
PUBLIC HEARINGS/GENERAL BUSINESS

2. [16-0621](#) Forward Recommendations related to the PEERY PARK SPECIFIC PLAN (2013-7653) to the City Council to:
1. Adopt a Resolution to:
 - a. Certify the EIR;
 - b. Make the Findings Required by the California Environmental Quality Act;
 - c. Adopt the Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program;
 - d. Adopt the Water Supply Assessment
 - e. Amend the General Plan to Create the Peery Park General Plan Designation;
 - f. Update the General Plan Map to Reflect the Peery Park Plan Area;
 - g. Adopt the Peery Park Specific Plan, with Modifications;
 - h. Adopt the Peery Park Specific Plan Community Benefits Table; and
 - i. Repeal the Southern Pacific Corridor Specific Plan Site 2.
 2. Introduce an ordinance to:
 - a. Amend Sunnyvale Municipal Code (SMC) Section 19.16.020 (Zoning Districts - Creation), repeal SMC Section 19.16.070 (Perry Park District Review Process); Add SMC Section 19.27.040 (Peery Park Specific Plan District);
 - b. Amend the Precise Zoning Plan Zoning Districts Map to add the Peery Park Specific Plan District and Rezone the Parcels in the Peery Park Specific Plan Area to Peery Park Specific Plan District; and
 - c. Rezone the Encinal Park Parcel to Public Facilities.
 3. Adopt a Resolution to:
 - a. Amend Resolution No, 762-16 (Master Fee Schedule) to add the Peery Park Plan Review Fees, Peery Park Conditional Use Permit Fees, a Peery Park Specific Plan Fee and Peery Park Infrastructure Fee;
 - b. Authorize the City to impose a Sense of Place Fee and Peery Park Water Infrastructure Fees on a project specific basis.
 4. Adopt a Motion to Prioritize the Flexible Community Benefits as Recommended by Staff.
 5. Adopt a Motion in support of the use of \$100,000 of City Funds to Provide a Portion of the Local Match for the Peery Park Rides Grant Program.

Principal Planner Amber Blizinski presented the staff report.

Commissioner Melton confirmed with Principal Planner Blizinski that the net new 2.2 million square feet of office space translates to 14,000 new jobs, and discussed with staff future options if the Planning Commission votes for a new environmental study that considers additional residential uses in Peery Park.

Commissioner Klein discussed with Principal Planner Blizinski options for additional housing if a new General Plan Amendment is initiated for residential and whether those options would be limited in the interim if a developer applies for office space in the area targeted for residential. He also confirmed with Principal Planner Blizinski that 2 million square feet of the 2.2 million net new is currently under formal application, none of which have been approved, and discussed why the various zoning designations, overlays and districts are not reflected in the General Plan.

Commissioner Olevson clarified with Planning Officer Andrew Miner the statement in the water supply assessment that there is adequate water supply in part due to increased conservation, and clarified with Principal Planner Blizinski the amount of net new square footage. Commissioner Olevson discussed with Principal Planner Blizinski why the 21 pages of corrections and clarifications were not incorporated into the draft Peery Park Specific Plan (PPSP) prior to submission to the Planning Commission and that City Council will receive the same set of corrections.

Chair Harrison and Principal Planner Blizinski discussed how already approved but unconstructed projects fit into Peery Park and the square footage calculation. Planning Officer Miner added that there may be interest within the development community to build more residential in Peery Park but that it was not previously possible. Chair Harrison confirmed with Principal Planner Blizinski that one benefit of adopting the PPSP now is the collection of funds for pedestrian and bicycle improvements and shuttle stops. Planning Officer Miner added that the entire plan could be stalled to allow several hundred housing units to be added although the plan was designed for business and employment. Chair Harrison discussed with Planning Officer Miner whether adoption of the plan with direction to study housing in the southern area would cause a significant change in water and waste water improvements, and discussed with Director of Public Works Manuel Pineda potential increases in pipe size due to a change from industrial to residential use.

Commissioner Klein verified with staff the current maximum Floor Area Ratio (FAR) percentages in Moffett and Peery Parks and which decision making body approves increased FARs at stepped levels, and he confirmed with Principal Planner Blizinski the maximum FARs reached for currently constructed projects in Moffett

and Peery Parks. Commissioner Klein and Planning Officer Miner discussed examples of projects that could be approved by the Director of the Community Development Department in Moffett and Peery Parks. Commissioner Klein discussed with Principal Planner Blizinski the reasoning behind the FAR thresholds for the flexible community benefits, and discussed whether recycled water and purple pipe features were considered for the area. He discussed with staff whether further improvements can be made for bicycle and pedestrian connectivity going into Peery Park, clarified which projects may need to receive a no hazard determination from the Airport Land Use Commission (ALUC) and clarified the purpose of an aviation easement.

