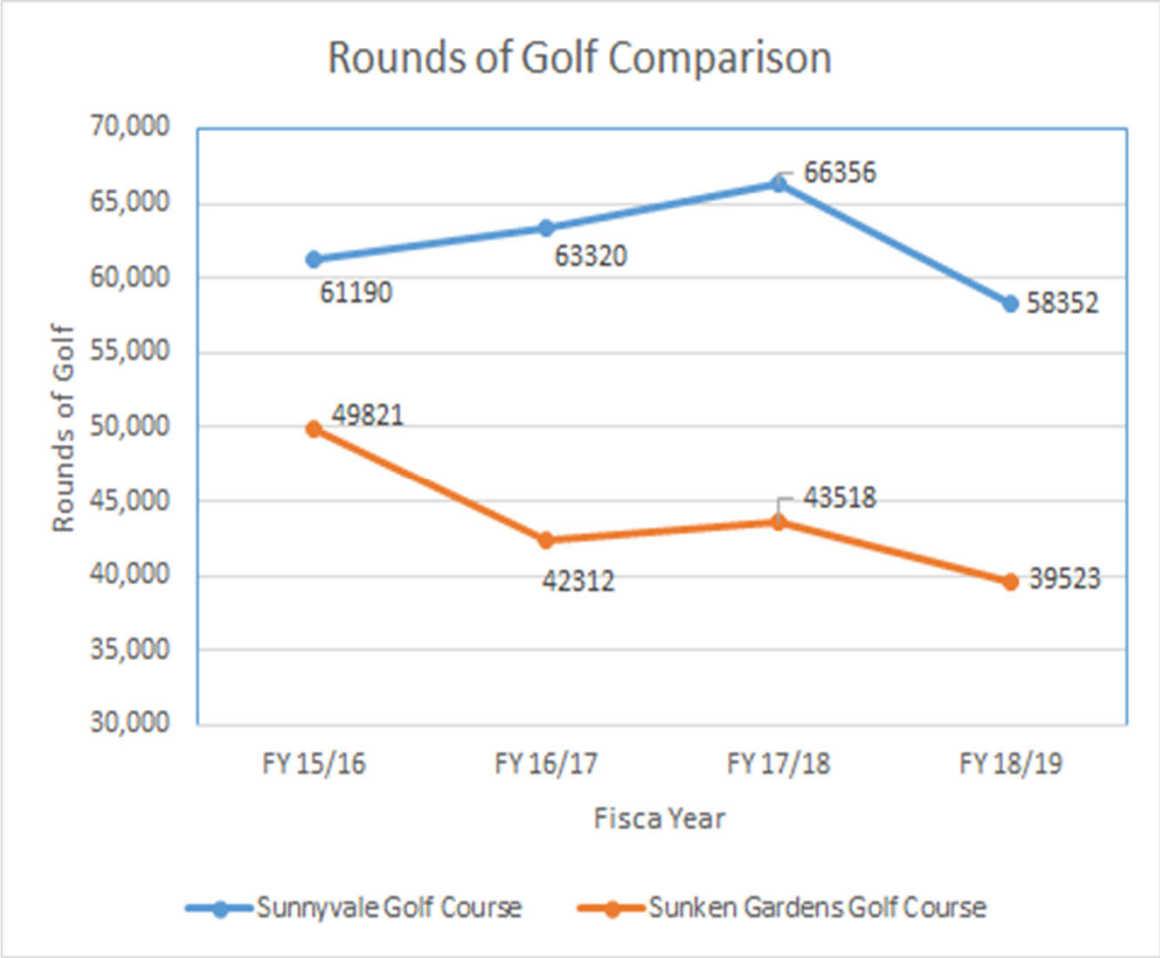


Analysis of Sunnyvale Golf Program and Property Options

Golf Rounds

Impacts:

- 18 more rain days in FY 18/19 than FY 17/18
- 14 days of smoke in FY 18/19



Analysis of Sunnyvale Golf Program and Property Options

City of Santa Clara Agreement

- October 2019 – The city of Santa Clara closed their Santa Clara Golf & Tennis Club
- October 2019 – Cooperative Agreement for Golf services with the City of Santa Clara.
- As of January 15, 2020:

	Sunnyvale Golf Course	Sunken Garden Golf Course
Santa Clara Residents visiting Sunnyvale Golf Courses	262	346

Analysis of Sunnyvale Golf Program and Property Options

Santa Clara Agreement Highlights

City of Sunnyvale

- Discounted fees for Santa Clara residents
- Discounted fees for high school teams
  - Wilcox/Santa Clara/Cupertino HS
- Tournaments
  - Active recruitment and favorable rates to current Santa Clara tournaments

City of Santa Clara

- Exclusive use of Santa Clara Golf and Tennis databases for outreach and marketing
- Exclusive contract for recreational/instructional golf programs, lessons, camps, etc.
- Promotion of Sunnyvale Golf Course on City of Santa Clara's website, Activity Guide and other publications.

Analysis of Sunnyvale Golf Program and Property Options

Sunnyvale Golf Course Restaurant History

- August 2012 – Lookout Inn Closes
- June 2013 – Synergy Co. Reopens Lookout Inn
- December 2014 – Synergy Co. Closes Lookout Inn
- May 2017 – Barrel 19 Opens (Lease)
- August 2018 – City enters into agreement with Kemper Sports (Management Agreement)

Analysis of Sunnyvale Golf Program and Property Options

Financials for Barrel 19

	FY 17/18	FY 18/19	FY 19/20	FY 20/21
Kemper Projections	($5,364)	($61,085)	($11,831)	$15,221
Budget Actuals	($73,490)	($227,838)	-	-

Factors Influencing Budget:

- Location – Industrial vs. Residential
- Nearby Technology companies have cafeterias
- Outdoor patio offers six months of ideal use
- Building is outdated
- 18 rain days and 14 smoke days

Golf Program – Barrel 19

Next Steps

- Barrel 19 is not performing as expected
- Exploring options:
  - Grab and Go
  - Contracted catering service
  - Facility rental

Ascertain Suitable Location(s) for the Installation of Youth Batting Cages & Potential Funding Sources

Study Issue – DPW 19-07

Timeline

- Early 2020 – RFP
- Spring 2020 – Award contract
- Fall 2020 – Provide Study results to City Council

Fair Oaks Park Renovation

Timeline

- Winter FY 19/20 – Bid Project
- Spring FY 19/20 - Construction
- Winter FY 20/21 - Completion

City Acquisitions

- Corn Palace Park
  - Expected to be transferred to the City spring 2020
- AMD Park
  - Conceptual design approval presented to City Council spring 2020

AMD Park Conceptual Design

CITY MANAGED BY RESPONSIBLE & RESPONSIVE GOVERNMENT

COUNCIL PRIORITY:

IMPROVED PROCESSES & SERVICES THROUGH THE USE OF TECHNOLOGY

Overview

Projects

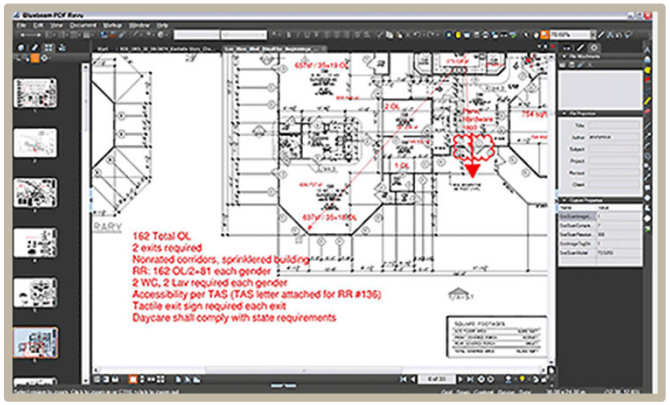
Technology Initiatives

Enterprise Resource Planning (ERP) System

- October 2020: Phase I – Financial Management System Go-Live
- April 2021: Phase II – Human Capital Management System Go-Live

