

3. [18-0787](#) **Proposed Project:** General Plan Amendment Initiation to consider an amendment to the Peery Park Specific Plan (PPSP) to increase the office/industrial development capacity and allow housing on the 10 parcels in the PPSP-Industrial Edge (IE) zoning district totaling 29.3 acres.
- Locations:** 400-840 W. California Avenue (165-26-009, 010, 011, 012, 013, 014, 016, 018, 019, 020)
- File #:** 2018-7576
- Applicant / Owner:** Skidmore, Owings, & Merrill LLP (applicant) / Steelwave LLC (owner)
- Environmental Review:** The project is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378 (a).
- Project Planner:** Amber Blizinski, 408-730-2723, ablizinski@sunnyvale.ca.gov

Commissioner Rheame recused himself due to the proximity of his property to the proposed project.

Principal Planner Amber Blizinski presented the staff report.

Assistant Director Andrew Miner commented on the project's potential given the proximity to Caltrain, the inclusion of residential development, and the qualifications of the applicant and architect. Assistant Director Miner provided information about current Planning staffing constraints due to the substantial amount of staff coordination, oversight and review that would be required for the proposed project. Assistant Director Miner noted that updates for four of the City's five major area plans are currently underway. Assistant Director Miner asked for feedback from the Planning Commission on land use issues for the proposed project.

Commissioner Harrison asked staff about the original expectation for the use of this parcel. Principal Planner Blizinski advised that early in the development of the Peery Park Specific Plan (PPSP) the expectation was for a higher density office and research/development but that staff's expectation shifted to a mixed-use development towards the culmination of the PPSP. Assistant Director Miner commented on the direction provided by the City Council to study the possibility of residential development in PPSP and that this site is one of the potential locations. Commissioner Harrison confirmed with Principal Planner Blizinski that this site is not near a Village Center. Assistant Director Miner provided information about completion dates for the updates to the City's area plans and estimated that staff would have availability to start this study in mid-2019.

Vice Chair Simons commented on two theories that the Planning Commission's decision could be based on anticipation of the City Council's preference or the incorporation of City staff limitations. Vice Chair Simons noted an opinion that the Planning Commission should prioritize what needs to be done and that City staff has operational authority based on staff availability. Assistant Director Miner commented on the expectation that if a General Plan Amendment (GPA) request is initiated that a formal application will be filed and the process will move forward. Assistant Director Miner reiterated staff's interest in obtaining land use input from the Planning Commission.

Commissioner Weiss asked staff if it would be helpful to include a timeline with Alternative 3. Principal Planner Blizinski stated that this feedback could be provided as part of Planning Commission's recommendation.

Commissioner Weiss asked staff if delaying this GPA request will allow another project to utilize the remaining PPSP reserve. Principal Planner Blizinski advised that the proposed project requires more than the remaining PPSP reserve and that the applicant would wait to make another GPA request. Commissioner Weiss commented on the jobs-housing ratio for the proposed project. Assistant Director Miner advised that a 1:1 ratio is not expected and provided information about the housing projects underway in the City. Principal Planner Blizinski stated that the PPSP area is primarily an employment center due to the nature of the land use and that along El Camino Real and the Lawrence Station Area Plan (LSAP) a substantial amount of housing is being developed.

Chair Howard discussed the GPI process with Assistant Director Miner. Chair Howard asked staff about the possibility of deferring a decision. Assistant Director Miner stated that this request should not be pushed to the next GPI hearing since the applicant has made the first request and that either all PPSP GPA requests can be studied together or this proposal can be included in a future study.

Chair Howard asked staff if the Denali Summit High School could be incorporated in the PPSP as part of a GPA. Assistant Director Miner commented that it could be part of their request and advised that there are limited areas where a school can be developed in the PPSP. Senior Assistant City Attorney Rebecca Moon commented that the Summit High School application does not require a GPA.

Chair Howard opened the Public Hearing.

Steve Dunn, representing Steelwave LLC, presented information about the proposed project.

Mark Schwettmann, representing Skidmore, Owings, and Merrill LLP, presented images and information about the proposed project.

Vice Chair Simons asked the applicant about the impact on the proposed project's viability if the start date is in 2019. Mr. Dunn advised that the project would have to be phased and timed with the termination of leases and noted that there would be a financial impact with a delayed start.

Vice Chair Simons asked the applicant about a pedestrian connection in the northwest area of the project. Mr. Schwettmann stated that they can work with staff to determine which access makes the most sense for a pedestrian connection while considering the streetscape along California Avenue.

Commissioner Weiss asked about ownership of the Caltrain overflow parking lot. Mr. Dunn stated that the City controls that parking area and that their goal is to make more connectivity through the site.

Chair Howard asked the applicant about tall buildings designed by Skidmore, Owings, and Merrill LLP. Mr. Schwettmann stated that they do design tall buildings but that their passion lies in sustainable, community buildings.

Jim Peterson, Sunnyvale resident, discussed his concerns with the impact of the Sunnyvale Business Park on parking and traffic. Mr. Peterson commented that the lot is not sufficient for the proposed number of units and stated his support for the staff recommendation.

Richard Mehlinger, speaking on his own behalf, noted his support for the proposed project and shared his concerns regarding parking, safety and the jobs-housing ratio. Mr. Mehlinger commented on the underground parking and requested improvements to the underpass pathway to Caltrain be studied. Mr. Mehlinger stated that staff's operational capacity should be taken into consideration.

