

DETERMINATION BY PLANNING COMMISSION

Development Agreement between the City of Sunnyvale and STC Venture LLC (CityLine) and related entities: STC Venture Block B, LLC; STC Venture 200WA, LLC; STC Venture Block 3RWS, LLC, and STC Venture Block 6, LLC
Planning File #: 2020-7182

Pursuant to City Council Resolution 371-81, the Commission shall make a recommendation to the City Council including the Commission's reasons therefore and its determination of whether the development as described in the development agreement will be:

1. Consistent with the objectives, policies, general land uses and programs specified in the general plan and any applicable specific plan;

The Downtown Specific Plan will allow higher intensity development in the Downtown area with the use of incentives and community benefits. The vision for the downtown is for a variety of uses ... and the project is at the center of downtown (Commercial Core District) and will help connect various other major destinations such as historic Murphy Avenue, the Caltrain Station, and Plaza del Sol.

The proposed uses contribute to and enhance a mixed-use retail, office and residential setting. The project will implement the objectives of the plan by providing higher quality office space for existing Sunnyvale businesses or attract new businesses to the City. The project also includes elements to address high priority community objectives such as reducing greenhouse gas emissions (all electric appliances will be provided in the residential units), increasing housing opportunities (793 units), affordable housing at a range of affordability, and support of other downtown commercial uses and destinations through additional residents and additional businesses and their employees.

The project is in support of this goal in the Community Vision of the General Plan:

GOAL IX: Dynamic Downtown: To create and support a strong and attractive traditional downtown which serves as the community's central marketplace, common gathering place and symbolic center. The vitality and attractiveness of Sunnyvale are not reflected in its Downtown today. Vacant storefronts and a shuttered mall suggest a distressed community, lacking in positive identity. It is clear that both the desire of the public and the demand of the market are to recreate a traditional downtown of shops, restaurants, offices and residences, as a common gathering place, central marketplace and symbolic center for the City of Sunnyvale.

Specifically, the proposed development meets the following primary goals of Downtown Specific Plan:

- A. Establish the Downtown as the cultural, retail, economic, and entertainment center of the community, complemented by employment, housing, and a variety of transportation opportunities.
- B. Develop land uses in an attractive and cohesive physical form that clearly identifies Sunnyvale's Downtown.
- C. Protect and enhance the community character of existing neighborhoods, preserving distinctive neighborhood features.
- D. Expand the pedestrian-oriented character of the Downtown with enhanced access to parks, open space, plazas, and community and other public realm amenities.
- E. Promote a balanced street system that serves all users, prioritizing the needs of pedestrians.

2. Compatible with the uses authorized in, and the regulations prescribed for, the land use district in which the real property is located;

The project is located in the Commercial Core District of the Downtown Specific Plan. This district contains the most concentrated development in the Downtown, which is envisioned as a mix of high-intensity residential, office and commercial uses, combined with ground-level activity, plazas, and open space. The project adds residential, commercial and office uses to the Commercial Core. The Downtown Specific Plan states that "new retail, entertainment, office, and residential development in the Commercial Core district will further enhance the vitality of Downtown."

The project takes advantage of several programs that allow development intensity and height above the listed development standards in the Downtown Specific Plan. Additional housing and office development is allowable through a combination of incentives (additional housing through the provision of affordable units) and community benefits including contribution to a community benefit fund and the availability of public parking.

The proposed land uses (residential, commercial and office) are consistent with the commercial core character. Subsequent review of building design will assure consistency with all city development standards.

3. In conformity with public convenience and good land use practice;

The proposed use is consistent with the Downtown Specific Plan Commercial Core District. The project accomplishes a higher concentration and a mix of uses to support the vision for Downtown of "an enhanced, traditional Downtown serving the community with a variety of destinations in a pedestrian-friendly environment." The project further implements the following DSP goal and policies by providing a mix of uses, a publicly accessible open space, and a mix of affordability.

DSP GOAL A-1. A Mixed-Use Center. Establish the Downtown as the cultural, retail, economic, and entertainment center of the community, complemented by employment, housing, and a variety of transportation opportunities.