Planning and Building Permit Software System

- Contract negotiations in progress
- 1st Quarter 2020 – Contract to Council
- After approval – implement system to:
  - Support the City's General Plan and land management goals
  - Enhance permitting, inspection & licensing management services
  - Use modern online functionality (e.g. ePlan check, mobile access)



Technology Initiatives Driving Process Improvements

2020 Active Projects

- Computer Aided Dispatch Replacement
- Geographic Information System (GIS) Enhancements
- Fire Records Management System
- False Alarms and Fire Alarm Permitting
- Electronic Records/ Digitization System
- Public Records Management System

A COMMUNITY WITH A DISTINCTIVE IDENTITY

COUNCIL PRIORITIES:

-DOWNTOWN SUNNYVALE /

-ABILITY OF INFRASTRUCTURE TO SUPPORT DEVELOPMENT & TRAFFIC

Project Progress

Future Phases

Downtown Parking

Affordable Housing

Specific Plan Update

CityLine Construction

COUNCIL PRIORITY:
Downtown Sunnyvale

Downtown Parking

Development Policies – Study Issue

Draft Report	• Sufficient Quantity • Location Concerns
Parking Management	• Short-term Strategies • Long-term Strategies
Consider w/DSP *March**	• District Participation • Required Parking

**Tentative: same hearing as FEIR, DSP, Zoning Amendments, Development Agreements*

Block 15 – Affordable Housing

Related CA and City of Sunnyvale

APR 2019	Application Filed
NOV 2019	Final Outreach
NOV 2019	PC Study Session
FEB 2020	PC Public Hearing

Block 15 Affordable Housing

Related CA and City of Sunnyvale

- Planning Approval Deadline – Dec 2019 – Missed
  - New Schedule February 2020
- **Funding Gap** – Due to Increasing Construction Cost
- **Potential Funding**
  - Additional City Funding Request
  - Tax Credit Status
  - Housing Mitigation Fees
  - Other Sources

Downtown Specific Plan Update

The Vision

Goals

Land Use

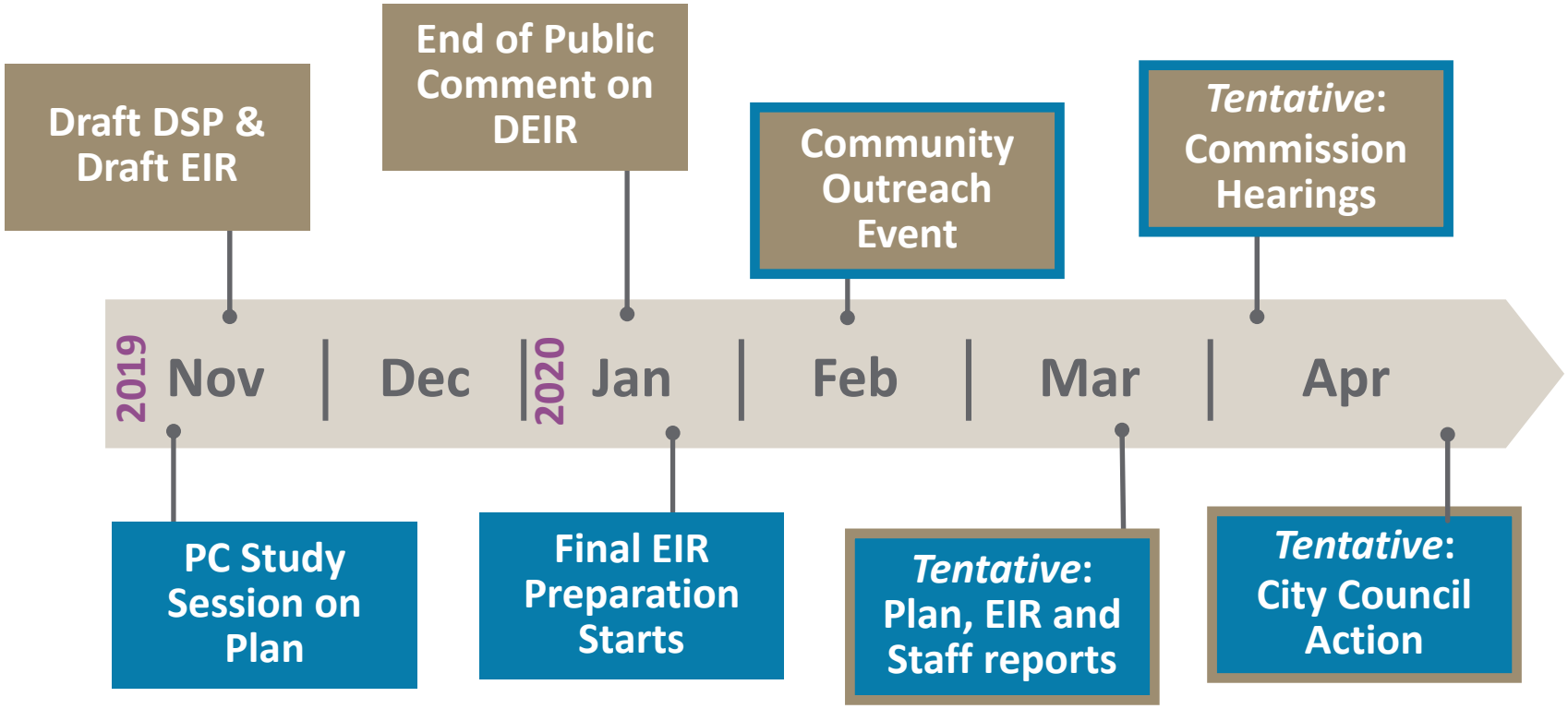
Density and Height Bonuses

Urban Design

- Streetscape and Architecture
- Open Space

Parking

Downtown Specific Plan Timeline



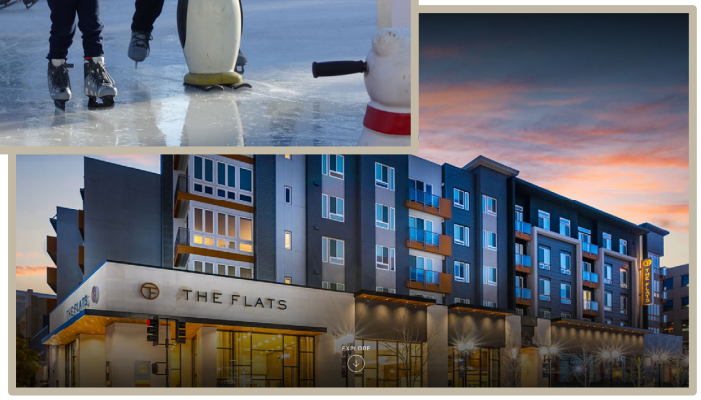
City Council Actions

- *Parking Policies*
- *Final EIR – Amended DSP – Zoning Code Updates*
- *Development Agreements*

CityLine Construction

2019 Milestones

- 198 Apartments Leased
- Whole Foods construction
- AMC Theater construction
- Garage Upgrades
- 6 Retail Tenants Announced
- Roadway Improvements
- Seasonal Ice Rink



ECR Traffic Lights

Grade Separations

Mathilda 101/237

Vision Zero

COUNCIL PRIORITY:
Ability of Infrastructure to Support Development & Traffic

Feasibility of Acquiring Control of Caltrans Traffic Signals on El Camino Real

Study Issue DPW 18-07

Timeline

- Aug. 2019 - Kimley-Horn awarded contract
- Currently, in discussions with Caltrans to determine process and gather data
- Fall 2020 – Study results

Scoping of Grade Separations for Caltrain Crossings at Mary Ave. and Sunnyvale Ave.

