

2. [16-0868](#) Forward Recommendations to the City Council related to the adoption of the PEERY PARK SPECIFIC PLAN (2013-7653):
- Accept the errata to the EIR and find that none of the circumstances triggering recirculation of the EIR or subsequent environmental review have occurred under CEQA Guidelines Sections 15088.5 and 15162
 - Adopt a resolution to adopt the Peery Park Specific Plan and make related amendments to the General Plan
 - Introduce an ordinance to create the Peery Park Specific Plan district and rezone the parcels in the Plan Area
 - Adopt a resolution to establish fees for Peery Park
 - Adopt a motion to prioritize the flexible community benefits
 - Support the use of \$100,000 of City Funds to provide a portion of the local match for the Peery Park Rides Grant Program.
 - Direct staff to undertake the appropriate environmental analysis and community outreach and return to consider whether the Peery Park Specific Plan should be amended to include additional housing opportunities.

Principal Planner Amber Blizinski presented the staff report.

Commissioner Melton confirmed with Planning Officer Miner that staff estimates that only five percent of the Peery Park area is suitable for housing due the proximity to the airfield and County land use policies, and confirmed with Director of the Community Development Department Trudi Ryan that the City does not currently have funding set aside to conduct additional environmental analysis and community outreach to determine housing opportunities in Peery Park.

Commissioner Melton discussed with Planning Officer Miner potentially adding to the Municipal Code or Specific Plan a consequence of slowing development in Peery Park if Alternative 7 has not been achieved by a future date. Senior Assistant City Attorney Rebecca Moon added that City Council could impose a moratorium on building until additional options are studied, and Commissioner Melton commented on wanting the City to be able to maintain its leverage and keep pressure on the City and landowners to achieve Alternative 7.

Commissioner Klein verified with Principal Planner Blizinski that a green building code bonus would not allow developers to build above 120 percent Floor Area Ratio (FAR) in zone 2, and confirmed with Planning Officer Miner that 80 percent FAR is the maximum allowed in Moffett Park. He discussed with Principal Planner Blizinski the reasoning behind recommending higher densities than previously allowed, and with Director Ryan the use of Use Permits in Peery Park to approve

higher densities. Director Ryan provided an example of a development outside of Peery Park built to 100 percent FAR, and Commissioner Klein noted that it is at 100 percent FAR with a Transportation Demand Management (TDM) program percentage of 35, which is the same recommended percentage for developments in Peery Park that could potentially build up to 120 percent FAR.

Commissioner Simons discussed with Principal Planner Blizinski whether building height restrictions, due to the proximity of the airport, is the main reason for recommending an emphasis on using other development standards instead of FAR, and Principal Planner Blizinski replied that many of the projects will not be affected by the height limits of the Comprehensive Land Use Plan for Moffett Federal Airfield, but the Airport Land Use Commission requested the revisions to the height map in the PPSP to be more conservative until projects are reviewed individually. Commissioner Simons discussed with Director of the Public Works Department Manuel Pineda factors contributing to a successful and aggressive TDM program and Director Pineda noted that measuring TDM is done differently across agencies and firms. Commissioner Simons noted that data for TDM programs uses a mix of new and old businesses for which it is harder to set up a trip reduction plan, but that this area is planned as a whole new development. He discussed with staff whether a viable alternative to a moratorium to achieve additional housing would be to maintain industrial zoning in the areas marked for potential residential until there is an application for a residential project and to then rezone it with a subsequent Environmental Impact Report (EIR). Director Ryan added that the Planning Commission could suggest that recommendation and that staff could discuss options with the property owners, which has not yet occurred. Commissioner Simons noted that housing should be considered for Peery Park despite the upcoming update to the Land Use and Transportation Element.

Vice Chair Rheume confirmed with Principal Planner Blizinski that an additional 0.9 million square feet is allowed under the current General Plan and includes approved and under construction projects, and confirmed that if the Peery Park Specific Plan (PPSP) is not approved developers would have to apply for a Use Permit for FARs above 35 percent and that the plan would lose various community benefits and improvements.

Commissioner Weiss discussed with Director Ryan whether there is a mechanism of protection to prevent a replay of the Town Center delay in Peery Park.

Chair Harrison opened the Public Hearing.

Mark Murray, with Lane Partners, said their proposed project at 520 Almanor is

planned to be 110 percent FAR and that lowering the maximum FAR in Peery Park would require a total redesign of the project.

Curt Setzer, Principal with Simeon Commercial Properties, said most current project applicants are in compliance with the Draft PPSP and that changes to it at this point would require redesigns of their projects and greatly increase expenses.

