



# City of Sunnyvale

## Agenda Item

23-0500

Agenda Date: 6/12/2023

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### REPORT TO PLANNING COMMISSION

#### SUBJECT

**CONTINUED FROM MAY 8, 2023**

**Proposed Project:**

Forward recommendation to the City Council related to the Moffett Park Specific Plan (MPSP) to:

- A. Adopt a Resolution (Attachments 5 and 7) to
  - 1. Certify the Environmental Impact Report (EIR);
  - 2. Make the findings required by California Environmental Quality Act (CEQA);
  - 3. Adopt the Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program;
  - 4. Adopt the Water Supply Assessment;
  - 5. Adopt the Amended Moffett Park Specific Plan (with Staff recommended modifications to the draft MPSP detailed in Attachment 9);
  - 6. Amend the General Plan text and update the General Plan Map; and
  - 7. Update the Green Building Program Table.
- B. Adopt a Resolution (Attachment 6) to:
  - 1. Amend the Fiscal Year 2022/23 Master Fee Schedule to adjust the MPSP Planning Application Fees, including the addition of the MPSP Maintenance Fee, the MPSP Infrastructure Fee and the MPSP Transportation Impact Fee (TIF).
- C. Introduce a Draft Ordinance (Attachment 8) to:
  - 1. Repeal and Re-Adopt Sunnyvale Municipal Code (SMC) Chapter 19.29 (Moffett Park Specific Plan) and make other amendments to Title 19 (Zoning) to implement the MPSP.
  - 2. Add SMC Chapter: 3.56 (MPSP Transportation Impact Fee) to Title 3 (Revenue and Finance); and
  - 3. Amend the Zoning Plan District Map and re-zone parcels currently within the new MPSP district.

**Location: Existing Plan:** Moffett Park Specific Plan

**File number:** 2018-7715 (Moffett Park Specific Plan)

**General Plan Designation:**

**Existing:** Moffett Park Specific Plan

**Proposed:** Moffett Park Specific Plan

**Zoning:**

**Existing Zoning:**

MP-I: Industrial

MP- TOD: Transit Oriented Development

MP-C: Commercial

**Proposed MPSP Zoning Districts:**

MP-AC: Activity Center

MP-R: Residential

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MP-MU: Mixed Use  
MP-O1: Office 1  
MP-O2: Office 2  
MP-E1: Mixed Employment 1  
MP-E2: Mixed Employment 2  
MP-E3: Mixed Employment 3  
MP-H: Hospitality  
MP-PF: Public Facilities

**Proposed Combining District**

ECD: Ecological Combining District

**Applicant:** City of Sunnyvale

**Environmental Review:** Environmental Impact Report (SCH # 20210880338)

**Project Planner:** Michelle King, 408-730-7463, mking@sunnyvale.ca.gov

**REPORT IN BRIEF**

**General Plan:** Existing Land Use Designations: Moffett Park Specific Plan (MPSP), a modern business park. Proposed Land Use Designation: MPSP, a mixed-use Eco-Innovation District.

**Existing Site Conditions:** The first Moffett Park Specific Plan was adopted in 2004 to maximize the development potential for corporate headquarters, offices, and research and development facilities. The Plan encourages higher-intensity office uses (up to 70% FAR) along the Tasman light rail line and medium-density floor area ratios (up to 50% FAR) in outlying areas. The allowable FAR depends on the level of green building standards that are met. A Development Reserve was established as part of the adoption of the 2004 MPSP and is nearly depleted with development and approved entitlements for about 22.6 million square feet of office, industrial, research and development, supportive commercial (total build out was anticipated as 24.33 million square feet).

**Issues:** The proposed 2023 MPSP envisions a net growth of about 10 million square feet of office/R&D/commercial uses, the addition of 20,000 housing units and a transformation into an ecological and innovation district with more open space and circulation improvements to benefit non-auto transportation. The issues and challenges for implementation of the Plan include:

- Allowing additional residential development at very high densities and more height, particularly in the activity centers;
- Preparation of a community benefits and development incentives program;
- Requiring minimum ground floor commercial area in new mixed-use developments;
- Significant and unavoidable environmental impacts; and,
- Transportation/circulation improvements.

**Staff Recommendation for Planning Commission**

Forward recommendations related to the MPSP to the City Council:

- Certification of the EIR and related actions;
- Adoption of the Moffett Park Specific Plan (with staff recommended amendments) and related actions amending the General Plan; and adopting fees specific to Moffett Park; and
- Introduce ordinances to amend the Sunnyvale Municipal Code and Rezone properties

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consistent with the MPSP and General Plan.

Detailed recommendations are listed in the Alternatives and Staff Recommendation sections of this report.

The City Council is scheduled to consider this item on July 11, 2023.

### **BACKGROUND**

The Moffett Park Specific Plan Area is approximately 1,270 acres (hereinafter referred to as “Moffett Park”) located in the northern portion of the City (excluding area within the City limits that are part of San Francisco Bay). Moffett Park’s northernmost boundary ends at Caribbean Drive (except for a portion of the Lockheed owned property that extends slightly further north to the treatment ponds). North of the Plan Area are the former/closed Sunnyvale landfill, Sunnyvale Materials Recovery and Transfer Station (SMaRT Station®), Donald M. Somers Water Pollution Control Plant (WPCP), WPCP salt ponds for wastewater treatment (an open-water pond) which are outside the Plan boundary, but within the City’s limits. The Plan Area is bounded to the west by Moffett Federal Airfield, to the south by Highway 237 and to the east by Caribbean Drive, Baylands Park and the Twin Creeks Sports Complex.

A request for a General Plan Initiation (GPI) to consider updating the MPSP was submitted on May 10, 2017. On February 6, 2018, the City Council voted to initiate the Study in accordance with the Planning Commission recommendation to prepare a work plan and project description after initial community outreach (RTC No. 18-0100) (see link in Attachment 4). The Study was to include any additional plan features, such as bicycle and pedestrian improvements, connections across Highway 237, access to and out of Mountain View, and to commence work on the studies (including staffing) only if fully paid for by the applicants.