Study Issue DPW 14-13

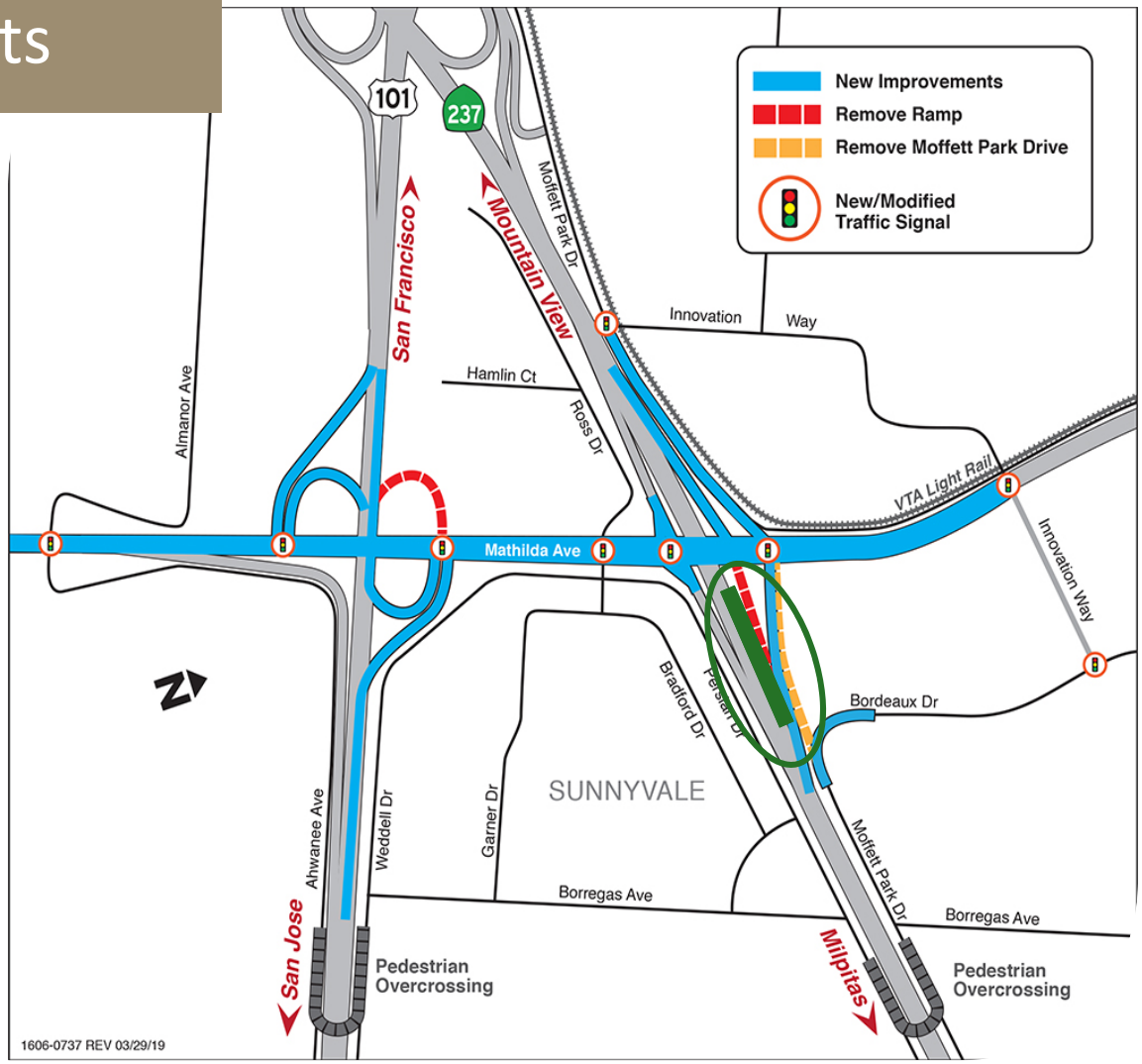
Next Steps

- Staff working to refine the design alternatives
- Spring 2020 – preferred alternative presented to City Council

