



City of Sunnyvale

Meeting Minutes - Draft Planning Commission

Monday, April 11, 2016

7:00 PM

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

7 P.M. STUDY SESSION

1 Call to Order in the West Conference Room

2 Roll Call

3 Study Session

A [16-0366](#) **File #:** 2015-8059
Location: 669-673 Old San Francisco Road (APN: 209-17-050 & 051)
Zoning: R-0 (Low Density Residential)
Proposed Project:
 Rezone from R-0 to R-3/PD,
 Special Development Permit for the construction of seven
 three-story attached townhouse units, and
 Vesting Tentative Map to subdivide two lots into seven lots.
Applicant / Owner: Innovative Concepts / George Nejat
Project Planner: Ryan Kuchenig, (408) 730-7431,
rkuchenig@sunnyvale.ca.gov

B [16-0365](#) **File #:** 2014-7373
Location: 871 E. Fremont Ave. (Butcher Property)
Zoning: R-3/ECR (Medium Density Residential/Precise Plan for El Camino Real)
Proposed Project:
 Overview of the **DRAFT ENVIRONMENTAL IMPACT REPORT**
 for a mixed-use project on a 5.1-acre site, consisting of 153
 residential units and 6,936 square feet of office/retail use.
 Project Planner: Noren Caliva-Lepe, (408) 730-7659,
 ncaliva-lepe@sunnyvale.ca.gov

4 Public Comment on Study Session Agenda Items

5 Adjourn Study Session

8 P.M. PLANNING COMMISSION MEETING

CALL TO ORDER

Chair Melton called the meeting to order in the Council Chambers.

SALUTE TO THE FLAG

Chair Melton led the salute to the flag.

ROLL CALL

Present: 7 - Chair Russell Melton
Vice Chair Sue Harrison
Commissioner Ken Olevson
Commissioner Larry Klein
Commissioner Ken Rheaume
Commissioner David Simons
Commissioner Carol Weiss

ORAL COMMUNICATIONS

Andrea Overby, resident of Carroll Street, expressed concern with a lack of adequate and safe parking in the City.

Mary Brunkhorst, Sunnyvale resident, commented on the importance of preserving trees in the City.

Commissioner Simons inquired if Ms. Brunkhorst's group has considered initiating the designation of trees as heritage trees, particularly those at Butchers Corner.

Kristen McCaw, representing Summit Denali School, provided information about Summit Denali School.

Deborah Marks, member of Sunnyvale Urban Forest Advocates, commented on the importance of preserving trees in the City, particularly those at Butchers Corner.

Zachary Kaufman requested an update on the solar study requested by Commissioner Klein during the October 26, 2015 Planning Commission meeting.

CONSENT CALENDAR

MOTION: Commissioner Olevson moved and Commissioner Klein seconded the motion to approve the Consent Calendar.

Yes: 7 - Chair Melton
Vice Chair Harrison
Commissioner Olevson
Commissioner Klein
Commissioner Rheaume
Commissioner Simons
Commissioner Weiss

No: 0

1.A [16-0363](#) Approve Planning Commission Meeting Minutes of March 28, 2016

PUBLIC HEARINGS/GENERAL BUSINESS

2 [16-0387](#) **File #:** 2015-7400
Location: 1184 Mathilda Avenue (APNs: 110-25-042, 110-25-49, and 110-25-55)
Zoning: Moffett Park Specific Plan Transit Oriented Development (MP-TOD)
Proposed Project: Related applications on a 19.31-acre site:
 SPECIAL DEVELOPMENT PERMIT: to demolish the existing surface parking and construct a new 248,259 square foot, five story office building over three stories of parking with additional rooftop and underground parking and reconfiguration of the surface parking lots within the office campus.
Applicant / Owner: FSP-Sunnyvale Office Park, LLC (applicant) /Jeffery Jacobsen, Common Wealth Partners (owner)
Environmental Review: Mitigated Negative Declaration
Project Planner: Margaret Netto, Project Planner, (408) 730-7628, mnetto@sunnyvale.ca.gov
NOTE: *Consideration of this item has been continued to a date uncertain. The project will be re-noticed and re-advertised.*

Planning Officer Andrew Miner explained that this project is being continued to a date uncertain and will be re-noticed.