Ann Davis, Sunnyvale resident adjacent to Peery Park, said the plan does not protect or preserve the character of nearby neighborhoods. She recommended as a community benefit enhancing the landscaping just outside the eastern border of the PPSP and said contemplated pedestrian and bicycle connections at Ferndale and Duane Avenues are not needed.

John Cordes, SNAIL resident and member of the Sunnyvale Bicycle and Pedestrian Advisory Commission speaking on his own behalf, said additional housing should be considered to address the Citywide shortage, that approval of the plan means we cannot meet Climate Action Plan requirements and would cause additional pollution and thus health issues for neighbors. He recommended 40 percent TDM, intermediate caps for development, no on-street parking and better bicycle and pedestrian connectivity.

Mike Serrone, with the Sunnyvale Sustainable and Affordable Living Coalition, encouraged moving forward with the PPSP with alternatives for housing and more affordable housing.

Peter Larko, with JP DiNapoli Companies, said his company has a project within Peery Park that has been revised as the plan evolved. He encouraged approval of the PPSP.

Commissioner Klein verified with Mr. Larko that his project is proposed at 100 percent FAR and in zone 2.

Chair Harrison closed the Public Hearing.

Commissioner Olevson confirmed with Principal Planner Blizinski that currently proposed projects exceeding the plan that have not been approved or denied will be subject to the PPSP if adopted.

Vice Chair Rheaume discussed with Planning Officer Miner how the approval of the plan would be impacted if property owners are not interested in residential projects.

Commissioner Weiss and Director Pineda discussed options for enhanced landscaping on both sides of Mathilda Avenue, and confirmed with Planning Officer Miner that the Planning Commission could make a recommendation for additional landscaping a flexible community benefit.

Commissioner Klein discussed with Director Pineda why TDM is based on project size rather than FAR.

Chair Harrison verified with Principal Planner Blizinski that the southern activity center as currently proposed is mixed use with office above retail and no housing, and that a recommendation for additional landscaping on the east side of Mathilda could be added to the flexible benefits table.

Commissioner Simons confirmed with staff that the Alternatives include accepting the errata to the EIR and do not include the modifications to the FAR tables made during the previous hearing.

MOTION: Commissioner Simons moved to Recommend to the City Council Alternatives 1, 2, 3, 4, 5, 6 and 7:

- 1) Accept the errata to the EIR (Attachment 28) and find that none of the circumstances triggering recirculation of the EIR or subsequent environmental review have occurred under CEQA Guidelines Sections 15088.5 and 15162;
- 2) Adopt a Resolution (Attachment 3) to:
 - a. Amend the General Plan to Create the Peery Park General Plan Designation;
 - b. Update the General Plan Map to Reflect the Peery Park Plan Area;
 - c. Adopt the Peery Park Specific Plan, with Modifications (Attachment 7);
 - d. Adopt the Peery Park Specific Plan Community Benefits Table; and
 - e. Repeal the Southern Pacific Corridor Specific Plan Site 2;
- 3) Introduce an Ordinance (Attachment 4) 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); and,
 - 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;
- 4) Adopt a Resolution (Attachment 5) 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 Wastewater Infrastructure Fee;
 - b. Authorize the City to impose a Sense of Place Fee and Peery Park and Water

Infrastructure Fees on a project specific basis;

5) Make a Motion to Prioritize the Flexible Community Benefits as Recommended by Staff, with the following recommended modification:

a. Add to the table balanced and expanded landscaping along Mathilda Avenue;

6) Adopt a Motion in support the use of \$100,000 of City Funds to Provide a Portion of the Local Match for the Peery Park Rides Grant Program; and,

7) Direct staff to undertake the appropriate environmental analysis and community outreach and return to Planning Commission and City Council to consider whether the Peery Park Specific Plan should be amended to include additional housing opportunities, with the following recommended modifications:

a. Explore alternatives to add housing to the EIR, including maintaining industrial zoning for, or a potential moratorium on building in the Libby Can area, while allowing the southern activity center to develop as planned.

8) Recommend the BPAC modification to remove on-street parking; and,

9) Allow the proposed maximum FAR but require 40% TDM for the largest projects.

The motion failed for lack of a second.