- **Policy A-1.1** Encourage a broad mix and scale of uses throughout the Downtown when consistent with the district character.
- **Policy A-1.2** Encourage a diverse housing stock with below-market-rate housing in all residential neighborhoods.
- **Policy A-1.3** Promote opportunities for small independent businesses and merchants by creating sites for independent retail and entertainment venues.
- **Policy A-1.4** Encourage the provision of space for small, new, emerging, and innovative businesses.
- **Policy A-1.5** Create vibrant public spaces for community gathering to encourage social interaction and a stronger sense of community.
- **Policy A-1.6** Increase programming of community and cultural events to provide more reasons to enjoy the Downtown.
- **Policy A-1.8** Where appropriate, allow for additional development beyond the base allowable development in exchange for amenities that benefit the community.
- **Policy A-1.9** Provide a variety of housing opportunities, including variation in affordability, size, and type of housing units.

DSP GOAL B-1. A Distinct Downtown for Sunnyvale. Develop land uses in an attractive and cohesive physical form that clearly identifies Sunnyvale's Downtown.

- **Policy B-1.1** Promote sustainable building design and infrastructure as a model for other districts in the City.
- **Policy B-1.3** Minimize construction impact on businesses and residents in the Downtown.

DSP GOAL B-2 Preservation of Existing Neighborhood Character. Protect and enhance the community character of existing neighborhoods, preserving distinctive features.

- **Policy B-2.1** Preserve and enhance the unique character of the Murphy Station Heritage Landmark District.
- **Policy B-2.3** Encourage intensification of the Downtown Core while maintaining and enhancing the character of the lower density neighborhoods surrounding the Downtown.
- **Policy B-2.4** Buffer lower density neighborhoods from higher density residential or commercial uses using lower building heights and privacy measures, such as increased landscaping and reduction in windows along elevations that directly face single-family properties.

DSP GOAL B-3. A Pedestrian-Oriented Environment. Expand the pedestrian-oriented character of the Downtown with enhanced access to parks, open space, plazas, and community and other public realm amenities.

- **Policy B-3.1** Re-establish and maintain the historic downtown street grid and continue to make enhancements to the pedestrian improvements.
- **Policy B-3.6** Create attractive, high-quality outdoor gathering spaces and pedestrian-oriented amenities that are vibrant, safe, and accessible and contribute to fostering a strong sense of community.
- **Policy B-3.7** Create well-activated ground floor street frontages by providing direct access to buildings from adjacent pedestrian paths and sidewalks.

4. Not detrimental to the public health, safety and general welfare;

The project will be consistent with all development codes to assure the site is safe. The DA will further implement the objectives of the DSP by providing a contribution to the Community Benefit Fund of up to \$10,632,040 which will be used to provide a variety of community facilities in the Downtown and Citywide. The project includes: a total of 88 Below Market Rate (BMR) Units affordable to a range of households (Very-Low Income, Low Income to Moderate Income Households); all electric appliances in the residential units natural gas shall be prohibited for such uses: privately owned and maintained and publicly accessible park space (approximately three-quarters of an acre) with City use of the space 16 times a year; operation of a winter-season ice rink or other recreational opportunity, as mutually agreed upon, for three (3) winter seasons; publicly available parking – about 345 parking spaces available the day and about 1,100 additional spaces available evenings and weekends; dynamic parking supply system to alert motorists to the number of available spaces in a garage and direct motorists to other public parking locations which will be interconnected to and coordinated with the existing public parking throughout Block 18; installation of LED Streetlights on public and private streets and Park Space; and designation of the City as the point of sale for California sales and use tax purposes during Project construction.

Once redevelopment occurs, the City will receive additional General Fund monies through construction permitting and the long-term increased property tax. The project will also contribute housing impact fees, transportation impact fees and park land dedication in-lieu fees to benefit current and future residents and businesses. The revenue will contribute to expansion and upkeep of city infrastructure and services. Mitigation fees will help implement city programs, such as affordable housing, to benefit community welfare and to address transportation improvements to improve transportation safety.

5. Of a beneficial effect on the orderly development of property and the preservation of property values;

The project concentrates growth in an existing urbanized area as infill development and thereby results in fewer impacts from the construction of new infrastructure. The provision of infill office and residential development is needed by the City and is anticipated under the Land Use and Transportation Element. The project will support existing and future downtown commercial and entertainment uses to help support a vibrant area. The project would not have a negative effect on property values in and around the downtown and overtime will preserve and enhance those values.

6. Consistent with the requirements of the resolution.

The DA has been reviewed by City staff and has been found to be consistent with the requirements of Resolution 371-81.