MOTION: Commissioner Simons moved and Vice Chair Harrison seconded the motion to continue this item to a date uncertain.

The motion carried by the following vote:

Yes: 7 - Chair Melton
Vice Chair Harrison
Commissioner Olevson
Commissioner Klein
Commissioner Rheaume
Commissioner Simons
Commissioner Weiss

No: 0

- 3** [16-0292](#) **File #:** 2015-7810
Location: 1111 Karlstad Dr. (APN: 110-14-199)
Proposed Project: Related applications on a 0.99-acre site:
 SPECIAL DEVELOPMENT PERMIT to allow the construction of 18 three-story townhome-style condominiums in the Tasman Crossing Industrial to Residential area, and includes a request for deviation to the required front yard setback along the Karlstad Dr. and Toyama Dr. frontages. The project includes onsite and offsite improvements and demolition of the existing industrial building; and
 VESTING TENTATIVE MAP to subdivide the existing lot into four lots and create 18 condominium units.
Applicant / Owner: St. Anton Communities / Anton Karlstad LLC
Environmental Review: Mitigated Negative Declaration
Project Planner: Rosemarie Zulueta, (408) 730-7437, rzulueta@sunnyvale.ca.gov

Associate Planner Rosemarie Zulueta presented the staff report and responded to Commissioner questions.

Commissioner Simons inquired if it is standard Planning process to add a COA regarding interior walls.

Commissioner Simons inquired about whether the applicant will be using pervious material for the driveway.

Commissioner Olevson inquired if the roofed connection between the two buildings eliminates the request for a deviation to setback requirements.

Commissioner Olevson inquired as to whether compact parking is allowed in residential projects.

Commissioner Weiss inquired if the large trees onsite will be preserved.

Commissioner Klein inquired if buildings of nearby projects also received deviations

for front setbacks.

Commissioner Rheaume inquired about which trees on the site are protected and are proposed to be removed.

Commissioner Rheaume inquired as to why staff did not suggest a meandering sidewalk to wrap around protected trees.

Chair Melton opened the Public Hearing.

Applicants Ardie Zahedani and Keith Labus provided information about the application.

Commissioner Rheaume inquired as to why there are no windows in the front patio.

Commissioner Klein inquired about what the walkway connecting the two buildings looks like from the street level.

Commissioner Simons inquired if the applicant is amenable to putting his response letter into the COAs.

Commissioner Simons inquired if the applicant is amenable to using previous materials for the drive aisle.

Commissioner Simons inquired about the material that will be used for building C.

Commissioner Simons inquired about whether a meandering sidewalk around the existing trees is feasible.

Commissioner Simons inquired if the applicant is amenable to the use of native tree species appropriate for this plant zone.

Commissioner Simons inquired if the roof skirts allow space for solar panels in the future.

Commissioner Weiss referred to the plan set and inquired about where the space is for a vegetable garden.

Commissioner Weiss inquired about how the BMR units are selected.

Greg Storey, resident of Danbury Place, commented on the project potentially

exacerbating the lack of parking on nearby streets.

Ina Lee, resident of Tomaya Drive, expressed concern with how construction debris with be managed and inquired about when construction would begin and end.

Applicant Ardie Zahedani provided closing remarks in support of the application.

Chair Melton closed the Public Hearing.

Commissioner Rheaume clarified the number of unassigned parking spaces.

Commissioner Rheaume inquired about which department makes the final decision on requiring a meandering sidewalk for a project.

Commissioner Simons inquired about the feasibility of a meandering sidewalk for the project.

Commissioner Weiss inquired about whether there is enough space for parking on the drive aisle.