Mathilda 101/237 Interchange Improvements

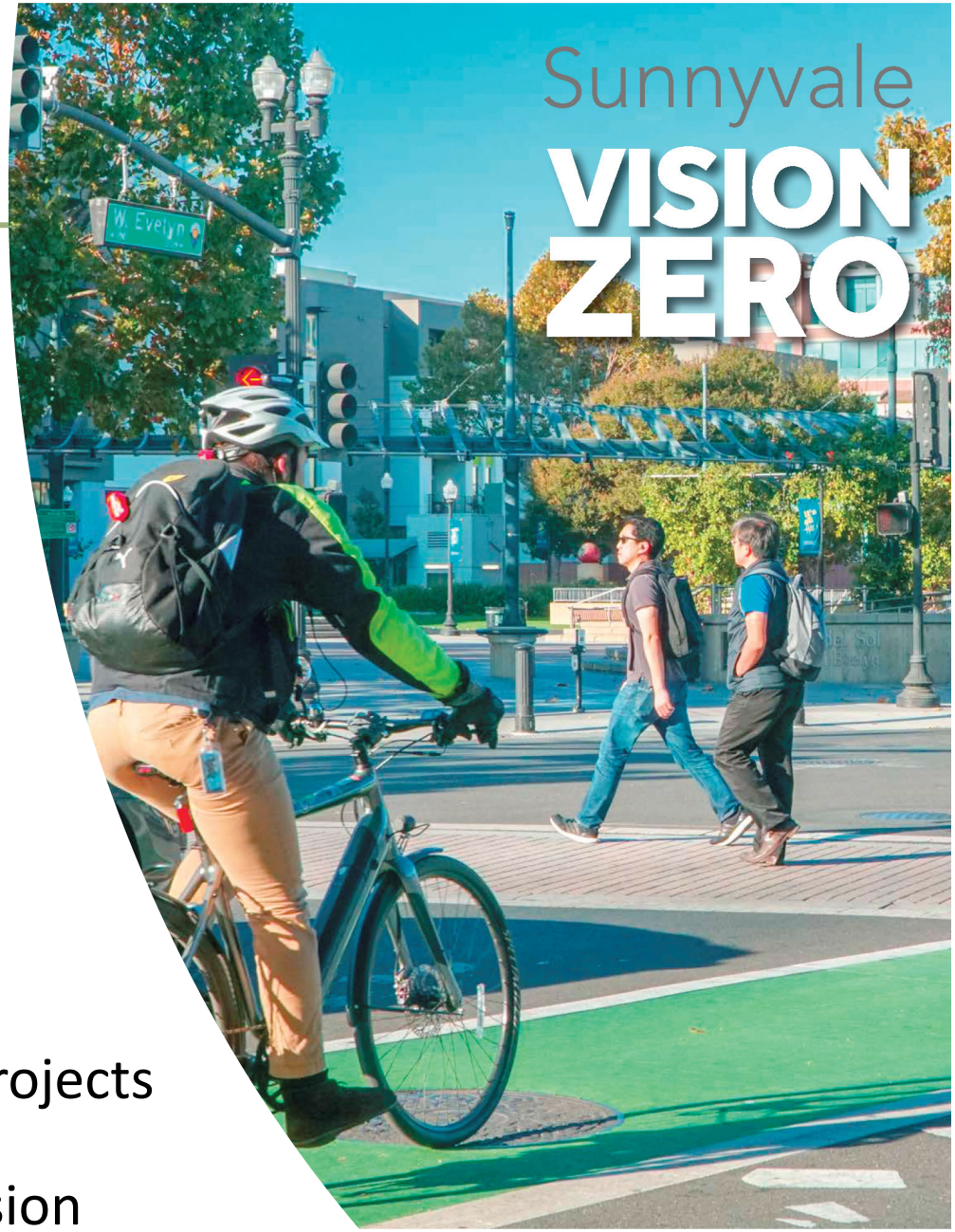
Project Highlights

- New off-ramps to US 101 and westbound SR 237
- Moffet Park east of Mathilda has been realigned
- A new traffic signal at Bordeaux/Innovation has been activated
- A new bike/ped path along closed Moffet Park alignment
- Completion August 2020



VISION ZERO IMPLEMENTATION

- July 2019 – Adopted
- Staff implementing safety improvements on Fremont Ave: Sunnyvale-Saratoga to Manet
- City staff training on Vision Zero principals
- Creation of toolbox for future projects
- Applying for recognition as a Vision Zero City



Sunnyvale

Council Questions & Discussion

Sunnyvale

STRATEGIC TOPICS DISCUSSION

Strategic Discussion Topics

- **Moffett Park**
- **Service Level Set Aside**
- **El Camino Real Corridor Specific Plan**
- **Business License Tax**

MOFFETT PARK

History & Background

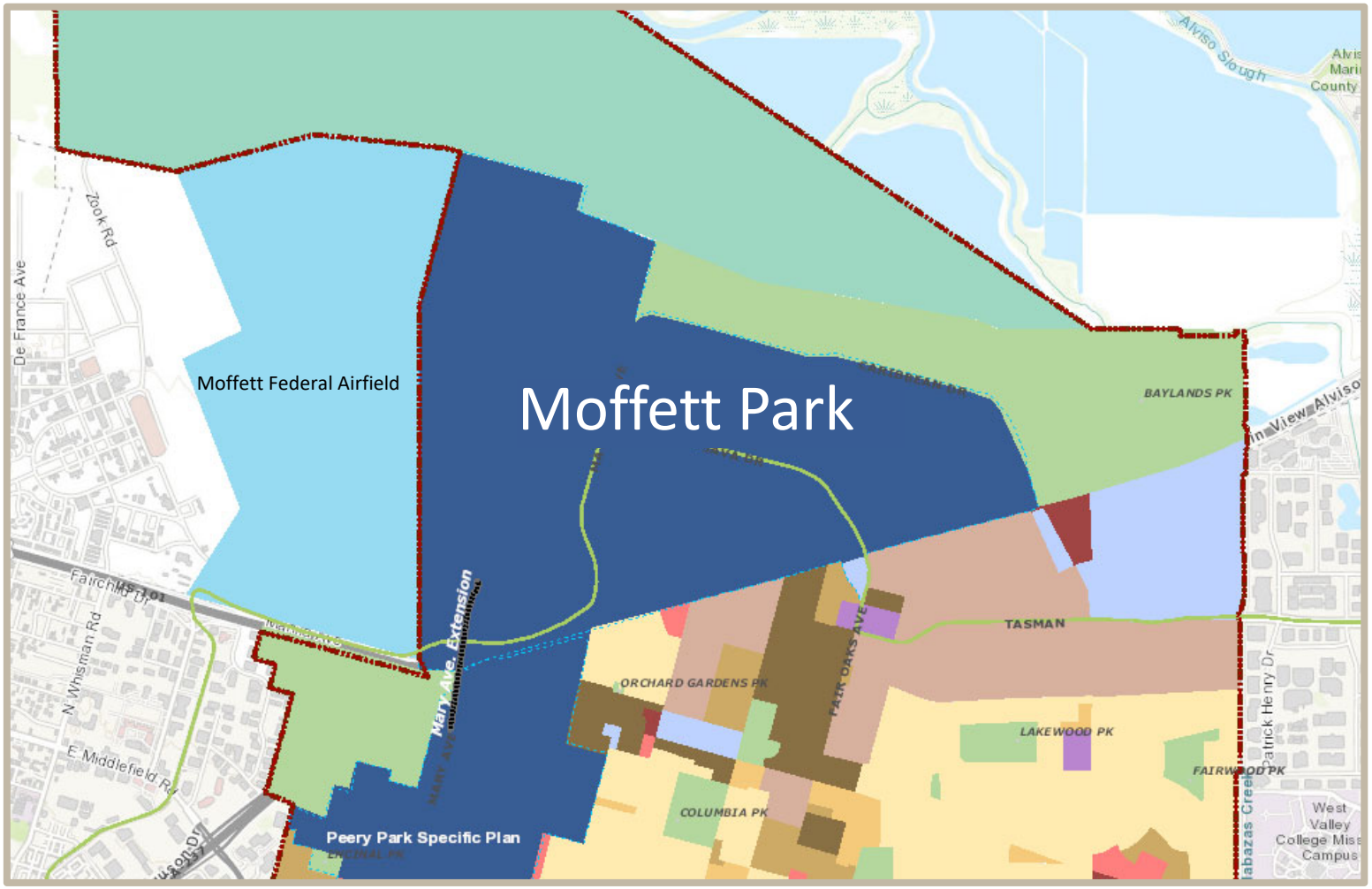
Work to Date

Issues

Schedule

Questions & Comments

Moffett Park Specific Plan Area



City of Sunnyvale, General Plan Map

Moffett Park Specific Plan (MPSP)

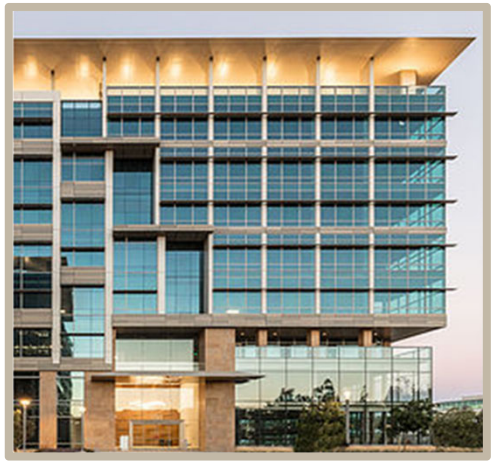
History and Background

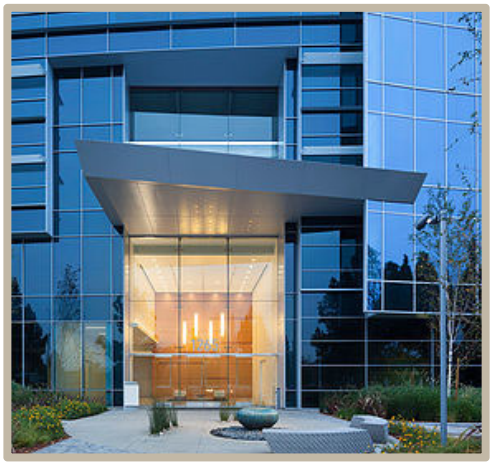
- 2004 Adoption
  - Four Site-specific Amendments
- **Purpose**: Attract Class A Office Development
- **Features**:
  - MPSP Specific Zoning Allows:
    - **Buildout**: **24.3M** s.f. office
    - Development Reserve: 5.4M s.f.
  - Green Building Requirements and Incentives
  - TDR – Transfer of Development Rights (*not yet used*)
  - Hotels: preserve existing and allow additional