Commissioner Melton clarified with Planning Officer Miner the benefit of approving the plan even if City Council decides to initiate a study on providing more housing in Peery Park.

Chair Harrison confirmed with staff that recently adopted solar access requirements will need to be met and discussed with Principal Planner Blizinski why the southern activity center lacks service stations and businesses.

Commissioner Simons discussed with Principal Planner Blizinski how projects in the queue for approval would be impacted if the PPSP was not adopted, and discussed with Planning Officer Miner the concern with not exploring additional options for residential at this time. Director of Community Development Trudi Ryan interjected that while there may be some areas in Peery Park that are suitable for housing, there are other locations in the City that may be more appropriate. Commissioner Simons discussed with Principal Planner Blizinski the cost to add to the plan potential improvements to bicycle and pedestrian access, and discussed with staff potentially recommending higher levels of Transportation Demand Management (TDM) programs for projects in Peery Park.

Commissioner Klein discussed with Director Pineda why staff is not requiring specific TDM tools of potential projects and the process for issuing penalties to property owners who do not meet TDM goals. Principal Planner Blizinski added that the purpose of the Transportation Management Association (TMA) is to help developments achieve TDM goals and potentially change their programs over time to become more effective. Commissioner Klein confirmed that hydraulic analyses have been required of previous projects and would be required of all Peery Park projects.

Chair Harrison opened the Public Hearing.

Tharun Kuppireddy, resident of the SNAIL neighborhood, discussed his concerns with increased traffic on Mathilda, the effect of opening the walls at Ferndale and Duane Avenues on parking and multistory buildings blocking light and air.

Karen Schlessner, Sunnyvale resident, encouraged an increase in housing in the PPSP.

Jason Uhlenkott encouraged an increase in housing in the PPSP.

Dave King, Sunnyvale resident, said the proposed bicycle and pedestrian connections at Duane Avenue and Ferndale Avenue will create security and privacy issues for residents, and that the Draft EIR is not the same thing being considered tonight.

Principal Planner Blizinski interjected that with Peery Park potential jobs are increased by 3,000 over the existing General Plan.

John Cordes, Sunnyvale resident, urged the approval of Alternative 1 (no project) due to air quality and traffic impacts, and said that his second choice would be for mixed use to increase housing.

Ann Davis, Sunnyvale resident said as part of the community benefit a landscape architect should improve Mathilda via landscaping that would soften the impact of tall buildings, and encouraged the improvement of existing bicycle and pedestrian connections rather than creating connections at Ferndale and Duane.

Sue Serrone, Sunnyvale resident, urged increased housing, especially for low- and very low income households.

Adina Levin, with Friends of CalTrain and Sunnyvale Affordable and Sustainable Living Coalition, encouraged Alternative 2 with increased housing and the new bicycle and pedestrian connections. She also suggested the use of residential parking permits and a 35 percent trip reduction.

Chair Harrison closed the Public Hearing.

Commissioner Klein confirmed with Principal Planner Blizinski that landscaping along Mathilda is a standard and discussed with Director Pineda the future layout of the pedestrian realm on Mathilda Avenue, which would include more landscaping. Commissioner Klein confirmed with Principal Planner Blizinski that if City Council decided to forgo the additional bicycle and pedestrian connectivity on Ferndale and

Duane Avenues the plan would include alternatives for improved connectivity.

Director Ryan said the EIR overstates the number of new jobs that will be created by the addition of 2.2 million square feet of office space, and that the higher intensity buildings constructed under the plan are more likely to have a higher employee ratio than the buildings there now.

Commissioner Melton verified with Director Ryan that the draft Land Use and Transportation Element (LUTE) suggests a 6,000 housing unit increase over the current General Plan, 450 of which have been achieved by the DeGuigne site.

MOTION: Commissioner Olevson moved and Commissioner Klein seconded the motion to recommend to City Council Alternative 1a through 1d: adopt a Resolution to certify the EIR; make the findings required by the California Environmental Quality Act; adopt the Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program; and, adopt the Water Supply Assessment.