MOTION: Commissioner Simons moved and Commissioner Klein seconded the motion for Alternative 2: Make the findings required by CEQA in Attachment 3, adopt the Mitigated Negative Declaration and approve the Special Development Permit with a deviation for minimum/average front yard setback and Vesting Tentative Map with the recommended findings in Attachment 3 and modified conditions:

- 1) Use pervious materials or an alternative that performs better to be determined in the future and discussed with staff;
- 2) Include in the COAs applicable items from the developer's letter regarding landscaping and architectural elements, with options that the developer may use stucco or brick as per the buyer's request for buildings B and C;
- 3) A meandering sidewalk can be considered with input from the City arborist and the Department of Public Works for feasibility to save more trees, with the exception of trees 1, 16 and 17 due to their low suitability for preservation;
- 4) Require large native tree species that are appropriate for this plant zone; and,
- 5) That the project will allow solar panels on top of buildings.

Planning Officer Miner noted that most of the items in the developer's letter are included in the COAs and that staff would use discretion when including additional items.

Commissioner Simons mentioned an appreciation of the project's modern architecture, and said the interior courtyard and the exterior have been greatly improved. He said the unusual appearance of the original corner has been mitigated and is more like a neighborhood addition, and he likes the consistency from the perspectives of residents of the project and people who pass by it. He complimented the developer, and said this is one of the better picture frame contemporary buildings he has seen in a long time. He said the consistency of the first floor, with exception to the stucco, will add a high level of quality to the pedestrians walking by and to those driving by who see the larger structure.

Commissioner Klein inquired if a rule is entailed in the CC&Rs regarding the use of covered parking for parking.

Commissioner Klein inquired if the modification to allow the use of solar panels is unnecessary based on City code.

Commissioner Klein said he likes how the project has evolved since the study session, and applauded the applicant for requiring twice as many covered parking spaces in units where typically only one is required to reduce the demand for guest parking. He said he is happy that the applicant made the open space at the corner more usable and less stark, and said hopefully staff will find way to maximize saving some of the street trees. He said maintaining the redwood trees on the southwest corner is a very good thing in order to keep as many existing trees in Sunnyvale as possible. He noted that we have to remove trees from a project if they happen to be where a building will ultimately be constructed or if they are too close to other features, and said hopefully staff can create the meandering sidewalk to save more trees. He said he is happy that the developer understands the community, that this neighborhood went from an industrial to residential zoning, and that this is one of the last few sites developing. He referred to complaints received about diesel engines starting up onsite and said that getting rid of some of these things will be better for that community as we convert into more residential, and that being closer to light rail and being more transit-oriented is a positive thing.

FRIENDLY AMENDMENT: Vice Chair Harrison offered a friendly amendment to use pervious paving material if it can meet load, compression and durability needs of the anticipated traffic. Commissioner Simons said these were not issues with the pervious material proposed and that it did not meet requirements for stormwater issues. Planning Officer Miner noted that the materials will have to meet load, compression and durability requirements to obtain a building permit. The friendly amendment was withdrawn.

Vice Chair Harrison said the developer and architect did an excellent job addressing concerns discussed in the study session, and that if she was a resident looking out of her window, no matter its location, she would have a pleasant, open residential feel. She said the applicant has done a great job on the interior, the different textures of pavement, the triangle front entry and with saving as many trees as possible.

Commissioner Rheume said he appreciates that the applicant listened to the Planning Commissioners at the study session, that he likes the unique design of the building with the pop-out look that will stand out in the neighborhood. He said he appreciates the additional parking spaces within the property and that the HOA will determine how many spaces will be allotted for visitors versus residents. He said he is glad some of the trees are being saved and he hopes the applicant works with staff and the City arborist to potentially save more.

Commissioner Olevson said the changes made since the study session have greatly improved the visual appearance and practical nature of the project. He said it is a very attractive project, and that the corner where the two streets come together has been dramatically improved and is very inviting. He commended the applicant for deleting the community garden to save the mature trees, and noted that trees take a long time to grow whereas a community garden can be made quickly if the residents so choose. He said he can make the findings that this project meets the objectives of the General Plan, that it will not impair the development of the neighborhood and is compatible with it.

Commissioner Weiss said this project is a great addition to the neighborhood and completes the transition from industrial to residential. She said this is a big improvement over what is there currently and that she likes that units are outward facing which will provide eyes on the street and add to the safety of the community.

