

Draft

DETERMINATION BY PLANNING COMMISSION

Post Entitlement Development Agreement (PEDA) between the City of Sunnyvale and Sunnyvale Partners Ltd

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 Lakeside Specific Plan allows a mixed use hotel and residential project, provides publicly accessible open space. One of the goals of the plan is to maintain a successful hotel that is an important part of the City's economy and business environment. The Lakeside Specific Plan is

The General Plan includes policy related to updating area plans as needed to keep up with new challenges in the community.

POLICY LT-14.2 Support the following adopted specialized plans and zoning tools, and update them as needed to keep up with evolving values and new challenges in the community: Downtown Specific Plan, Lakeside Specific Plan, Arques Campus Specific Plan, Lawrence/101 Site Specific Plan, Precise Plan For El Camino Real, Moffett Park Specific Plan, Peery Park Specific Plan, and Lawrence Station Area Plan.

Further, the General Plan describes the plan:

The Lakeside Specific Plan

This specific plan allows up to 47 dwelling units per acre of residential use and 263 hotel rooms near Lawrence Expressway and US Highway 101. Lakeside is designated Village Mixed-Use; however, it is a unique type of village due to the inclusion of a hotel as the primary commercial use and the limited amount of retail space.

This project, as amended, acknowledges that the hospitality industry suffered severe financial losses throughout 2020 and continues to suffer such losses into 2021 as a result of the global COVID-19 pandemic, which restricted “non-essential” travel and gatherings and caused Silicon Valley businesses to shift to remote work and virtual meetings; and

The proposed changes to Project affect the timing of construction of the Hotel and provide interim community benefits to the City until the hotel is built and in operation.

The City's goals for this site, as elaborated by both the City Council and The Lakeside Specific Plan can be summarized by the following:

- Create a landmark project that showcases the City at this important gateway site.
- Maintain a successful hotel that is an important part of the City's economy and business environment.
- Increase the City's supply of housing stock and improve the jobs/housing ratio.
- Residential should only be allowed if a high quality residential project is created.

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 the entire Lakeside Specific Plan area, all the uses contemplated in the Plan and will implement the objectives of the Plan to:

- Create a dynamic, economically viable hotel, residential development project that is beneficial to the City's economic base and that will complement the quality and high intensity character of the neighborhood and adjacent land uses and that will best utilize existing transportation infrastructure and access.
- Create housing that increases the diversity of unit types in tenure, type, size and location to permit a range of choice for all current residents and those expected to become city residents. The mix of these higher density units, both in terms of size and affordability, shall provide for a variety of future residents. The project shall expand the City's commitment to improving the jobs/housing ratio in the City.
- Create a place that encourages quality architectural and landscape design, that improves the City's identity, and that inspires creativity in utilizing opportunities to strengthen sensitive neighborhoods.

The residential under constructed and the future hotel will be consistent with the design and development standards of the Lakeside Specific Plan.

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

The proposed use is consistent with the Lakeside Specific Plan. The plan was to have the hotel and residential completed at substantially the same time, however due to other economic issues the hotel will take longer to complete. The Lakeside Specific Plan allows the City Council to authorize changes in the

hotel construction timing with the provision of alternative community benefits. All of the planned uses for the site will be developed.

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 PEDAs will provide interim community benefits and encourage the timely construction of the hotel, as envisioned by the Lakeside Specific Plan. The project guarantees contribution to the Community Benefit Fund of \$750,000 and contingent contributions to the Community Benefit Fund should performance timeframes for hotel construction not be met, up to a total of \$5,000,000. This funding will be used to provide a variety of community facilities, Citywide.

As part of construction permitting the City will receive additional General Fund monies through construction permitting. In the long-term the city will receive increased general fund revenue from property tax, transit occupancy tax and retail sales tax. The project will also contribute transportation impact fees which will benefit current and future residents and businesses. The revenue will contribute to expansion and upkeep of city infrastructure and services. Mitigation fees will help City 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 a mix of uses at this site, including hotel and residential uses is anticipated under the Land Use and Transportation Element. The project would not have a negative effect on property values in the Lakeside/Oakmead area, which uses include: residential development (apartments) to the west: hotel (Residence Inn) to the east: and restaurants, office, research and development uses to the south.

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.