Moffett Park Specific Plan

Current Plan Status

- Development Reserve: now at **135,000** square feet
- Overall Moffett Park at **~20 M** square feet
- Request to update MPSP in 2018 (*by Google*)
  - 100% funded by 3 major property owners
  - Google, Lockheed Martin, and Jay Paul Company





Moffett Park Specific Plan Update

Overview of Work to Date

- ✓ Project Manager Hired
- ✓ Work Plan Adopted
- ✓ 15+ Stakeholder Meetings
- ✓ 20+ Strategic planning meetings with partners
  - Property Owners and Businesses
  - Resource & Regulatory Agencies / Organizations
  - Advocacy and Trade Groups
- ✓ Project kick-off with relevant City departments
- ✓ PC study session with SFEI on sea level rise
- ✓ Raimi + Associates (*consultants*) hired

Moffett Park Specific Plan Update

Consultant Scope

- Create Land Use Plan
- Lead Community Engagement
- Review Sea Level options
- Assess Eco-district concepts

- Oversee Technical Studies
  - EIR
  - Water Supply and Water Levels
  - Transportation and Traffic
  - Fiscal and Market Analyses
  - Affordable Housing Strategy

Moffett Park Specific Plan Update

Scope Details

- Complete Background Analysis
- Create Preliminary Land Use Concepts
- Community Engagement – plan, branding, web page
- Meet w/ Technical Working Group
  - Most City Departments
  - Non-City agencies: VTA, Caltrans, BAAQMD, other cities, School Districts, Valley Water, etc.
- Marketing and fiscal analyses
- Background work for EIR

Moffett Park Plan Area vs Study Area

Legend

- Specific Plan Boundary
- Study Area Boundary
- City of Sunnyvale City Limits
- Parcels
- Freeways

Natural Features

- Water Bodies
- Wetlands
- Creeks
- Parks And Open Space
- San Francisco Bay Trail

0 0.125 0.25 0.5 Miles

Moffett Park Specific Plan Update

Land Use/Economic Issues to Consider:

- Land use Types and Amounts
  - Office, Housing and Commercial
- Opportunities
  - Start Ups, Small & Medium Sized Businesses
- Retail/Services for Future Land Uses
- Open Space
- Public Services (City, Schools, etc.)
- Environmental Protection
  - Urban Ecology/Eco-district
  - Addressing Sea Level Rise
- Outside Influences (Bay, WPCP, Baylands Park, etc.)

Moffett Park Specific Plan Update

Transportation Considerations

- Mobility
  - Pedestrians/Sidewalks
  - Bicycle: routes, lanes, paths
  - Transit
  - Future modes of transportation
  - Vehicles
- Convenience
- Effectiveness

Moffett Park Specific Plan Update

Additional Transportation Considerations

- Improve Moffett Park Access
  - To
  - From
  - Around
- Connecting Moffett Park:
  - Regional Connections and Opportunities
  - Connect to rest of City
  - Link Mathilda Corridor

    El Camino Real – Downtown – Peery Park – Moffett Park
- Support Variety of Travel Modes

Land Use and Transportation

Factors	
LAND USE	**TRANSPORTATION**

▪ **Character**
  ▪ Open Space
  ▪ Height
  ▪ Land Use Mix
  ▪ RHNA Implications
▪ **Capacity**
  ▪ Utilities
  ▪ Public Safety
  ▪ Schools
▪ **Viability** (e.g. retail)
▪ **Resource Protection**
▪ **Sea Level Rise**
	▪ **Today's needs**
	▪ **Current Infrastructure**
	  ▪ Roads, paths
	  ▪ LRT and Buses
	  ▪ Private and ACE Shuttles
	▪ **Future Trends**
	  ▪ New Modes
	  ▪ More Walking
	  ▪ Driverless Vehicles
	  ▪ Gasoline vs Electric vs ??
	▪ **VMT Implications**
	  ▪ Tied to Land Use

Implementation

Considerations

COMMUNITY BENEFITS

- ❑ Higher BMR %
- ❑ Higher Green Building Standards
- ❑ Community Benefit Fund
- ❑ New facilities, e.g.
  - Community Rooms
  - Education
  - Health Care
- ❑ Additional open space
- ❑ Resource protection/enhancement
- ❑ Transportation Infrastructure

Current Schedule

JAN 2020	Community engagement plan, web page
FEB 2020	Outreach
MAR 2020	Develop Land Use Alternatives
APR 2020	Commence Technical Studies
Summer 2020	*Review Land Use Alternatives*

Discussion, Questions & Comments

Land Use Alternatives

- Key criteria for land use decisions
- Key concepts for transportation
- Economic Development goals
- Importance of connection to rest of city
- Others?

FOR FUTURE DISCUSSION

- District-based tools
  - Shared Parking
  - Open Space / Amenities
  - Flood Protection
- Plan-based tools
  - Parking Garage Reuse
  - Proximity to Transit, Trails
  - Others?

SERVICE LEVEL SET ASIDE

Background

Fund Commitments

Unfunded Needs

Questions & Discussion

Service Level Set Aside (SLSA)

- Established by Council Policy
- "...used to provide ongoing funds to increase service levels or add new services."
- $1 M starting in FY 2020/21.
- Escalates 2% per year – total of $25 M over 20 years

Funds Already Committed

Project	Cost
Branch Library Operations Cost	$256 K
Airplane Noise Monitoring	$50 K
Additional Crossing Guards	$50 K
Total	$356 K
Remaining SLSA Funds	$644 K

Proposed Study Issues

Number	Title	Cost of Study
CDD 18-02	Heritage Resource Inventory	$250,000
DPW 20-01	Reducing Fossil Fuel Infrastructure and Equipment	$500,000
DPW 20-02	Bicycle and Pedestrian Access at Sunnyvale Caltrain Station	$350,000
DPW 20-04	El Camino Real Protected Bikeways	$200,000
DPW 20-05	Evelyn Avenue Multi-Use Trail and Bikeway Study	$350,000
DPW 20-06	Create Safer Streets by Narrowing Travel Lanes	$200,000
DPW 20-08	Mobility Commission	$350,000
DPW 20-09	Subsidized Public Transit	$300,000
Less than $200K	26 Study Issues	$1.6 M
	Total	$4.1 M

Study Issues In-progress with Significant Potential Ongoing Costs

Number	Title
CDD 14-09	Comprehensive Update of the Precise Plan for El Camino Real
CDD 17-09	2017 Housing Strategy
DPW 14-13	Scoping of Grade Separations for Caltrain Crossings at Mary Avenue and Sunnyvale Avenue
DPW 17-05	Orchard Heritage Park and Heritage Park Museum - Analysis and Options
DPW 18-07	Feasibility of Acquiring Control of Caltrans Traffic Signals on El Camino Real
LCS 19-02	Consider Options for Establishing an Amnesty Program for Overdue Library Material Fines
LCS 19-03	Explore Strategies to Promote Cultural Inclusion in City Programs and Services
OCM 19-02	Responsible Construction Ordinance