Chair Melton said this is a nice project and he likes the parking. He said Sunnyvale need more residential and he likes the BMR units.

The motion carried by the following vote:

Yes: 7 - Chair Melton
Vice Chair Harrison
Commissioner Olevson
Commissioner Klein
Commissioner Rheume
Commissioner Simons
Commissioner Weiss

No: 0

Planning Officer Miner stated the Planning Commission decision is final unless appealed or called up by the City Council within 15 calendar days.

- 4** [16-0131](#) **File #:** 2015-7275
Location: 1111 Lockheed Martin Way (APNs: 110-01-036 and 110-01-038)
Proposed Project: Discussion and possible actions on related applications for a 47.4 acre parcel at 1111 Lockheed Martin Way:
 SPECIFIC PLAN AMENDMENT for two parcels from Moffett Park General Industrial (MP-I) to Moffett Park Transit Oriented Development (MP-TOD) and associated text changes;
 REZONING Introduction of an Ordinance to Rezone two parcels from MP-I (Moffett Park Industrial) to MP-TOD (Moffett Park Transit Oriented Development).
 ENVIRONMENTAL DOCUMENT: Subsequent Environmental Impact Report.
Applicant / Owner: Jay Paul Company/ Lockheed Martin Corporation
Project Planner: Margaret Netto, 408-730-7628, mnetto@sunnyvale.ca.gov

Project Planner Margaret Netto presented the staff report and responded to Commissioner questions.

Vice Chair Harrison inquired about staff opposition to a mid-block crossing at the 5th Avenue and E Street intersection.

Vice Chair Harrison inquired about the new VTA requirement to analyze project impacts on transit delay.

Vice Chair Harrison inquired about the transportation improvements that would be funded by the exceptional community benefit fees.

Commissioner Klein inquired about rezoning properties to MP-TOD that are outside of the quarter mile radius to a light rail station.

Commissioner Klein requested staff's opinion about using 727,000 square feet of the Development Reserve for this project.

Commissioner Klein inquired about how fair share payments for future traffic improvement projects are calculated.

Commissioner Klein inquired about the section of the Development Agreement making the applicant responsible for funding three public safety officers for seven years.

Commissioner Klein inquired about the CalTrans and City software used to analyze traffic at various intersections.

Commissioner Simons inquired as to whether the City and VTA discussed providing alternatives to the aforementioned mid-block crossing.

Commissioner Simons expressed concern regarding the standard width of crosswalks being too small to adequately service pedestrian traffic during peak times of day.

Commissioner Simons inquired as to why increasing TDM requirements was not considered in the EIR, and expressed concern regarding the process of paying money as mitigation for traffic and transportation impacts.

Commissioner Olevson inquired as to how much unused square footage there is in the City that could be sold and transferred between developers.

Commissioner Olevson noted several typos in the EIR document.

Commissioner Weiss inquired as to whether it is more difficult to enforce a TDM plan when there are multiple tenants.

Commissioner Weiss inquired as to why paid parking fee and an increase in bus frequency were not considered as part of the TDM plan.

Chair Melton inquired as to whether the concept of the Mary Avenue overpass project was considered in the traffic analysis.

Chair Melton inquired about the process of approving the legislative documents and the project.

Chair Melton clarified the action options available for the listed Alternatives and the staff recommendation.

Chair Melton clarified the purpose and timeline of receiving public input on the DSEIR.

Project Planner Netto noted that \$11 million in exceptional community benefit fees would be used for transportation improvements at the 101 / 237 / Mathilda Avenue interchange, in response to Vice Chair Harrison's earlier question.

Planning Officer Miner noted that details of the TDM will be part of the project Conditions of Approval, and that the project-related traffic impacts result in a less-than-significant impact.

Chair Melton opened the Public Hearing.

Applicant Janette D'Elia provided information about the application.

Vice Chair Harrison inquired as to whether the applicant would be amenable to pedestrian linkages through other campuses.