Commissioner Olevson said the EIR as a document providing information but not an approval process for any individual project has adequately identified the relevant impact of potential change to the PPSP, and it has adequately identified the traffic, air quality and noise impacts appropriately for City Council to make a final decision on any subsequent projects, therefore, he recommends to City Council adoption of the resolution.

Commissioner Klein said he can make the findings and described the EIR process. He said what was seen in the Draft EIR many months ago has changed in the Final document in response to questions from citizens, the Planning Commission, City Council and other regional organizations, and that staff and the consultant have updated the Final EIR appropriately.

Commissioner Melton said he will not support the motion and that we should not certify the EIR. He said it should be sent back for further analysis for CEQA, and that things have changed since City Council gave its original direction to staff to analyze a potential PPSP as an employment center. He said only Council can answer the question about whether 3,000 - 14,000 new jobs without a corresponding increase in housing is what was intended, a conclusion he recommends Council not come to as we need to address the housing issue created by the new jobs in Peery Park. He noted that Vice Mayor Larsson said during the joint study session that we need to look at Sunnyvale as a whole, but that we have not crossed the bridge in terms of identifying where the housing will be for the new jobs created.

Commissioner Simons said he will not support the motion and agrees with Commissioner Melton's comments. He said recommending approval of an EIR with the intent of augmenting it for the long term goal would be appropriate if changes were minor. He said he opposes allowing development at a higher level of square footage in this area and then reviewing the ratio and adding extra housing in the future. He said we should plan from the beginning what is intended long term and not incrementally.

Chair Harrison said she will support the motion and can make the finding that the EIR adequately addressed the concerns that were brought forward initially, and believes the Water Supply Assessment was thorough in its investigation.

The motion carried by the following vote:

Yes: 3 - Chair Harrison
Commissioner Klein
Commissioner Olevson

No: 2 - Commissioner Melton
Commissioner Simons

Absent: 2 - Vice Chair Rheaume
Commissioner Weiss

Senior Assistant City Attorney Rebecca Moon noted that under the Zoning Code recommending a General Plan Amendment or Rezone requires a majority of Planning Commission members, which is four votes, but the certification of the EIR can pass with three votes.

Chair Harrison confirmed with Senior Assistant City Attorney Moon that adopting the PPSP would require four votes because it includes a Rezone and General Plan Amendment.

MOTION: Commissioner Klein moved and Chair Harrison seconded the motion to recommend to City Council Alternatives 1g, 1h and 4: adopt the Peery Park Specific Plan with modifications; adopt the Peery Park Specific Plan Community Benefits Table; and, prioritize the Flexible Community Benefits as recommended by Staff, with the following modifications:

- 1) On page 19, to determine the hearing body, change the maximum FAR for Zone 1 to 35%, 50%, 70% and 90%; and change the maximum FAR for Zone 2 to 50%, 65%, 80% and 100%;
- 2) On page 13, for the Community Benefits Required table, change the maximum FAR for Zone 1 to 35%, 50%, 70% and 90%; and change the maximum FAR for Zone 2 to 50%, 65%, 80% and 100%; and,
- 3) Adopt the PPSP EIR and associated Resolutions with the consideration of multi-family residential in a mixed-use style development within the PPSP area, locations to be determined subject to additional environmental review and community outreach by staff.

FRIENDLY AMENDMENT: Chair Harrison offered a friendly amendment for solar access requirements only being applicable to multi- and single family residential properties and not to commercial properties. Commissioner Klein declined.

FRIENDLY AMENDMENT: Commissioner Simons offered a friendly amendment to increase the TDM requirement by five percent for each level. Commissioner Klein and Chair Harrison accepted.

Commissioner Klein said a very long process has brought us to this review of the PPSP, that quite a few projects have been approved in Peery Park and that other projects are set to move forward with or without the PPSP being approved. He said this is putting into place a series of community benefits and an area wide vision for improving traffic, the sense of place and issues of sidewalk width, bike parking and lanes, attractive nodes and walkability. He said many of the issues with the existing area have been fixed piecemeal, project by project, and that one major issue is that there is not enough housing. He said Council has heard this concern and has

directed staff to move forward on addressing it, but that not approving the EIR and PPSP and starting over puts this project on hold for a very long time. He said the plan can be applied to the office projects in progress, that moving forward we can try to improve the area, but that ultimately Council will decide. He said what staff and the consultant have created a good project that has addressed many issues we have seen over the years and created a long term vision that is flexible. He said the plan can be improved, but that it can make this office area a lot more positive in terms of transportation, Peery Park rights and community benefits, and that it is in the City's best interest to move the EIR and PPSP forward for consideration by Council.