Staff returned to the Planning Commission on March 11, 2019, to report on the findings of the MPSP initial outreach, proposed work plan and project schedule. In addition, staff requested the Planning Commission make a recommendation to the Council on a proposed set of Guiding Principles to inform and guide the update process. Key Guiding Principles include the Study of housing in the plan area, redefining of the area as an “Ecological and Innovation District”, and the need to prepare and plan for future needed infrastructure. On April 9, 2019 (RTC No. 19-037), the City Council approved the project work program and Guiding Principles (see link in Attachment 4) and directed staff to proceed with the update. In addition, a draft Vision Statement was prepared and shared with the City Council at several study sessions and public workshops (see link in Attachment 4). In 2021, a Community Priorities Survey was conducted regarding the public’s interest in future amenities and improvement in the plan area. The results were compiled, presented to the City Council, and posted on the project’s website (see link in Attachment 4).

### **Existing Site Conditions**

Currently, Moffett Park is developed with approximately 18.5 million square feet of office/R&D/industrial, commercial uses (including restaurants and hotels), and institutional uses (including a fire station, post office, Veterans Affairs (VA) research center and community college). Previous efforts by the City to develop Moffett Park as a hub for office space have resulted in a built landscape that varies considerably in both age and composition. Most existing buildings are largely reflective of the type of work and industry of each building’s respective tenants. Older buildings

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consist of mostly one- and two-story offices, warehouses, and R&D facilities. More recent buildings depart significantly from this typology, with new office towers typically eight-stories (or approximately 130 feet tall). Low-scale buildings (up to 50% Floor Area Ratio - FAR) feature expansive surface parking lots. While developments with higher FARs include parking garages, those sites also contain large surface parking areas. Although Moffett Park features dozens of individual businesses, significant portions of the area are consolidated under six key landowners: Google, Lockheed Martin Corporation, Jay Paul Company, Juniper Networks, Harvest, and the United States (U.S.) Department of the Navy (Navy).

Prior to the start of the Specific Plan update, the City approved a variety of office projects within Moffett Park. These approved but not yet built projects include approximately 4.1 million net new square feet of new construction that would increase the total built square footage from 18.5 to 22.6 million square feet.

### **Specific Plan and Environmental Impact Report (EIR) Preparation Process**

In August 2020, Study Sessions were held for both Planning Commission and City Council to present the ongoing public outreach, overview of completed technical studies, initial land use concepts, and preliminary block configurations. In 2021 and 2022, additional public workshops and City Council Workshops and Study Sessions were held on key topics such as:

- Sea Level Rise and Climate Change
- Transportation and Infrastructure
- Land Use
- Housing
- Open Space
- Economic and Market Conditions
- Community Benefit Priorities

The draft MPSP and Draft Environmental Impact Report (DEIR) were released for public comment beginning on December 19, 2022, and ending on February 10, 2023 (53 days, exceeding the minimum 45-day review period).

Following release of the public documents, staff held a Moffett Park Specific Plan “Virtual Open House” on January 17, 2023. The Virtual Open House was well attended, staff recorded the event, and it is available on the project’s website (see link in Attachment 4). Following the Virtual Open House, in March of 2023, the draft MPSP was presented to the Bicycle and Pedestrian Commission, the Sustainable Commission and the Housing and Human Services Commission. The three commissions recommended approval of the draft MPSP. The minutes from the three commissions are included as Attachment 14.

Airport Land Use Commission (ALUC). The draft MPSP and DEIR were reviewed by the Santa Clara County Airport Land Use Commission (ALUC) on April 26, 2023. The ALUC is charged with reviewing projects for consistency with the adopted Moffett Federal Airfield Comprehensive Land Use Plan (CLUP). The CLUP is designed to minimize the public’s exposure to excessive noise and safety hazards, and to ensure that the approaches to airports are kept clear of structures that could pose an aviation safety issue.

ALUC found the update to the Moffett Park Specific Plan (MPSP) and the associated General Plan and Zoning Ordinance Amendments to be inconsistent with the Moffett Federal Airfield CLUP policies unless specific language is added to the Moffett Park Specific Plan. At a high level the topics are:

- How to measure height to determine consistency within CLUP
- No residential uses allowed and a 200 persons per acre limit within the Turning Safety Zone
- Require an avigation easement from new development

Attachment 17 is the letter from the ALUC staff stating the desired language to be added to the MPSP. The text of the recommended ALUC changes is reflected in Attachment 9 as staff recommended modifications to the draft MPSP.

### **Description of Project**

The proposed project became a comprehensive, City-led update of the 2004 Moffett Park Specific Plan (which had several smaller updates to the land use and zoning maps) as the 2004 Plan was nearly built to capacity; future development proposals would need to continue being considered as piecemeal amendments to the plan. This comprehensive update provides opportunities to consider and plan for new land uses such as housing, open space and other amenities for new residents and employees.

The proposed Moffett Park Specific Plan update provides a vision, guiding principles, development standards, and design guidelines for future development within the plan area. The Specific Plan would allow for the addition of residential uses with greater building heights than allowed in the existing Specific Plan; and an increase in the allowable square footage and heights for office/industrial/R&D, commercial, and institutional uses within Moffett Park.

The updated Specific Plan would also allow for a net increase of:

- 20,000 residential units (there are no residential units existing in Moffett Park today).

The Specific Plan also enables additional non-residential development beyond what is currently existing or entitled today:

- 10.0 million square feet of office/industrial/R&D use
- 500,000 square feet of retail use
- 150,000 square feet of hospitality use
- 200,000 square feet of institutional use

As a result, the buildout of the Specific Plan (which would include existing, recently approved, and proposed uses) would result in a total of 20,000 residential units and approximately 33.5 million square feet of commercial, office/industrial/R&D, and institutional uses.

### **EXISTING POLICY**

All relevant City General Plan Land Use and Transportation Element (LUTE) and the Housing Elements goals and policies are included as Attachment 3. There are many goals and policies that the draft MPSP will support and further; the six noted below are foundational.

### **GOAL LT-2: ENVIRONMENTALLY SUSTAINABLE LAND USE AND TRANSPORTATION PLANNING AND DEVELOPMENT** - Support the sustainable vision by incorporating sustainable

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features into land use and transportation decisions and practices.

**GOAL LT-7: DIVERSE HOUSING OPPORTUNITIES** - Ensure the availability of ownership and rental housing options with a variety of dwelling types, sizes, and densities that contribute positively to the surrounding area and the health of the community.