MOTION: Commissioner Melton moved and Commissioner Olevson seconded the motion to Recommend to the City Council Alternatives 1, 2, 3, 4, 5, 6 and 7:

- 1) Accept the errata to the EIR (Attachment 28) and find that none of the circumstances triggering recirculation of the EIR or subsequent environmental review have occurred under CEQA Guidelines Sections 15088.5 and 15162;
- 2) Adopt a Resolution (Attachment 3) to:
 - a. Amend the General Plan to Create the Peery Park General Plan Designation;
 - b. Update the General Plan Map to Reflect the Peery Park Plan Area;
 - c. Adopt the Peery Park Specific Plan, with Modifications (Attachment 7);
 - d. Adopt the Peery Park Specific Plan Community Benefits Table; and
 - e. Repeal the Southern Pacific Corridor Specific Plan Site 2;
- 3) Introduce an Ordinance (Attachment 4) 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); and,
 - 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;
- 4) Adopt a Resolution (Attachment 5) 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 Wastewater Infrastructure Fee;
 - b. Authorize the City to impose a Sense of Place Fee and Peery Park and Water Infrastructure Fees on a project specific basis;
- 5) Make a Motion to Prioritize the Flexible Community Benefits as Recommended by Staff, with the following recommended modification:
 - a. Add to the table additional landscaping to the east side of Mathilda Avenue;
- 6) Adopt a Motion in support the use of \$100,000 of City Funds to Provide a Portion of the Local Match for the Peery Park Rides Grant Program; and,
- 7) Direct staff to undertake the appropriate environmental analysis and community outreach and return to Planning Commission and City Council to consider whether the Peery Park Specific Plan should be amended to include additional housing opportunities, with the following recommended modification:
 - a. Explore alternatives to add housing to the plan area in a timely manner to ensure it is reviewed prior to projects submitted in those areas.

Commissioner Melton said this project has been discussed at length and should be moved into the hands of the City Council. He said it was continued from a previous agenda and since that meeting he received clarity on the number of potential new jobs made possible by Peery Park and that only five percent of Peery Park can be

utilized as housing due to County land use restrictions and the Moffett airfield. He said asking staff to explore options for housing and adding the community benefit for additional landscaping on the east side of Mathilda allows him to be able to make the findings, and that he is comfortable with the maximum FARs and TDM levels as staff recommends.

Commissioner Olevson said the PPSP as a consolidated document was much clearer and did well in summarizing all the work that has been done in the last couple of years. He said he is disappointed that applicants with major projects in the area will not be grandfathered in but he suspects an appeal directly to City Council on specific projects might satisfy some of their needs. He said the Alternatives are clear and he is not comfortable changing them so dramatically from the dais.

Vice Chair Rheaume said he is supporting the motion and thanked staff for all of the work done on this project. He said he is comfortable with the proposed maximum FARs and TDMs and would like to see how the 35 percent TDM level works out for projects outside of Peery Park before increasing them elsewhere. He said the FARs as proposed provide the ability for more open space, and that Peery Park is unique and he does not want to use Moffett Park as a cookie cutter to shape Peery Park.

Commissioner Klein said he is reluctantly supporting the motion and that while he understands what staff is attempting to do with increasing heights and FAR levels they still worry him because they do not necessarily lead to open space and ultimately increase density on specific sites. He said he understands that there are a lot of tools put in place to reduce trips per site and to increase amenities, and that this is a good first step. He noted that there is a backlog of developers who have listened to staff over three years and waited long for approval, and that a large portion of what the plan is trying to entitle is each of these projects. He said we are foregoing the community benefits we were hoping to get when the plan was initially envisioned because some projects have already been approved within the last few years, and he is pleased to be taking a step back to achieve the right vision for amenities and housing in the area. He said he hopes staff can get the housing portion studied for the final recommendation to Council and he worries about whether Peery Park will be completely built out too quickly. He said the long term vision needs to be reevaluated, but that the tools put in place are flexible enough for developers to be able to meet the plan and TDM goals, which he wishes were higher. He said we need to get the plan moving forward so projects awaiting approval will feed into community benefits and meet green and TDM goals.

Commissioner Weiss commended staff on the work that has gone into the report, and said it is very promising for the future of Sunnyvale to have a far reaching plan rather than piecemeal development. She said it will be exciting to watch as various pieces become part of a whole integrated unit, that she can make the findings and she looks forward to staff coming back to us with a solid recommendation for how to add housing to the plan.

Commissioner Simons said he will not support the motion, and noted that the responsibility of the cost of TDM programs is on the owners of a project. He said the city is maxed out in terms of traffic, that adding a large number of people to one area will greatly increase traffic and that the cost also involves wear and tear on the streets. He said coordinating with a developer to reduce single occupancy traffic has benefits to residents and workers in the area, and that while there will be some improvements, they are not enough to counteract what is going on in this part of the city. He said if business goes down, the cost for mitigating extra traffic does as well, but that during times of prosperity we pay for infrastructure, road repair and maintenance. He said this is a long term issue and hopes the City can better concentrate on sustainability.

Chair Harrison said she supports the motion and that it is too bad that so many projects in Peery Park have gone forward without providing the community benefits we need, but to delay the plan any further would do the same. She said the plan makes TDM programs feasible as changes to the roadway and bike paths, the Transportation Management Association and shuttle stops make it possible to reduce trips.

The motion carried by the following vote:

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

No: 1 - Commissioner Simons