Resolution of Golf Course Operations

Current General Fund Financial Plan has $7.9 M in transfers through FY 2023/24 to golf

Fund Requires Approximately $2 M per year starting in FY 2024/25

Either new revenue, increased number of rounds, or ongoing subsidy

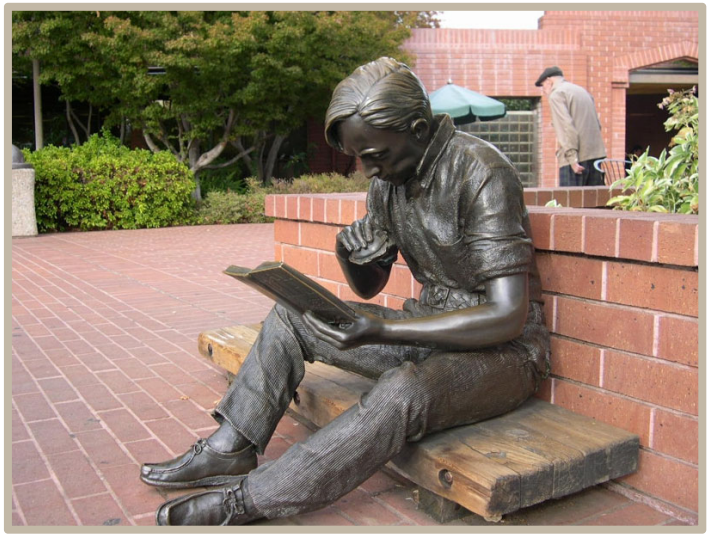
Two courses currently generate approximately $2.5 M in revenue from rounds and the driving range

Climate Action Plan

- Current budget includes $1.6 million over three years for implementation and approximately $500 K per year for staffing and program support
- Unfunded needs include:
  - Funding for other plans that support CAP implementation (e.g. urban forestry or active transportation)
  - Additional $500 K to $1 M annually for other programs and outreach in support of the plan

Other Unfunded Needs

- Future main library operations
- Funding for growth in staffing to meet increasing demands



<u>Bottom Line:</u> Service Level Set Aside is quickly consumed by existing, identified needs

Staying the Course

- Continue with the existing process – it allows for needs to be evaluated within the context of the budget through the study/budget issues process
- Maintain a focus on General Plan goals, service levels, and Council policy – staff recommends approach and resources needed to meet Council goals
- Maintain a long view – utilize twenty-year planning through the budget process to evaluate use of SLSA

Questions & Discussion

EL CAMINO REAL CORRIDOR SPECIFIC PLAN

SUNNYVALE
ECRCORRIDOR
specific plan

Background

Housing Bills (SB 330)

Response to SB 330

Other Topics

Questions & Discussion

Background – Policy & Legislation

Recent History

April 2017

Land Use and Transportation Element

August 2017

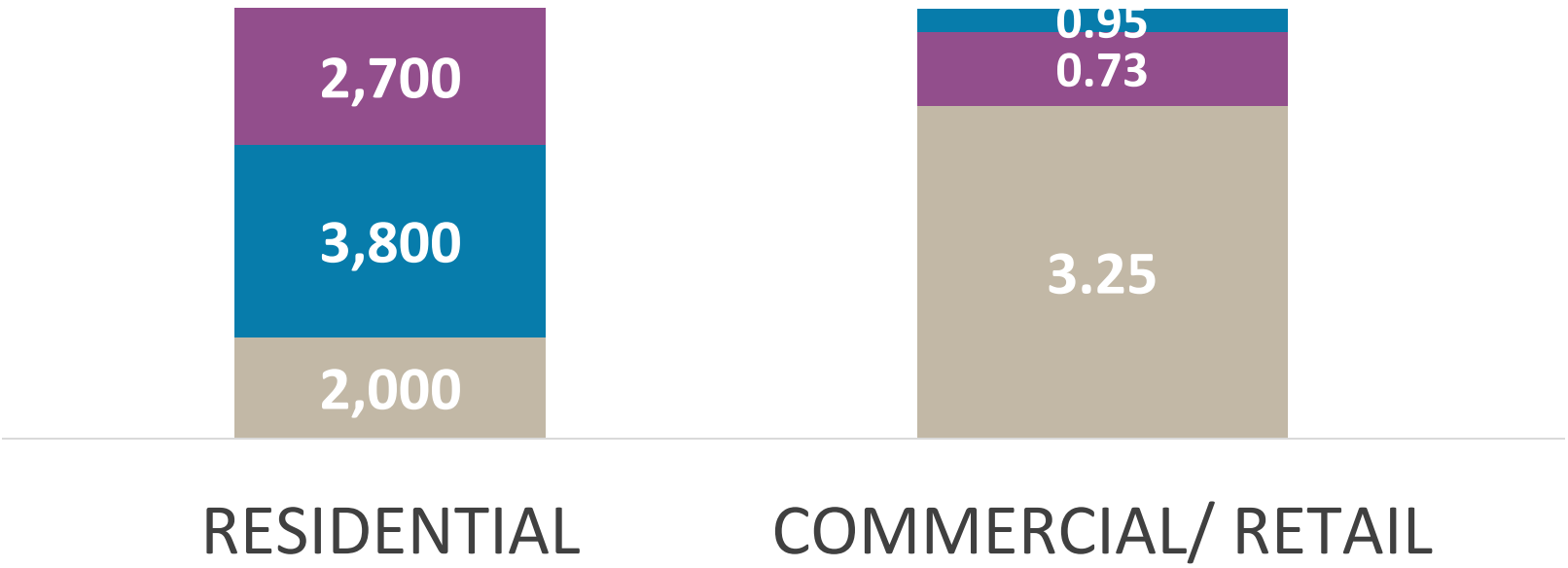
ECR Vision & R+ Alternative Selected

2019-2020

State Laws affect Housing & Planning

Background – Land Use Summary

	RESIDENTIAL UNITS	RETAIL/ COMMERCIAL M s.f.
EXISTING (2019)	2,000	3.25
LUTE BUILD-OUT (2019)	3,800	0.95
ECR PLAN R+ ALTERNATIVE	2,700	-0.22
TOTAL	**8,500**	**3.98**



Background – Draft 2040 Vision

Proposed Vision Refinement

Support and enhance community-serving retail and provide significant new residential options while advancing sustainable goals and by improving transportation safety and mobility choices.