**GOAL LT-9: ADEQUATE AND BALANCED RECREATION FACILITIES** - The City strives to provide and maintain adequate and balanced open space and recreation facilities for the benefit of maintaining a healthy community based on community needs and the ability of the city to finance, construct, maintain, and operate these facilities now and in the future.

**GOAL HE-1: ADEQUATE HOUSING** - Assist in the provision of adequate housing to meet the diverse needs of Sunnyvale's households of all income levels. (Housing and Community Revitalization Goal A / Adopted In 2009)

**GOAL HE-4: ADEQUATE HOUSING SITES** - Provide adequate sites for the development of new housing through appropriate land use and zoning to address the diverse needs of Sunnyvale's residents and workforce (Housing and Community Revitalization Goal D / Adopted In 2009)

**GOAL HE-6: SUSTAINABLE NEIGHBORHOODS** - Maintain sustainable neighborhoods with quality housing, infrastructure and open space that fosters neighborhood character and the health of residents. (Housing and Community Revitalization Goal F / Adopted in 2009)

### **ENVIRONMENTAL REVIEW**

The City is the lead agency under the California Environmental Quality Act (CEQA) and is responsible for preparing an Environmental Impact Report (EIR) (State Clearinghouse No. 2021080338) for the draft MPSP.

An EIR can be used to evaluate either a program that regulates future development, or a specific development project. In this case, the EIR includes a program-level analysis of the MPSP and was prepared for the City by David J. Power and Associates.

The EIR's program-level analysis compares the environmental impacts of the MPSP with the existing conditions, specifically land use changes adopted with the Land Use and Transportation Element (LUTE) of the City's General Plan and associated EIR that was certified in 2017. As stated above, the MPSP includes an increase in housing potential in the Plan Area (20,000 additional net new residential units beyond what was considered in the LUTE), the Study of up to 10 million square feet of net new office floor area, 200,000 square feet of net new industrial uses, 150,000 square feet of net new hospitality use and 500,000 square feet of net new retail.

Attachment 4 contains a link to the Draft EIR (DEIR) and associated appendices, and the Final EIR (FEIR), including responses to comments and minor corrections/clarifications to the DEIR.

### **EIR Public Review**

### **Notice of Preparation Period and Scoping Meeting**

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In accordance with Section 15082 of the CEQA Guidelines, the City prepared a Notice of Preparation (NOP) for this EIR. The NOP was circulated to local, state, and federal agencies on August 18, 2021. The standard 30-day comment period concluded on September 16, 2021. The NOP provided a general description of the proposed project and identified possible environmental impacts that could result from implementation of the project. The City also held a public scoping meeting on August 26, 2021, to discuss the project and solicit public input as to the scope and contents of the EIR. The meeting was held virtually. Appendix A of the DEIR includes the NOP and comments received on the NOP.

The DEIR for the Moffett Park Specific Plan project, dated December 19, 2022, was circulated to affected public agencies and interested parties for a 53-day review period from December 19, 2022, through February 10, 2023. Under CEQA, a 45-day review period is required. The public review period for the Draft EIR, therefore, included an additional eight days beyond what is required. The City undertook the following actions to inform the public of the availability of the DEIR:

- A Notice of Availability of DEIR was published on the City's website;
- Notification of the availability of the Draft EIR was mailed to members of the public who had indicated interest in the project;
- The DEIR's public review period with the State Clearinghouse began on December 19, 2022. Additionally, it was distributed to various governmental agencies, organizations, businesses, and individuals (see Section 3.0 for a list of agencies, organizations, businesses, and individuals that received the Draft EIR); and
- Copies of the DEIR were made available on the City's website, Library, One-Stop Permit Center, Community Center, and Specific Plan website.

In addition, during the public review period for the DEIR, the City hosted the following meetings and hearings to provide an overview of the DEIR and accept public comments:

- Specific Plan Open House on January 17, 2023
- Planning Commission Hearing on January 23, 2023
- City Council Meeting on January 31, 2023

All the written and oral comments (received at public hearings) were considered during the preparation of the FEIR and are included with a response in the FEIR (see link to FEIR in Attachment 4). The FEIR was distributed beyond the required minimum ten-day public review from April 13, 2023, to July 11, 2023, when the City Council will consider the FEIR.

### **Less-than-Significant Impacts and Required Mitigation Measures**

The EIR analyzes whether the MPSP project would result in any significant impacts. Except for two categories where significant and unavoidable impacts were found, all impacts were found to be either less-than-significant or less-than-significant with required mitigation measures. The full Mitigation Monitoring and Reporting Program (MMRP) for a list of mitigation measures. The MMRP is included is provided separately for ease of reference in Attachment 5).

### **Significant and Unavoidable Impacts**

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CEQA considers environmental impacts “significant and unavoidable” when there is no feasible way to substantially reduce the impacts to a less-than-significant level. The EIR identified significant and unavoidable impacts in air quality (cumulatively considerable net increase of criteria pollutant emissions during construction and for which the air basin is designated nonattainment), greenhouse gas emissions, and utilities (cumulatively considerable impact to wastewater services requiring future expansion of the Water Pollution Control Plant). See Attachment 7 for a summary of the significant and unavoidable impacts.

### **Statement of Overriding Considerations**

The Council may still approve the project if written findings can be made, based on information in the EIR and other information in the administrative record that social, economic, or other benefits outweigh the significant and unavoidable environmental impacts. The document containing the reasons for the findings is called a Statement of Overriding Considerations. The project’s Statement of Overriding Considerations contains a list of the benefits that the project will bring to the City consistent with General Plan and MPSP policies (Attachment 7).

### **Project Alternatives**

CEQA requires that an EIR identify alternatives to a project as it is proposed. CEQA Guidelines Section 15126.6 specifies that the EIR should identify alternatives which “would feasibly attain most of the basic objectives of the project but would avoid or substantially lessen any of the significant effects of the project.” The purpose of the alternatives analysis is to determine whether there are alternatives of design, scope, or location which would substantially lessen the significant impacts, even if those alternatives “impede to some degree the attainment of the project objectives” or are more expensive (CEQA Guidelines Section 15126.6). While CEQA does not require that alternatives must be capable of meeting all the project objectives, their ability to meet most of the objectives is considered relevant to their consideration.