Chair Harrison applauded the plan for an office park with modern amenities, including shuttles, food trucks, open space in an industrial area for people who walk and socialize between buildings during the work day, bike and pedestrian paths, lighting and signage. She also applauded the increase in work place areas in a location that is not in an expected flood zone in 100 years for Sunnyvale's long term economic future, which is among the reasons she is supporting the motion. She said we need to look at increasing housing, but understands the limitations in the area because of the flight path, and that staff has identified a southern activity area where housing could happily coexist with retail that would serve residents in the general area. She said if we do not approve the PPSP now with various projects in the pipeline we are not taking advantage of the extensive studies conducted and that it is a community benefit to the entire City to have this plan move forward.

Commissioner Olevson said he is not supporting the motion, and that he appreciates the several years of work on the plan that has brought us to where we are today. He said staff and others have put in a lot of time and effort commenting on what Peery Park should look like and that the plan has nice drawings of different areas. He said the Planning Commission would be recommending that City Council change the law for this area and we have to be careful that what we change is in the best interest of the City and the people living around Peery Park and that the draft PPSP does not do that. He noted that there are 21 pages of corrections that the Planning Commission is asked to cut and paste into the right place in the document to understand what we are recommending, and the staff who put this together owes it to Council to put together a final document for approval, therefore he cannot vote to recommend adopting a cut and paste plan.

Commissioner Melton verified with Senior Assistant City Attorney Moon that this motion requires four votes to approve or to deny this portion of the project. Planning Officer Miner noted that the Planning Commission could continue the project with a

clear reason for staff. Commissioner Melton said he could readily find a way to vote no on this motion because we are not coming to the right conclusion with the PPSP and the EIR certification is going in the wrong direction. He confirmed with Director Ryan that staff would need approval from City Council to obtain the resources to create a complete plan with integrated corrections. Commissioner Melton said he will be voting yes on the motion.

Commissioner Simons said there are a number of issues with this process and with housing, and increased TDM levels and a reduction in FARs are useful. He said he agrees with Commissioner Olevson's concerns regarding the Planning Commission receiving large quantities of data too late and said it is tough to go through the data and figure out what the intention was of the addendum. He said he will be voting no on this motion because he does not think the housing issue will be revisited.

The motion failed by the following vote:

Yes: 3 - Chair Harrison
Commissioner Klein
Commissioner Melton

No: 2 - Commissioner Olevson
Commissioner Simons

Absent: 2 - Vice Chair Rheaume
Commissioner Weiss

Commissioner Simons discussed action options with Planning Officer Miner.

Chair Harrison verified with Planning Officer Miner that if the Planning Commission recommends not adopting the PPSP Council could still decide to adopt it. Senior Assistant City Attorney Moon added that if the vote to not adopt the plan is 3-2 it would go to Council as having no recommendation.

Commissioner Simons verified with Planning Officer Miner that if a motion to continue the project is approved the earliest date it could come back to the Planning Commission is September 12.

Senior Assistant City Attorney Moon corrected her earlier statement and said the Planning Commission needs to make a recommendation to Council to either approve or deny the project.

MOTION: Commissioner Simons moved and Commissioner Olevson seconded the motion to continue this item to Monday, September 12, 2016, when staff will return with a merged document that includes the motion Commissioner Klein made in the information provided.

Commissioner Olevson said he appreciates staff coming up with the ability to change the document.

The motion carried by the following vote:

Yes: 4 - Chair Harrison
Commissioner Klein
Commissioner Olevson
Commissioner Simons

No: 1 - Commissioner Melton

Absent: 2 - Vice Chair Rheaume
Commissioner Weiss

Planning Officer Miner clarified the requested updates to the staff report that will be re-considered on September 12.

Commissioner Simons confirmed with staff that Commissioner Klein's failed motion will be included in the information provided.

Director Ryan added that staff will provide clarity on the number of jobs created by the plan to help the Commission make an informed decision.

Commissioner Melton confirmed Planning Officer Miner that the balance of the staff recommended Alternatives will be voted on during the next meeting. Senior Assistant City Attorney Moon noted that the Planning Commission has already voted to recommend certification of the EIR.