Commissioner Simons inquired as to whether the applicant would be amenable to looking at options to vary TDM requirements and reduce transportation impacts.

Kerry Buckholz expressed concern regarding limited bicycle and pedestrian connectivity in the Moffett Park area and requested the Planning Commission think about improving connectivity before approving a project.

Stan Hendryx referenced recent changes to the CEQA statute for transit priority areas and spoke in support of the application.

Chair Melton closed the public hearing.

Commissioner Simons inquired as to whether the \$7 million contribution reference for the Department of Public Safety would be distributed throughout the 20 year budget.

MOTION: Commissioner Simons moved to recommend to City Council Alternative 2: Do not certify the SEIR and do not adopt the Statement of Overriding Considerations, and to direct staff as to where additional environmental analysis is required, with additional analyses including the environmental impact of using a TDM plan with no change to current levels, and of a TDM plan with no traffic impact with the increased amount of square footage plus ten percent; and to provide information about long term costs for roads, reductions in traffic and impacts on intersections, especially those marked with receiving significant impacts from this project.

MOTION FAILED for lack of a second.

MOTION: Commissioner Klein moved and Commissioner Olevson seconded the motion to recommend to City Council Alternative 1: Adopt a resolution certifying the SEIR, adopting the Statement of Overriding Considerations, and adopting the Mitigation Monitoring and Reporting Program as contained in the Attachments 6 and 7.

Commissioner Klein said some of the issues with the TDM were not brought up previously during the chances the Planning Commission and other agencies had to discuss them, and that the final project is not currently being reviewed which would clarify some of these issues. He said what we are seeing is a result of the EIR following the appropriate process and a project with a development agreement to mitigate many of the issues that this project would incur within Moffett Park and the surrounding area. He said he does not see an easy way of implementing the TDM at this late date without rehashing much of the EIR, which does look at the issues of specific intersections and tries to alleviate overall issues within Moffett Park, the biggest one being the monster interchange. He said the \$11 million the applicant is offering for the interchange issue gets us a quarter of the way to resolving it, and that he worries about the long term issue of funding. He said the \$7 million for three additional fire station personnel lasts for a certain amount of time and we do not know where the money will come from with regard to the 20 year budget, and that hopefully the money will not come from the next development. He said different agencies had their chance to speak up regarding the EIR and staff responded accordingly so the project meets the requirements to adopt the EIR. He said when the project is being reviewed he hopes some of the issues can be fixed and that he considers the EIR as currently written sufficient for the project.

Commissioner Olevson said as we embarked on separating the project from the quasi-legislative work being done tonight we are starting to see chinks in a great idea. He said he is pleased that the project is not being reviewed tonight and that we are just looking at the EIR and potential zoning with an idea of what the project might look like when next presented to us. He said the EIR is not having us choose which expert is correct but whether those who wrote it provide an adequate discussion of the potential impacts. He said he can make the findings that the EIR does its job and meets the intent of the Specific Plan as we look forward to making a General Plan Amendment. He added that the goals are met and the rezoning is appropriate for the public interest.

Commissioner Simons said an EIR is about an analysis of environmental impacts, and that much of this EIR was concerned with money transfers rather than

environmental impacts such as added exhaust or traffic mitigation. He said it could have included environmental impacts with varied TDM levels showing reductions in different pollutants and could have talked about public costs versus upfront costs of requiring higher levels of TDM. He said it might have been a very useful analysis that said we may want to go higher in TDM level and our City outlay of future expenditures would potentially be lower. He said the analysis was not done, that we are obligating the City with much higher levels of transportation from this project and the whole area and that keeping the same TDM means the City is out a lot of money in the future. He noted that the City is getting short term benefits, but that there was no 20 year planning and that \$7 million will be spent in one year for public safety. He said if it was in the 20 year plan we would know how to invest the money long term to make the City sustainable, and that it would be nice to talk about doing planning with long term mitigation. He said we have a problem with this process as it seems like we are missing analysis that would be useful for the Planning Commission and City to run itself efficiently, and that we are obligating outlays in the future that are unnecessary. He added that this is a very bad motion and that we could benefit greatly from actually being a Planning Commission.