The Specific Plan objectives are congruent with the “Guiding Principles” of the Specific Plan and are summarized as follows:

1. Maintain Moffett Park as an integral part of Sunnyvale.
2. Establish Moffett Park as a model community through its commitment to comprehensively addressing resilience, climate protection, and equity in all activities.
3. Evolve Moffett Park into a vibrant and inclusive community where all people can thrive.
4. Maintain and strengthen Moffett Park as a diverse economic engine that supports economic prosperity for all.
5. Create a connected, accessible district that prioritizes the movement of people over vehicles to reduce climate pollution and to support a healthy community.
6. Cultivate dynamic and connected public spaces that accommodate the physical and social needs of all users.
7. Create a healthy, resilient, and biodiverse environment.
8. Integrate innovative and emerging technologies in the district to support community-wide goals.

A location alternative was considered but rejected because there are no alternative locations that are of similar size to Moffett Park within the City. In addition, given that the main objective of the project is to establish a long-term strategy to guide future development in the Moffett Park area, it would not be



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feasible to evaluate an alternative location in the City. The Moffett Park Specific Plan must, by its nature, guide future development located in Moffett Park. The following were evaluated as alternatives to the project and described in detail in Section 8.0 Alternatives of the MPSP Draft EIR:

- No Project/No New Development Alternative
- No Project/Adopted Specific Plan Buildout Alternative
- 25 Percent Reduced Development Alternative

The CEQA Guidelines state that an EIR shall identify an environmentally superior alternative. In addition to the No Project Alternatives, the environmentally superior alternative to the proposed project is the 25 Percent Reduced Development Alternative. A detailed analysis of the project alternatives is provided in Section 7.0 Alternatives of the MPSP DEIR.

### **Water Supply Assessment**

State Law (SB 610 and SB 221 from 2001) requires the preparation of a Water Supply Assessment (WSA) for amended specific plans to ensure that water supply planning has been conducted, and that planned water supplies are adequate to meet both existing demands and demands of planned development. The WSA for the MPSP is included as Attachment 12 of this report and will be adopted with Council's approval. The Council is also required to make specific findings for the WSA, which are included in Attachment 7. The WSA found that the MPSP would increase water demand within the City, but currently projected water supplies will be sufficient to meet the projected annual water demands of existing and previously approved uses, and the implementation of both projects during normal, single dry, and multiple dry years.

### **Determination of Adequacy**

The "rule of reason standard" is applied to judicial review and EIR contents. This standard requires that an EIR shows that an agency has made an objective, good faith attempt at full disclosure. The scope of judicial review does not extend to correctness of the conclusion found in an EIR, but only the sufficiency of the EIR as an informative document for decision-makers and the public.

Staff finds that the proposed FEIR, consisting of the DEIR, comments received on the DEIR, response to comments received, the MMRP, and a list of persons and public agencies commenting on the DEIR meets the requirements of CEQA both in content and format. Should it be determined that the FEIR is not adequate, the Planning Commission or City Council may identify those areas where the document is deficient and recommend additional analysis to be prepared prior to certification.

Any changes to the mitigation measures in the FEIR may affect the accompanying determination of significance. However, the Planning Commission may proceed with recommendations on the project subject to completing additional work on the FEIR. No project-related actions may be taken (by the Council) until the FEIR is certified. Certification of the FEIR does not automatically ensure adoption of the MPSP.

## **DISCUSSION**

### **MPSP Background Reports**

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Technical Studies completed in the process of updating the plan and informing the DEIR are also available for public review on the project website (Attachment 4) and include the following:

- Existing Conditions + Strengths, Weakness, Opportunities and Threats Report
- Urban Ecology Technical Study
- Sea Level Rise Adaptation Strategy
- Air Quality Constraints Assessment for the Moffett Park Specific Plan
- Air Quality and Greenhouse Gas Analysis
- Cultural Resources Literature Review and Background Reports
- Moffett Park Market Analysis
- Economic Impact Analysis
- Noise and Vibration Assessment
- Biology Report
- Hazardous Materials General Plan Review and Environmental Evaluation Reports
- Groundwater, Stormwater and Sea Level Rise Information
- Water Supply Assessment
- Wastewater Master Plan Report
- Water Master Plan Report
- Water Storage Memo
- Transportation Reports

Additional technical studies were completed to establish development fees for the plan area. They include:

- Moffett Park Transportation Impact Fee Nexus Study (MP TIF) (Attachment 10)
- Moffett Park Infrastructure Needs and Fee Assessment (Attachment 11)

### **Vision Statement and Guiding Principles**

Moffett Park has served as a critical piece of Sunnyvale’s cultural landscape and built environment for decades. Through collaborative input from the City Council, Planning Commission, local stakeholders, and the wider Sunnyvale community, a shared vision statement was created.

#### The Vision:

*Moffett Park is an integral part of Sunnyvale, and a well-connected ecological innovation district with a diverse mix of uses that serves as a model of resilience, climate protection, equity, and economic opportunity.*

Additionally, eight “Guiding Principles” were developed to help guide future development of the Plan Area. The principles are summarized above as the EIR “Plan Objectives”. The complete language of the principles and their statements of intent can be found in the Draft MPSP (Attachment 4).