James Enloe, Sunnyvale resident, stated his support for the proposed project and commented on the positive impact of the integration of residential development and transit. Mr. Enloe requested that the Libby Water Tower be relocated to the train

station for everyone to enjoy it.

Mike Serrone stated his support for the housing component of the proposed project and noted his preference for additional housing. Mr. Serrone noted his concern that decisions must be based on staff availability and stated an opinion that as such, housing projects should be prioritized over office projects.

Sue Serrone, Sunnyvale resident, stated her support of the staff recommendation and noted the benefit of studying the other PPSP parcels that are appropriate for housing. Ms. Serrone commented on her concern for the jobs-housing ratio in the City and asked about the development of the PPSP shuttle.

David Lowe, Sunnyvale resident, discussed his concerns regarding parking and commented on the change in work culture and the need for office buildings to accommodate many employees.

Mr. Dunn presented additional information about the proposed project.

Commissioner Harrison asked the applicant about maximizing the parcel as feasible for housing. Mr. Dunn stated that their preference would be an even mix. Mr. Schwettmann advised that there are overlay constraints and other issues but that it would be possible to increase the housing.

Commissioner Harrison asked the applicant about the possibility of moving the Libby Water Tower offsite and allowing shared parking on the site. Mr. Schwettmann commented on the challenge of accommodating parking for the dual uses onsite. Mr. Dunn advised that they would need to understand the implications of shared parking based on the study outcomes. Principal Planner Blizinski commented that Alternative 3 will study the amount of housing that would be feasible for the PPSP regardless of the applicant's proposal.

Chair Howard closed the Public Hearing.

Chair Howard commented that he would be inclined to support Alternative 3 with the understanding that the City Manager and City Council would decide staff priorities. Chair Howard stated an opinion that housing should be maximized within the PPSP and that the Planning Commission could suggest to prioritize GPA's based on the amount of housing. Chair Howard commented on the mention of the PPSP shuttle. Principal Planner Blizinski provided an update on the PPSP shuttle and noted that it

will likely launch in 2020. Assistant Director Miner stated that only two locations in PPSP can support housing and that the City Council provided direction to wait until the PPSP housing study can be developer funded.

MOTION: Vice Chair Simons moved and Commissioner Harrison seconded the motion for Alternative 4 – Initiate a General Plan Amendment study to consider an amendment of the Peery Park Specific Plan to study modified development capacity increases and/or modified properties to study, with a recommendation to consider current Planning workloads and delay the start of the study until the appropriate staff is available.

FRIENDLY AMENDMENT: Commissioner Harrison offered a friendly amendment to provide direction to staff for the PPSP GPA study as follows:

- Maximize housing within the PPSP;
 - Study the potential for additional commercial active uses close to the Sunnyvale Caltrain Station;
 - Include additional open space as warranted by the increased density;
 - Update the transportation plan, including a shuttle hub and shared Caltrain parking;
- and,
- Consider Public Facility needs given the increased density in the PPSP and the City.

Vice Chair Simons accepted the friendly amendment and requested that emphasis be placed on the quality of the architectural design.

Chair Howard thanked Commissioner Harrison for the housing component of the friendly amendment.

FRIENDLY AMENDMENT: Chair Howard offered a friendly amendment to study the implementation of a bike share or electro mobility (e-mobility) solution for the PPSP GPA study.

Vice Chair Simons discussed the friendly amendment with Chair Howard.

MODIFIED FRIENDLY AMENDMENT: Chair Howard offered a friendly amendment to study the implementation and promotion of a bike share or e-mobility solution that would not be managed by the City for the PPSP GPA study. Vice Chair Simons and Commissioner Harrison accepted the friendly amendment.

FRIENDLY AMENDMENT: Chair Howard offered a friendly amendment that the PPSP GPA study include a review of the continuity of bike routes for safety. Vice Chair Simons and Commissioner Harrison accepted the friendly amendment.

Vice Chair Simons requested to use the same language regarding the Bicycle Pedestrian Master Plan as was used for the Moffett Park Specific Plan (MPSP). Assistant Director Miner advised that staff can will include that language and provided an update about the City's new Bicycle Pedestrian Master Plan.

Vice Chair Simons commented that this GPA request is only to study the potential for housing intensification near a transit area. Vice Chair Simons stated an opinion that this is the right area for high density due to the Caltrain station and that high density will lead to more open space. Vice Chair Simons stated that a higher architectural quality will be required for building longevity. Vice Chair Simons commented on staff's workload due to the intensity of development in the City and noted that the City has historically done a great job of planning.

Commissioner Harrison commented that staff could not foresee that the development potential would be reached within two years of the completion of the PPSP but that it is now appropriate to revisit the PPSP. Commissioner Harrison stated that previously unavailable parcels can now be considered along with other factors such as the PPSP shuttle, bike sharing, parks and housing needs.

Commissioner Olevson commented on the need to be sensitive to staff's capacity and his appreciation of the proposal to examine the entire PPSP instead of one parcel. Commissioner Olevson noted that some PPSP projects were approved before the completion of the PPSP and as such the development capacity has been consumed. Commissioner Olevson stated that it is time to study the entire plan and take into consideration current resident experiences.

The motion carried by the following vote:

Yes: 5 - Commissioner Weiss
Chair Howard
Commissioner Olevson
Vice Chair Simons
Commissioner Harrison

No: 0

Absent: 1 - Commissioner Howe

Recused: 1 - Commissioner Rheume

Assistant Director Miner stated that this item goes to the City Council on November 13th, 2018.