Commissioner Weiss said that although she likes everything she has read, seen and heard about the Moffett Towers II project and that she is looking forward to seeing it take place and function, she cannot support Alternative 1. She said the EIR is lacking hard specific data and information as to how a severely impacted situation is going to be improved, and that she cannot make the findings. She said the implementation of proposed mitigation measures will not reduce impacts to any meaningful level, and that she does not see the coordination of land use planning in Moffett Park with transportation planning. She said she understands that we cannot achieve perfection or get to a zero level, but that we have to mitigate effects to the greatest extent possible and she does not see that happening. She said she is concerned with the unavoidable environmental impacts that are not being considered and does not think the economic benefits outweigh the social and other benefits that would deteriorate the quality of life and health for people in Sunnyvale.

Vice Chair Harrison said although she is torn about this because we are not considering the project and its specifics, she will be supporting the motion because she can make the findings that the SEIR was done according to regulations and that every impact identified has a way of being mitigated even though the majority of mitigation is contributing money toward a specific goal. She said she understands the monster interchange is a huge issue for the entire area and the most needed and wanted thing is funding to support getting that project done. She said she is uncertain about how much that will relieve the problem, and that we are assuming that if it gets done the majority of the delay and pollutants caused by

sitting in traffic will be mitigated. She added that the monitoring and reporting follows the correct procedure.

Commissioner Rheume said the report was done correctly and said he will be supporting the motion.

Chair Melton said during tonight's study session staff rolled out the DEIR for the Butchers Corner project and he was surprised that there were many initial comments on the document from Planning Commissioners because the 45 day review period had just launched. He said he cannot help comparing and contrasting that to this EIR, that a fellow Commissioner laid down a challenge that we need to act like a Planning Commission and his response is that part of being a Planning Commission is participating within the timeline to provide input on the DEIR document. He said we have heard a lot of great conversation saying it would have been nice if the EIR contemplated this or something else, but that the time for providing that level of input has passed. He said he does not begrudge any Commissioner for voting for or against the EIR, and that money is a critical, important and perfectly valid mitigation. He said recently the Director of Public Works, Manuel Pineda, talked about the Mathilda/237 undercrossing and the total estimated price tag was \$40 million. He said through some VTA or voting process money might be made to materialize, but that there is a bucket that needs to be filled and this project is providing \$11 million to fill a monetary need to implement a known and necessary mitigation measure, so dollars are a perfectly appropriate mitigation measure on this project.

The motion carried by the following vote:

- Yes: 5 -** Chair Melton
Vice Chair Harrison
Commissioner Olevson
Commissioner Klein
Commissioner Rheume
- No: 2 -** Commissioner Simons
Commissioner Weiss

MOTION: Vice Chair Harrison moved and Commissioner Rheume seconded the motion to recommend to City Council Alternative 3: Adopt a resolution to amend the Moffett Park Specific Plan to change the Land Use Designation from Moffett Park Industrial to Moffett Park Transit Oriented Development for two parcels and associated text amendments, as contained in the Findings in Attachment 2 and Resolution in Attachment 3; and Alternative 5: Introduce an ordinance to Rezone two parcels within the Moffett Park Specific Plan Area from MP I (Moffett Park Industrial) to MP TOD (Moffett Park Transit Oriented Development) as contained in

the Findings in Attachment 2 and Draft Ordinance in Attachment 4.

Commissioner Simons said the mitigations discussed in the EIR are using a limited set of options and that we should be looking at more. He said the long term costs for the City are wide open and the short term mitigations we are getting will not cover those costs. He said this is not a benefit to the City and is a big benefit to the developer, who he wishes well in whatever they do. He said this is a huge project, and that we often concentrate so much energy on small projects and when something that costs billions of dollars comes to the City we tend not to consider the impacts at the same level so he will not be supporting the motion.

Chair Melton said he is supporting the motion.