### **MPSP Organization**

Moffett Park Specific Plan is divided into ten chapters, each one documenting a different aspect of development of the plan area based on analysis, policies, design guidelines and standards, circulation, and implementation items to bring the plan to fruition. Chapter III is a summary of the Major Plan Strategies and provides an overview of the plans approach to meeting the Vision and

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Principles. Chapters IV through IX include goals, policies, requirements, and standards related to their respective topics. Below is a summary of the Plan chapters:

- **Chapter I. Vision and Principles.** Establishes the Vision for the Moffett Park Specific Plan, and Guiding Principles that provide a foundation and regulatory framework for all future development proposals, design concepts, and capital improvements within Moffett Park.
- **Chapter II. Planning Foundation.** Provides a brief overview of Moffett Park, existing conditions, and a summary of the planning process and development of this Specific Plan.
- **Chapter III: Major Plan Strategies.** Highlights the Specific Plan's major plan strategies including design and policy approaches to shape the future of Moffett Park. These strategies are detailed subsequently in Chapters IV through X.
- **Chapter IV: Land Use.** Describes Moffett Park's neighborhoods and details the Land Use Districts across the entire plan area. It also provides a regulatory structure for density/intensity, community benefits, and transfer of development rights programs.
- **Chapter V: Development Standards.** Includes standards to regulate site and building design and development. It establishes block standards, site design and lot standards, height, massing, building frontage design, building placement, and other aspects of architecture. It also includes integrated standards, such as bird safe design and landscape design. Standards are requirements that must be adhered to for all development.
- **Chapter VI: Open Space and Urban Ecology.** Defines the goals, policies, standards and guidelines for the improvement and development of a high-quality public realm that will meet the needs of residents, workers, and visitors. It integrates the development of park and open space typologies with standards to protect and enhance key ecological resources. Standards are tailored to the unique conditions in Moffett Park and indicate the general location, scale, and type of open space to be developed. It also includes an Ecological Combining District, channel setback requirements, and urban forestry.
- **Chapter VII: Mobility.** Establishes multimodal strategies and districtwide policy to redesign the plan area around people rather than vehicles. It defines a complete streets typology and network, and contains standards for designing bicycle, pedestrian, and transit infrastructure.
- **Chapter VIII: Transportation Demand and Parking.** Aims to reduce single-occupancy vehicle travel, minimize peak period vehicle trips, and shift trips to transit, biking, walking, scooting, or rideshare. It establishes vehicular and bicycle parking requirements and standards, including on- and off-street parking and loading requirements.
- **Chapter IX: Infrastructure and Utilities.** Guides future investment in sea level rise, water, sanitary sewer, stormwater, and district-scale infrastructure projects.
- **Chapter X: Implementation.** Includes a list of implementation actions to realize the Specific Plan vision.

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### Land Use Map

To transform the Plan Area from an office and industrial employment center to a series of complete neighborhoods, the Draft Plan proposes a revised land use map with new uses and land use intensities for the plan area. The seven new land use designations and a new “combining district” are as follows.

- **ACTIVITY CENTER (MP-AC)** Activity Center districts are vibrant, mixed-use places that allow a mix of office, residential, and commercial uses. The District accommodates neighborhood-serving commercial uses, community services, and entertainment in ground floor storefronts facing public streets, parks, and open space. To achieve the highest office densities, the Activity Center District requires a minimum amount residential uses to ensure day/night activity within the area, and to support neighborhood-serving commercial uses. Buildings have minimal setbacks. Parking is accommodated in structures, with a focus on shared and district parking strategies. Non-residential FAR from 35% up to 75% with community benefits; minimum residential density is 40 du/ac.
- **RESIDENTIAL (MP-R)** Residential districts allow for very high-density housing. Residential neighborhoods and developments are typically located near the Activity Center District and within a short walk to VTA light rail. The Minimum residential density is 70 du/ac.
- **MIXED-USE (MP-MU)** Mixed-Use districts provide land use flexibility for property owners, allowing standalone residential, standalone office, or a mixed-use development. The Mixed-Use District allows dense residential or office development to provide flexibility in specific locations within the Plan Area. The Mixed-Use District does not require a minimum amount of residential uses. Non-residential FAR ranges from 35% up to 100%.
- **OFFICE (MP-O1) AND (MP-O2)** Office districts provide for higher-intensity corporate and professional/administrative office uses. Office districts include high-quality public spaces organized into a larger block structure.
  - The MP-O1 provides for the potential densification of existing office campuses in the West Mathilda and Discovery Neighborhoods up to 100% FAR with community benefits.
  - The MP-O2 allows for up to 135% FAR with community benefits, the highest intensity of office uses in proximity to the MP-AC, MP-R, MP-MU, and high-quality transit.
- **MIXED EMPLOYMENT (MP-E1), (MP-E2), (MP-E3)** The Mixed-Employment districts allow for a mix of office, light industrial, and other non-residential uses, as well as open space. Each Mixed -Employment District is unique in character building on its historic development pattern and described as follows:
  - The MP-E1 District is the US Navy property, and it allows for a mix of uses, including corporate and professional office in an urban pattern with integrated open space. Non-residential FAR from 35% up to 75% with community benefits and up to 150% with transfer of development rights. Future development and allowed uses on the site are contingent on the on-site cleanup and remediation.

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- The MP-E2 District provides opportunity for a mix of office, R&D, and industrial uses. Non-residential FAR from 35% up to 50% with community benefits and up to 100% with transfer of development rights.
- The MP-E3 District provides a mix of office, R&D, and light industrial. A portion of the District is partially located within the Ecological Combining District and allows for the clustering of future development away from the combining zone and the ability to transfer development rights to minimize the amount development near sensitive habitat. The allowed non-residential FAR is 35%. The MP-E3 District may not receive transferred development rights and has no option for Bonus FAR.
- **HOSPITALITY (MP-H)** Allows for hotel uses up to 100% FAR.
- **PUBLIC FACILITIES (MP-PF)** This District includes the Santa Clara Valley Water East and West Sunnyvale and City-owned properties as well as properties used by the U.S. Veterans Affairs Department and Foothill/De Anza Community College District.
- **ECOLOGICAL COMBINING DISTRICT (ECD)** Preserves and enhances the existing green space and biological resources located at the northwest corner of Moffett Park and provides open spaces with limited public access and passive recreation. The ECD does not limit the gross parcel area for determining the amount of development permitted. The ECD restricts new private development within the zone and special design standards regulate development within and adjacent to the ECD boundary.

The MPSP Land Use Map and Land Use Intensity and Density Table are included on page 81 and page 83 of the Draft MPSP (Attachment 4) and staff recommended changes to the Land Use Map and corresponding table are included on page 7 of Attachment 9.

### **Transportation/Circulation**

The MPSP includes several design features to encourage alternatives to the single-occupant vehicle. Improvements will include pedestrian friendly site design, new pathways for pedestrians and bicycles within the blocks, revised street cross-sections to add bicycle lanes and missing sidewalks, shared parking policies, and compatible and supportive land uses. The plan also has restrictions on the number of parking spaces as a disincentive to driving alone.