Background – Guiding Principles

From Draft 2040 VISION

1. Efficient circulation
2. Safe and convenient multi-modal access
3. Preserve quality of life in adjacent neighborhoods
4. Supportive environment for businesses
5. Range of housing opportunities
6. Supporting a sustainable community

Background

Work Progress

- Technical reports
  - Existing conditions
  - Traffic
  - Housing
  - Economics, etc.
- Outreach & ECRPAC
- PC/CC Study Sessions
- In process
  - Administrative Draft Specific Plan
  - Administrative Draft EIR

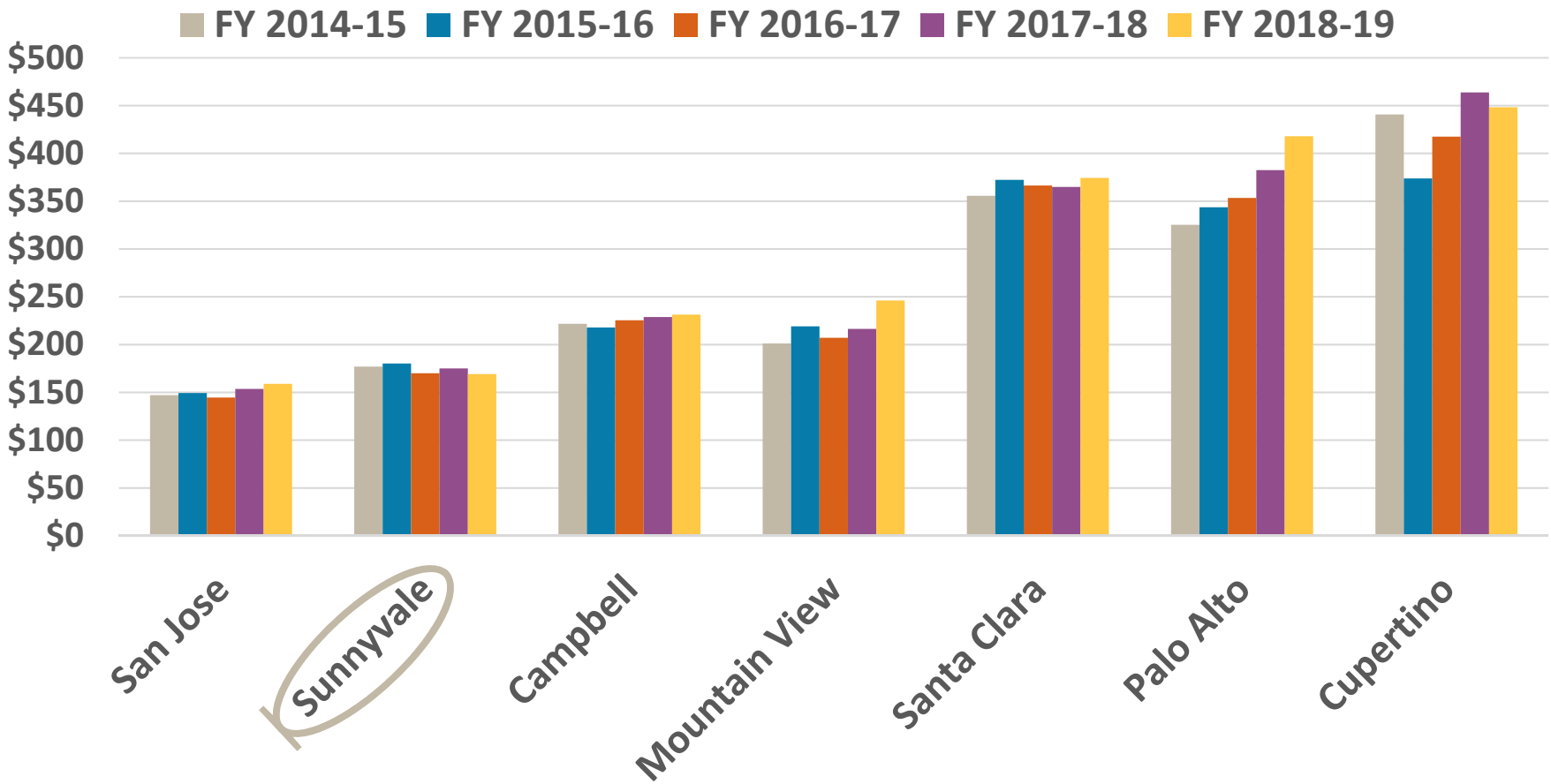
Background

El Camino Real Assets
Sunnyvale's Primary Retail Corridor

- Community Serving Retail
- Auto Dealerships
- Strong Dining Presence
- Grocery Stores
- Attractive for Hotels
- ~30% of City sales tax

Background

Per Capita Sales Tax Trends (*Inflation Adjusted*)

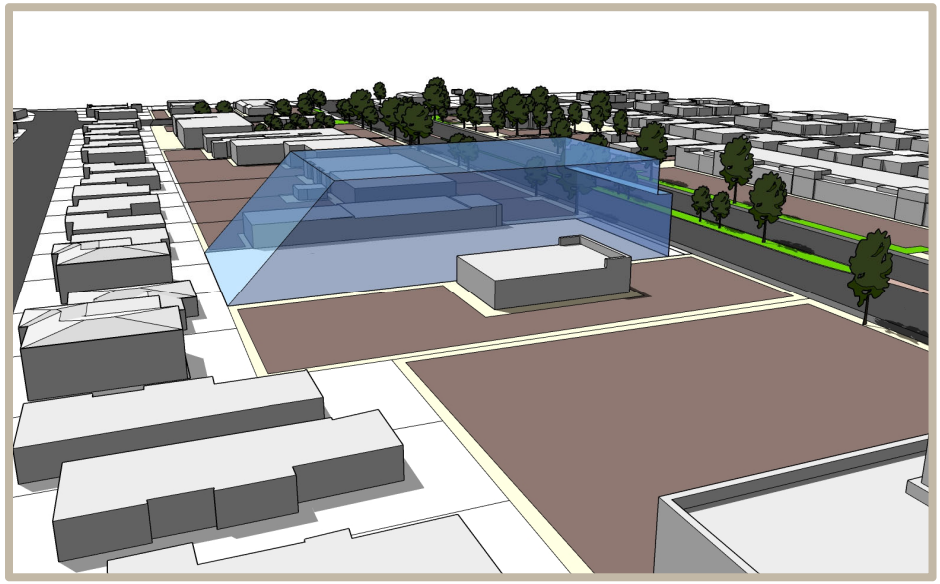


El Camino Real Generates 30% of sales tax

Background

Council Direction to Date

- Maintain Retail
- Residential Plus Alternative
- Nodes & Segments
- Design criteria
  - Daylight Plane
  - Step Downs
  - Horizontal articulation
- Ground floor retail
- Form-based Code elements
  - Allow Flexibility in Design



Response to SB 330

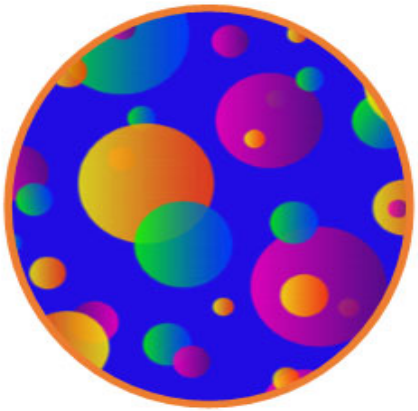
Land Use Strategy

- Cannot use Development Reserve for Housing
- Keep Building Form
  - *Height, Daylight plane & Step downs*
- Create Objective standards

Allocating Residential Units

- **Shared Density**
  - Totals Units by Segments & Nodes
    - Minimum Same for all sites
    - Maximum from **shared** reserve
      - Based on incentives

- **Site Specific/Focused Density**
  - Total Units for Segments & Nodes
    - Minimums Same for all sites
    - Maximums **vary** by specific site
      - Based on incentives