The motion carried by the following vote:

Yes: 6 - Chair Melton
Vice Chair Harrison
Commissioner Olevson
Commissioner Klein
Commissioner Rheaume
Commissioner Weiss

No: 1 - Commissioner Simons

5 [16-0199](#) **FILE #:** 2016-7068
Location: **160 Aries Way** (APN 209-07-007)
Proposed Project: **DOWNTOWN SPECIFIC PLAN AMENDMENT**
INITIATION: Request to study a change to the land use designation of Block 1a of the Downtown Specific Plan from very high density residential to retail and office, as well as increase the allowable height from 85 feet to 100 feet.
Applicant/Owner: Andy Kasik
Environmental Review: Exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15061 (b) (3).
Project Planner: Gerri Caruso (408) 730-7591

Principal Planner Gerri Caruso presented the staff report and responded to Commissioner questions.

Commissioner Klein inquired about the number of residential units that can be built on this lot and whether the lot was considered for residential use by the applicant.

Commissioner Klein inquired about adding to the study an option for a high density

residential project.

Vice Chair Harrison inquired about the number of units in the Solstice and Carmel Loft projects.

Vice Chair Harrison inquired as to why the DSP development standards allow different building heights versus the DSP Block 1a.

Commissioner Olevson referred to Attachment 4 in the staff report and clarified the number of remaining units allowed for various blocks of the DSP.

Commissioner Olevson inquired about whether the study would look at the fiscal impact of residential versus commercial use.

Commissioner Olevson commented on wanting to better understand how a commercial project would change the character of the downtown area from the projection made when City Council designated the site as residential.

Commissioner Simons requested the study include a discussion of what type of use is the most sustainable, and what this project's impact would be on the safety of the nearby park.

Commissioner Klein clarified the square footage of office, retail, restaurant and entertainment that is existing and allowed for Block 1a.

Vice Chair Harrison inquired about whether units are transferable between blocks.

Chair Melton opened the Public Hearing.

Applicant Andy Kasik provided information about the application and responded to Commissioner questions.

Commissioner Klein inquired if residential use was considered.

Stan Hendryx, resident of Sunnyvale, spoke in opposition to the GPI.

Kerry Buckholz, resident of Sunnyvale, expressed concern with keeping the post office downtown.

Project Architect John Duquette provided closing remarks in support of the application.

Commissioner Simons inquired if a mixed use project was considered.

Commissioner Simons expressed concern over a residential use adding safety to the nearby park.

Commissioner Olevson inquired about the number of residential units that could be added to make a mixed use project more feasible.

Chair Melton closed the Public Hearing.

MOTION: Commissioner Klein moved and Commissioner Simons seconded the motion for Alternative 3: Recommend to City Council the initiation of a study to consider amending Block 1a of the Downtown Specific Plan to change the primary land use designation to office including a possible increase in the height limit, prepare draft development standards, evaluate impacts to the Downtown parking district, evaluate project alternatives and conduct appropriate environmental review. Prepare related Zoning Code amendments, with the study also considering mixed use residential or solely residential zoning based on the R-3 or R-4 designation at 85 and 100 feet tall, and evaluating what additional pool of residential units and parking would need to be added.

Commissioner Klein said he got involved on the Planning Commission when the DSP was first being discussed and approved and he understands the applicant's hesitation to do any residential, but we have heard repeatedly that we have a jobs to housing imbalance in Sunnyvale and the region. He said when the outreach meetings for the DSP were done the transition from office space on Mathilda to residential to retail and the whole downtown block 18 of truly mixed use was seen as a positive thing for the community. He said this portion of block 1a was well designed so long ago that it has not needed to change as opposed to the Town and Country Center which was long in the tooth when it was torn down and replaced. He said he understands what the applicant is looking for and the restrictions imposed as retail and residential is developed on the rest of block 1a have taken us to a point where we could not redo the retail here without reducing that retail, which makes no sense. He said he hopes the additional study direction gives the developer and applicant options, whether they are self-funded or funded by someone else to build this. He said the feeling within the community is that there is enough office space downtown, that Peery Park is not far away and there are many operations like shuttle services in the plan to get workers from Peery Park to CalTrain. He said having more high density residential at that location makes sense, whether it is 85 or 100 feet tall, and that he would like to keep retail there to

make it a mixed use site. He said he is trying to provide options for the applicant because this is the perfect location for higher density residential because it is close to main transportation lines like CalTrain and light rail. He noted that Milpitas recently approved a 279 foot tower that likely would not fly in Sunnyvale, that having an alternative would help alleviate the issue and limiting the study to only office space would mean short changing the applicant and the City.