Transportation Demand Management (TDM). The MPSP includes goals and policies to reduce the use of single-occupant vehicles (SOVs). One requirement in support of this goal is to implement TDM measures into project design and operations. Since the late 1990s the City has required higher intensity office (and R&D) developments throughout the City to implement TDM measures to reduce peak hour trips (and in some cases total daily trips). Since 2016, development with mandatory TDM requirements must conduct annual driveway counts to demonstrate that trip reduction is taking place - if the site is not performing as required a fine is imposed on the site (Sunnyvale Municipal Code Chapter 10.60, Transportation Demand Management).

Council Policy 1.1.15 Residential Transportation Demand Management states that new development and redevelopment in High Density and Very High Density Residential zoning districts in targeted areas are required to implement TDM techniques. In 2016 the zoning code was modified to require

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residential development above 10 units to include site development TDM features to reduce auto trips; a menu of options is provided, and developments need to achieve minimum points to comply with the regulations.

The goal to reduce SOV travel to 50% is not the same as a 50% reduction in trips. A simple example is if 100 trips were SOV and 50 of those drivers decided to share a vehicle with one other person there would be 75 trips (50 remaining SOV and 25 double occupant vehicles); this example achieves the 50% SOV rate and reduces trips by 25%. Trips will be measured for the peak hour when access in or out of the MPSP area has the greatest potential for congestion that could negatively affect areas outside of Moffett Park. Theoretically peak hour trip reduction can be achieved without any reduction in total daily trips by adjusting commute times. Only addressing peak hour trips will not meet the goals of the plan to reduce the overall use of single-occupant vehicles. The overall development of the MPSP area along with the improvements to the transportation network and formation of the MPSP Transportation Management Association will help reduce the overall daily trips by 50% in the long-term.

The greatest source of in-bound a.m. and out-bound p.m. peak hour trips is from office/research & development(R&D) uses which contribute to the most congestion at the gateways. Office/R&D uses will have the highest trip reduction requirements. For MPSP, the goal for a low SOV rate and TDM reductions with required trip reduction rates will be expanded to include residential uses as well. This requirement is more fully explained in Attachment 9, Staff Recommended Changes to the Draft MPSP. In order to meet the City standard for level of service, reduce congestion, and achieve reduced vehicle miles traveled in the Plan area, staff is recommending the following peak hour trip reduction rates initially and in the long term:

<b>Land Use</b>	<b>Initial TDM Peak Hour Reduction Rate</b>	<b>Long Term TDM Peak Hour Reduction Rate</b>
Office/R&D	50%	65%
Commercial/Retail	0%	10%
Residential	15%	30%
Other Uses	50%	65%

It is fully anticipated that over time adaptive actions will be needed to assure the MPSP area is operating comfortably for all modes of travel. As the anticipated MPSP variety of land-uses are developed, trips will become more internalized and shorter, facilitating a higher long-term peak hour trip reduction rate.

Transportation Management Association (TMA). The plan has a requirement to establish a TMA. TMAs can provide a variety of services that encourage more efficient use of transportation and parking resources. They are generally public-private partnerships, consisting primarily of area businesses and property owners with local government support (which could take the form of policy and implementation support, not necessarily financial support). The MPSP TMA would provide a variety of services that encourage and support the more efficient use of transportation and parking resources and would be a public-private partnership with the city, property owners, businesses, and residents. The MPSP TMA is not the first instance in Sunnyvale; the Peery Park Specific Plan required the establishment of a TMA. Unlike the Peery Park TMA which was formed to address the

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transportation demand management for a planning area dominated by employment, the MPSP TMA will have a more robust membership including representatives of office, residential and commercial uses. Chapter 8, Section 8.2 includes the requirements for participation, specific TDM requirements and the responsibilities of TMA members. The TMA will facilitate the implementation of MPSP area-wide TDM measures that will benefit large and small property owners and coordinate access to parking garages throughout the MPSP area. The TMA will eventually assist in the monitoring of trips and determining how well the MPSP area is meeting the SOV and trip reduction goals.

The formation of the MPSP TMA is identified as an “immediate” action item by the “Implementation Actions” in Table 29 of Chapter 10 of the MPSP. Actions that are identified as “immediate” are a priority and are anticipated to occur between MPSP adoption and the year 2027. The formation of the MPSP TMA is anticipated to be included in one of the first Development Agreements for the allocation of office square footage.

Transportation Impact Fee (TIF). Similar to the Lawrence Station Area Plan and the El Camino Real Specific Plan, the Moffett Park Specific Plan will result in operational deficiencies due to the increase in land uses and intensities; additional transportation impact fees will help address these deficiencies. Unlike the other two plan areas, the MPSP will also require significant enhancements to the pedestrian and bicycle infrastructure to support the low single-occupant-vehicle (SOV) goal for the plan area. This item is more fully discussed below under fees.

### **New Fees**

Recommended new fees are included in the Draft Resolution (Attachment 6). Below is an overview of the new fees for Moffett Park. Normally development fees are effective upon adoption. As the TIF requires an ordinance, the fee would be effective 60 days after adoption of the ordinance (second reading).

Transportation Impact Fee (TIF). A local traffic analysis was prepared for the MPSP area (Attachment 10). The analysis identified several roadway intersections and freeway segments that would fall below generally acceptable levels of service. The study also identified improvements in the Moffett Park area that will facilitate pedestrian, bicycle, transit, and ride sharing activities. The study identified the nexus between identified improvements and various land uses. Like the Citywide TIF, it is not expected that all transportation related projects will be completed with only TIF funding.

Deficiencies and possible improvements identified in the local traffic analysis are basically four types:

- Intersections (Sunnyvale, Mountain View, and County of Santa Clara)
- Freeway Segments
- East Channel Crossings (including a grade-separated crossing over 237)
- East Channel Diagonal Crossings

The first two improvement types are more auto oriented and the second two are more bicycle and pedestrian oriented. Staff has evaluated the transportation impacts and recommends an additional TIF to cover anticipated City costs for the primarily pedestrian and bicycle serving improvements. Staff assumes 40% of the project costs will come from outside funding sources (state/federal grant or funds) will be obtained for these major projects.