Staff Recommendation

Before	Response
• Incentive zoning: min & max	• Incentive zoning: min & max
• In Nodes:	• In Nodes:
◆ Minimum 36 du/ac	◆ Minimum 36 du/ac
◆ Maximum 54 du/ac	◆ **Maximum 68 du/ac**
• In Segments:	• In Segments:
◆ Minimum 24 du/ac	◆ Minimum 24 du/ac
◆ Maximum 45 du/ac	◆ **Maximum 54 du/ac**

Shared Density Concept

BEFORE

- **24 – 36 – 54** Units per Acre (max.)
  - Two Base Densities
  - Maximum varies by **Nodes or Segments**
  - Density achievable by incentives **from shared reserve**

PROPOSED

- **32 – 45 – 68** Units per Acre (max.)
  - Two Base Densities
  - Maximum Varies by **Site w/in Node or Segment**
  - Density achievable by incentives by site

Site Specific Density

Factors for Selecting Sites for Higher Density

- Lot size (Minimum 1 or 1.5 acres)
  - Requires smaller parcels to assemble
- Lot depth
- Corner parcels
- Existing context
  - Type/quality of development
  - Likelihood to redevelop
  - Adjacent land uses
  - Age of adjacent development
- Other Factors

Example West El Camino Real

BEFORE

LEGEND

24-36 du/ac

36-54 du/ac

PROPOSED

LEGEND

24-32 du/ac

28-45 du/ac

42-68 du/ac

Response to SB 330

Appearance

- 54 and 68 du/ac would look similar
- Bulk/massing would be controlled by same:
  - Height
  - Setback
  - Step back
  - Daylight plane

- 68 du/ac would likely result in more smaller units
  - More 1 & 2 Bedroom units
  - Density may vary across site to respect neighbors

Other Issues

Vehicles & Bicycles

- Residential Vehicle Parking Ratios
  - Reduced (e.g. DSP and LSAP)?
  - Same as Citywide?
  - Consider Shared parking with Retail?
  - State Laws may over-rule
- On-street Parking
  - Auto Deliveries
  - Bicycle Lanes

SCHEDULE

FEB	Council Strategic Session PAC/TAC meetings
MAR	Community Outreach PC Study Session
APR	Release Draft Specific Plan & EIR
MAY	Public comment Tune up Schedule
JUN	Revised Draft Plan & FEIR Board & Commission Hearings
JULY	Council Adoption

Council Discussion and Input

Feedback

RESIDENTIAL LAND USE

- **Densities and Distribution**
  - Maximum Density of 68
  - Site specific density approach

TRANSPORTATION DETAILS

- Vehicle Parking Ratios
- Shared Parking with Retail
- Auto Deliveries and Bike Lanes

Business License Tax

History

Current Structure

Potential Options

Next Steps

Questions & Discussion

Business License Tax History

1968:
Business License Tax Adopted – Paid per employee

→

1976:
Modified tax to tiered structure based on groups of 5 employees

→

2005:
Ballot measure approved to modify tiered rates & link to CPI

→

2007:
New tiered structure implemented, including two year tax schedule

→

2018:
Modified to reflect new CPI Index

Current Tax Structure - Business

Tax based on number of employees (including owner)

- 1 employee (the owner) $38.89
- 2-5 employees $66.52
- $66.52 additional tax per 5 employees thereafter

- Maximum annual tax of $12,639 (946+ employees)

Current Tax Structure – Rental Property

Tax based on number of employees or rental units (including owner)

- 3-5 employees or rental units
  $66.52
- $66.52 additional tax per 5 employees/rental units thereafter

- Must have three or more units
- Maximum annual tax of $5,654 (421+ units)

Study Issue

- Evaluate tiered rate structure
- Comparison of tax to neighboring cities
- Evaluate Alternatives
- Conduct public outreach
- Fiscal impact assessment

Current Rate Survey

City	# of Businesses	Tax Type	Min Tax
Campbell	5,000	Employee	$71
Cupertino	1,829	Sq.ft./Flat	$146
Fremont	8,553	Gross Receipts	$30
Gilroy	3,500	Gross Receipts	$40
Milpitas	3,150	Employee	$35
Morgan Hill	4,990	Employee	$20
Mountain View	3,433	Employee	$75
Palo Alto	1,740	Flat Fee	$50
Santa Clara	12,485	Employee	$15
Sunnyvale	9,666	Employee	$39

Current Rate - Apartments

City	Tax Type	Min Units	Min Tax
Campbell	Base + Per Unit	N/A	$71
Cupertino	Base + Per Unit	N/A	$100
Fremont	Gross Receipts	N/A	$1.30/$1,000 G.R.
Gilroy	Per Unit	3	$40
Milpitas	Base + Per Unit	N/A	$30
Morgan Hill	Base + Per Unit	N/A	$18
Mountain View	Employee	N/A	$75
Palo Alto	Flat Rate	N/A	$50
Santa Clara	Per Unit	3	$16
Sunnyvale	Per unit	3	$67

Potential Options - Business

Option	Description	Estimated Incremental Revenue*
Remove Cap	Current rates, no cap	$355 K
Employee Tax Model 1	Increase rate 60%, no cap	$1.4 M
Employee Tax Model 2	$20 per employee, no cap	$840 K
Employee Tax Model 3	$15-$25 per employee, no cap	$973 K
Employee Tax Model 4	Sliding Scale based on Business Size, no cap	$1.8 M
Gross Receipts Model	$1 per $1,000 in gross receipts, no cap	$3.4 M **

* Current annual revenue totals approximately $1.8 M ($1.5 M from businesses and $300K from Apartments

** Estimate is rough as no gross receipts data available

Potential Options – Apartments

Option	Description	Estimated Incremental Revenue *
Remove Cap	Current rates, no cap	$25 K
Employee Tax Model 1	Increase rate 60%, no cap	$235 K
Employee Tax Model 2	$20 per unit, no cap	$312 K
Employee Tax Model 3	$25 per unit, no cap	$472 K
Employee Tax Model 4	$25 per unit, no cap	$472 K
Gross Receipts Model	$1 per $1,000 in gross receipts, no cap	$758 K **

* Current annual revenue totals approximately $1.8 M ($1.5 M from businesses and $300K from Apartment

** Estimate is rough as no gross receipts data available

Impact on Businesses

Sample Business	Current	Model 1	Model 2	Model 3	Model 4	Gross Receipts
Small Craft	$39	$62	$20	$15	$40	$25
Restaurant – 3 emp/$150K Gross	$67	$106	$60	$45	$80	$150
Big Retailer – 275 Emp/$19M Gross	$3,659	$5,854	$5,500	$4,125	$6,770	$19,000
Rental Property – 50 Units/$1.5M Gross	$665	$1,064	$1,000	$1,250	$1,250	$1,500
Large Tech – 1K emp/$20M Gross	$12,639	$20,834	$20,000	$25,000	$27,395	$20,000

Next Steps

Council feedback on options (today)

↓

Narrow down options for public comment

↓

Conduct public outreach

↓

Report to Council at end of March – recommendation and decision

↓

Ballot language in June

↓

November Ballot if directed to move forward, Business License Tax currently a general tax subject to simple majority

Questions & Discussion

Sunnyvale

DISCUSSION ON COUNCIL PRIORITIES

Current Council Policy Priorities

- Civic Center Modernization
- Ability of Infrastructure to Support Development & Traffic
- Open Space Acquisition Planning: Future of Golf Courses
- Downtown Sunnyvale
- Improved Processes & Services through the Use of Technology
- Accelerating Climate Action

CLOSING
COMMENTS
Mayor Klein
Sunnyvale