Commissioner Simons said he has reservations about only studying office and that the applicant needs to have more options. He said increasing mixed use zoning is a major goal, whether as part of an application for a silver or gold level bicycle City, so it would be weird to reduce that type of zoning. He said the option of mixed use with residential may not have been discussed at the meeting with the developer but he appreciates that the applicant is still here after many years. He said residential near transit really reduces traffic trips, and he understands that office space next to transit would be desirable for the applicant, but to look at both would be great.

FRIENDLY AMENDMENT: Vice Chair Harrison offered a friendly amendment to include in the study an option of a mixed use project including some housing, some office and some retail. Commissioner Klein and Commissioner Simons accepted the friendly amendment.

Vice Chair Harrison clarified that an applicant-funded study of changes to the Parking District is included in the motion.

Vice Chair Harrison noted that several studies indicate people are more inclined to take public transit to an office site within an eighth of a mile radius from transit, and are willing to walk further if to a housing site, but that studying all options allows us to understand the economic benefits to the City and that a residential use placing eyes on the park is a good point.

Commissioner Rheume said he likes the idea of expanding options for this site and that proximity to transit is in demand for both office and residential use. He said we need more residential but that he is not sure we need it here. He said office close to CalTrain might be most advantageous for all but that it is a good idea to do an expanded study.

Commissioner Weiss said ABAG projected 80,490 employees in 2015 in Sunnyvale and the California Department of Finance identified 57,761 housing units in 2015 in Sunnyvale which shows the job to housing ratio is one to four. She said a healthy ratio is one new home built for every 1.5 jobs created, so the need for housing is critical, and that our downtown area is finally becoming alive for

people of all ages and those living and working there. She said there is access to variety of services and retail, that we have been trying to achieve this mix for decades and we should be trying to increase it not jeopardize it. She said one more high rise office building detracts from the liveliness of this area at night and she does not see a reason for changing the land use designation or the need for a study. She said this site is precious because, as the developer said, it is the last to be developed, and if the study shows something other than a 100 foot office building the applicant will not be very pleased. She added that it would not be worth the time or money invested to study and confirm what we already know.

Chair Melton said he usually supports studying legislative land use changes especially when an applicant is paying for it, but he does not think this is a good idea. He said he does not want staff to spend a second studying a rezone that is not a good idea, that we need more housing and the current zoning designation of high density residential is perfect and does not need to be changed. He said the applicant says he does not want to do residential here but to study something that would not be supported or funded by the applicant who is asking for something else would be an injudicious use of staff and Planning Commission time and resources, so he will not be supporting the motion.

The motion carried by the following vote:

Yes: 4 - Vice Chair Harrison
Commissioner Klein
Commissioner Rheaume
Commissioner Simons

No: 3 - Chair Melton
Commissioner Olevson
Commissioner Weiss

STANDING ITEM: CONSIDERATION OF POTENTIAL STUDY ISSUES

None.

NON-AGENDA ITEMS AND COMMENTS

-Commissioner Comments

None.

-Staff Comments

Planning Officer Miner stated that Council on March 29 continued the Park In-lieu Fee study to April 12, and approved the project on 882 W. McKinley, originally

denied by the Planning Commission and appealed to Council, as the applicant used a provision in the Reasonable Accommodation Act.

Commissioner Simons inquired about whether the use is approved in perpetuity.

Planning Officer Miner stated that Council approved the 861 E. El Camino Real project on April 5.

Planning Officer Miner stated that consideration of the Ordinance regarding medical marijuana is on the April 12 Council agenda.

ADJOURNMENT

Chair Melton adjourned the meeting at 12:54 a.m.