Within the proposed TIF, staff has included the fair share of fees for residential and retail/commercial land uses based on the amount of trips generated in the MPSP area. This followed the same process

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as how fees were calculated for development in Peery Park, LSAP and Sunnyvale south of 237. If City Council desires and at their discretion, the fees for residential development can be reduced or waived but that would mean the unfunded portion of the TIF funded projects would increase and become the responsibility of the City to fund as opposed to new development. Staff has recommended that the TIF for retail/commercial be waived upon adoption of the new fee schedule to lessen the burden for the creation of this needed and important space in the Plan area.

The recommended additional TIF for MPSP requires an amendment to the Municipal Code Title 3 (Attachment 8).

Utility Infrastructure. A nexus study was prepared (Attachment 11) to determine the fair share costs for water and sewer upgrades that would be needed in the MPSP area to adequately convey clean water and wastewater in the park area. If a project builds the larger pipes as part of their development, those costs would be credited toward the impact fee.

Planning Review Fees. New fees are proposed for planning reviews in the Specific Plan area; the MPSP Site Master Plan Fee and the MPSP Specific Plan Maintenance Fee. A draft resolution amending the fee schedule is Attachment 6.

*MPSP Site Master Plan.* The MPSP Site Master Plan is proposed as a planning process to provide a coordinated and integrated approach to Bonus FAR Developments, larger developments, portions of neighborhoods, or areas under certain conditions. This process will allow the City to achieve key Specific Plan goals, such as creating new publicly accessible open space and streets, orderly development and land parcellation, and the provision of neighborhood-serving uses, while allowing development flexibility and an administrative process focusing on key development objectives. A staff recommended MPSP Site Master Plan submittal requirements is included as Attachment 16. Additionally, a new fee is recommended for this process.

*MPSP Specific Plan Maintenance Fee.* This new development fee is proposed to collect funds for future updates of the Specific Plan. This fee is needed to offset costs for expected amendments: to ensure that the plan meets its goals, and to keep current with housing and development law requirements.

### **Sunnyvale Municipal Code Text Amendments**

Amendments to Title 19 Zoning and Title 3 Revenue and Finance of the Sunnyvale Municipal Code are proposed to provide consistency with the MPSP. The amendments are summarized below with the full zoning text found in Attachment 8.

- Repeal and replace Chapter 19.29 (Moffett Park Specific Plan, Site Master Plan in MPSP)
- Amend Chapter 19.90 (Special Development Permits)
- Amend Chapter
- Add SMC Chapter: 3.56 (MPSP Transportation Impact Fee) to Title 3 (Revenue and Finance);
- Amend the Zoning Plan Districts Map and re-zone parcels currently within the new MPSP district (see Staff recommended changes in Attachment 9, which include additional changes to the Zoning Map).

### **Staff Recommended Changes**

Staff has reviewed and responded to all public comments received up until the time of drafting this



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staff report. A summary response “memo” is included as Attachment 9. The memo provides a summary of staff recommended changes related to:

- Land Use
- Development Standards
- Open Space
- Urban Ecology
- Mobility

The staff recommended changes in the memo are shown as additional or revised text, illustrations, and maps. Included as an appendix to the memo is a matrix of all comments received and a comprehensive set of staff responses and all proposed changes. Any correspondence received after the staff report’s completion will be included as Attachment 18.

### **Green Building Program**

The Moffett Park Specific Plan is an ecological-innovation district that integrates more environmentally conscientious elements into the development standards. Staff recommends that the city-wide minimum green building requirements apply to development projects and that voluntary incentives in the Green Building Program be removed for Moffett Park. The incentives for density are not needed as there is no maximum density for residential and the non-residential intensities include incentive programs as part of the Plan. Incentives for height are also not needed as much taller buildings are already reflected in the height standards and were selected based on maximum heights that comply with the Moffett Federal Airfield CLUP. The only other Green Building Program incentive is for lot coverage of residential developments which staff finds is not necessary due to the carefully selected development standards for residential developments. An update to the Green Building Program is part of the Resolution (Attachment 7).

### **PUBLIC COMMENT**

As of the date of staff report preparation, staff has received over 30 comment letters on the Draft MPSP and DEIR. All public comment letters are attached (Attachment 15).

Comments contained the following common themes:

- Clarification on location, size, and design for required parks, open space and other open space and mobility improvements;
- Clarification on and in some cases, the reduction of the architectural design standards;
- Request to change land use designation of parcels from office to mixed-use or from mixed-use to office;
- Requests to increase parking maximums in the draft Plan;
- Requests to reduce or provide an alternative method to provide for innovation space in the Plan Area; and
- Request for a retail plan that provides more flexibility for future uses and sized tenants.

The summary response “memo” (in Attachment 9) provides a summary of staff recommended changes related to Land Use, Development Standards, Open Space and Urban Ecology and Mobility. The staff recommended changes in the memo are shown as additional or revised text, illustrations, and maps. Included as an appendix to the memo is a matrix of all comments received and a

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comprehensive set of staff responses and all proposed changes. Any correspondence received after the staff report's completion will be included as Attachment 18.

### **FISCAL IMPACT**

The MPSP project will assist the City in formulating additional potential revenue and new fees. Due to the potential new development from the residential and commercial projects, an increase of City's revenue, such as property tax, sales tax, construction tax, community benefit and others may be realized. Most of these revenues are General Fund revenues, which could be used to support services provided to the City as a whole.

The MPSP Market Study shows that the market will support new residential units, commercial, office, and hotel uses, which should result in a net increase in revenue for the City. Staff is also proposing an increase to the Master Fee Schedule Planning Application Fees to reflect actual time spent on the permit types applicable in Moffett Park and two new fees for the Site Master Plan Permit (one for projects under three acres and one for over three acres). The permit types have been simplified to align with permit types used throughout the City. A plan maintenance fee of 0.17% of total construction valuation is proposed to apply to subsequent building permits that will be used to reimburse the City for the cost of preparing the MPSP and staff time involved in the upkeep of the document during its lifetime (the plan maintenance fee is the same rate as the plan maintenance fee for the Lawrence Station Area Plan and the El Camino Real Specific Plan). The new permit types and proposed fees are included in Attachment 6.

In addition to all existing fees, required new development in the MPSP area would pay a new MPSP Transportation Impact Fee (TIF) for net new trips anticipated by the Plan Area, a new MPSP Infrastructure Fee for improvements to sewer and water conveyance systems, Housing Mitigation Fees for net new nonresidential development, and Park Dedication or payment of In-Lieu Fees for residential uses prior to building permit issuance or Final Maps approval. Applicants of new development would also pay fees to their respective school district(s).

### **PUBLIC CONTACT**

#### **Notice of Public Hearing, Staff Report and Agenda:**

- 1 Published in the *Sun* newspaper
- 2 Posted on the City of Sunnyvale's Web site
- 3 Provided at the Reference Section of the City of Sunnyvale's Public Library
- 4 Agenda posted on the City's official notice bulletin board
- 5 3,970 notices were mailed to property owners and tenants within 2,000 feet of the MPSP boundary
- 6 Email notices sent to interested parties and outside agencies (notices of Planning Commission and City Council continuances also sent).

### **ALTERNATIVES**

Forward recommendation to the City Council related to the Moffett Park Specific Plan (MPSP) to:

1. Approve related actions associated with adoption of the MPSP: Adopt two resolutions and introduce an Ordinance (Attachments 6, 7, and 8 to this report)
  - A. Adopt a Resolution (Attachment 7) to

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1. Certify the EIR;
2. Make the findings required by CEQA;
3. Adopt the Statement of Overriding Considerations
4. Mitigation Monitoring and Reporting Program (in Attachment 5);
5. Adopt the Water Supply Assessment;
6. Adopt the amended Moffett Park Specific Plan (with Staff recommended modifications to the draft MPSP detailed in Attachment 9);
7. Amend the General Plan text and update the General Plan Map
8. Update the Green Building Program Table
- B. Adopt a Resolution (Attachment 6) to:
  1. Amend the Fiscal Year 2022/23 Master Fee Schedule to adjust the MPSP Planning Application Fees, including the addition of the MPSP Maintenance Fee, the MPSP Infrastructure Fee and the MPSP Transportation Impact Fee (TIF).
- C. Introduce an Ordinance (Attachments 8) to:
  1. Repeal and Re-Adopt Chapter 19.29 (Moffett Park Specific Plan) and make other amendments to Title 19 (Zoning) to implement the MPSP;
  2. Add SMC Chapter: 3.56 (MPSP Transportation Impact Fee) to Title 3 (Revenue and Finance);
  3. Amend the Zoning Plan District Map and re-zone parcels currently within the new MPSP district.
2. Alternative 1, with modifications.
3. Take no action on the MPSP and provide direction on desired changes.

### **STAFF RECOMMENDATION**

Recommend Alternative 1 to City Council: Approve related actions associated with adoption of the Moffett Park Specific Plan (MPSP) which are to adopt two resolutions and introduce one ordinance (Attachments 5, 6, 7, and 8 to this report) and to include the staff recommended changes in Attachment 9.

With the new MPSP goals, policies, and implementation the district is envisioned to transform from suburban office campuses to a “eco-innovation” district; a vibrant mixed-use neighborhood with office/employment centers, housing, open space, parks, urban ecology features, robust bike and pedestrian improvements and local serving retail stores and services. This new vision will help Sunnyvale achieve many goals found in the City’s General Plan, Housing Element, Active Transportation Plan, Climate Action Playbook, Green Infrastructure Plan as well as help to meet many other important milestones the City has planned for the future.

In particular, the addition of a significant amount of housing in the MPSP responds to great regional and local housing demand while helping to support the current and future retail and other commercial services in the area. The plan incorporates improvements to support and encourage walking and bicycling in an area that was previously auto-centric. New parks and urban ecology standards will work to reduce the heat island effect in the plan area while encouraging outdoor recreation. The plan includes land uses and development standards that will minimize Vehicle Miles Traveled (VMT) by creating an ideal mix of housing and jobs, adding to the mobility and circulation network, and reducing parking; thereby fulfilling City priorities to increase transit use, reduce single-occupant vehicle trips, and lessen greenhouse gas emissions.

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Finally, staff recommend that all Council actions be effective on the same date, 60 days after the Council adoption of the ordinances. While resolutions are typically effective immediately, impact fees are not effective for 60 days. Ordinances are not effective until 30 days after the second reading of an ordinance. Making all documents effective at the same time will reduce confusion about what is applicable and ensure that all new fees are appropriately collected should a formal application be submitted before all of the policies, regulations and fees take effect. This is consistent with what was done with the El Camino Real Specific Plan.

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Reviewed by: Dennis Ng, Transportation and Traffic Manager  
Reviewed by: Chip Taylor, Director of Public Works  
Reviewed by: Trudi Ryan, Director of Community Development  
Reviewed by: Teri Silva, Assistant City Manager  
Approved by: Kent Steffens, City Manager

### **ATTACHMENTS**

1. Reserved for Report to Council
2. Noticing and Vicinity Map
3. Relevant General Plan Goals and Policies
4. Links to DEIR, FEIR, Draft MPSP, and Background Documents
5. MPSP Mitigation Monitoring and Reporting Program
6. Draft Resolution to Amend Master Fee Schedule
7. Draft Resolution: Actions related to Certifying EIR, Statement of Overriding Consideration, Adopting a Water Supply Assessment, Adopting an Amended MPSP and an Amendment to the General Plan, and Update the Green Building Program Table
8. Draft Ordinance Amending Sunnyvale Municipal Code (Title 19), Adding Sunnyvale Municipal Code 3.56 and Amending the Zone Plan District Map within the MPSP District
9. Staff Recommended Changes to Draft MPSP
10. MPSP TIF Nexus Study, May 2023
11. MPSP Infrastructure Fee Study, April 2023
12. MPSP Water Supply Assessment, April 2023
13. Moffett Park Market Analysis, July 2020
14. Excerpts from Final Minutes on MPSP Item:
  - a. Bicycle and Pedestrian Advisory Commission on March 16, 2023
  - b. Sustainability Commission on March 20, 2023
  - c. Housing and Human Services Commission on March 22, 2023
15. Public Comment Letters on Draft Plan and Draft EIR
16. Recommended Site Master Plan Process
17. Airport Land Use Commission-Moffett Park Specific Plan Referral COA Letter-050523