



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

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File #: 15-0184, Version: 1

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### REPORT TO CITY COUNCIL

#### **SUBJECT**

**FILE #:** 2015-7353

**Location:** 1250 Lakeside Drive (APNs: 216-43-035 and 216-43-036)

**Proposed Project:**

**LAKESIDE SPECIFIC PLAN AMENDMENT INITIATION** Request to study a site layout change in the Lakeside Specific Plan by reversing the locations of the hotel and residential components.

**Applicant/Owner:** Wittek Development/ Aircoa Equity Interests, Inc.

**Project Planner:** Trudi Ryan (408) 730-7435, tryan@sunnyvale.ca.gov

#### **BACKGROUND**

The Lakeside Specific Plan was adopted by the City Council in 2005 to facilitate the development of a mixed use hotel and residential project for property located at 1250 Lakeside Drive in northeast Sunnyvale. It is different from other specific plans the City has adopted in that it pertains to one particular project rather than a particular area in the City. The original project, although entitled, was never built. The properties are currently vacant; the prior use was the Four Points Sheraton Hotel which was demolished in 2006. The current developer is interested in going forward with the development with the same uses and densities that were approved in the past, but would like to change the plan layout by reversing the location of the hotel and residential components. Because a Specific Plan was adopted for the project, modifying the site design requires a Specific Plan amendment.

A Specific Plan amendment is processed in the same manner as a General Plan amendment. The process begins with a written request from a property owner or applicant for approval to initiate the amendment. Initiation requests are heard on a quarterly basis through a recommendation from the Planning Commission and then action by the City Council. If the Council approves the initiation, a formal application for a Plan Amendment can be filed by the property owner/applicant. The applicant may also file a development project application and related items as applicable for concurrent processing. The City Council's direction is to consider the plan amendment separately from the development application; however, staff suggests that in this particular circumstance, the proposed plan amendment and project are integrally linked. Staff recommends that the Council consider both the plan amendment and development application concurrently.

On May 1, 2015, Wittek Development (Applicant) filed a request for approval to initiate an amendment to the land use plan layout for the Lakeside Specific Plan (LSP) (see Attachment 1), which consists of two parcels, totaling 8.83 acres. The property is east of a 750 unit apartment development, south of US Highway 101 and west of a Residence Inn hotel.

Staff recommends Alternative 1 to initiate a study to amend the Lakeside Specific Plan to change the

site plan, and Alternative 2 to allow the site development applications to be considered simultaneously with the Specific Plan Amendment.

The Planning Commission considered this item on June 8, 2015 and voted 7-0 to recommend Alternative 1 to study amending the Specific Plan, including a recommendation to have the study (if authorized) address the loss of significant sized trees. In a second motion, the Commission voted 4-3 to recommend Alternative 2 for simultaneous review of the Specific Plan Amendment and development applications. Dissenting commissioners did not feel the two items should be considered concurrently (see Attachment 3).

## **EXISTING POLICY**

### **Sunnyvale General Plan**

Goal LT-2 Attractive Community - Preserve and enhance an attractive community, with a positive image and a sense of place, that consists of distinctive neighborhoods, pockets of interest, and human-scale development.

Goal LT-3 Appropriate Housing - Ensure ownership and rental housing options in terms of style, size, and density that are appropriate and contribute positively to the surrounding area.

- **Policy LT-3.1** Provide land use categories for and maintenance of a variety of residential densities to offer existing and future residents of all income levels, age groups and special needs sufficient opportunities and choices for locating in the community.
- **Policy LT-3.2** Encourage the development of ownership housing to maintain a majority of housing in the city for ownership choice.
- **Policy LT-3.3** Maintain lower density residential development areas where feasible.
- **Policy LT-3.4** Determine appropriate density for housing based on site planning opportunities and proximity to services.

GOAL LT-4 Quality Neighborhoods and Districts - Preserve and enhance the quality character of Sunnyvale's industrial, commercial, and residential neighborhoods by promoting land use patterns and related transportation opportunities that are supportive of the neighborhood concept.

- **Policy LT-4.1** Protect the integrity of the City's neighborhoods; whether residential, industrial or commercial.
- **Policy LT-4.2** Require new development to be compatible with the neighborhood, adjacent land uses, and the transportation system.
- **Policy LT-4.3** Support a full spectrum of conveniently located commercial, public, and quasi-public uses that add to the positive image of the City.
- **Policy LT-4.4** Preserve and enhance the high quality character of residential neighborhoods.
- **Policy LT-4.5** Support a roadway system that protects internal residential areas from City-wide and regional traffic.
- **Policy LT-4.6** Safeguard industry's ability to operate effectively, by limiting the establishment of incompatible uses in industrial areas.
- **Policy LT-4.7** Support the location of convenient retail and commercial services (e.g., restaurants and hotels) in industrial areas to support businesses, their customers and their employees.

GOAL LT-6 Supportive Economic Development Environment - Sustain a strong local economy that contributes fiscal support for desired City Services and provides a mix of jobs and commercial opportunities.

### **Lakeside Specific Plan (LSP)**

The purpose of the LSP is to facilitate the development of a mixed use hotel and residential project for the 8.83 acre property located at 1250 Lakeside Drive in northeast Sunnyvale. The site is recognized as being of significant economic benefit to the City and to the implementation of adopted goals for housing and neighborhood sensitivity.

#### LSP Goals

- 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.

#### LSP Objectives

- 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.

### **ENVIRONMENTAL REVIEW**

The decision to initiate a General Plan study does not require environmental review under the California Environmental Quality Act (CEQA). However, the proposed Specific Plan amendment and associated project applications are subject to the provisions of CEQA. An Environmental Impact Report (EIR) was prepared for the original Specific Plan and project entitlements. It is expected that updated traffic impact analysis and air quality analysis will be required for this project; other studies may also be necessary due to changes in environmental conditions or regulations since the original project approval. These studies would inform whether a Subsequent EIR, Addendum or Negative Declaration is appropriate for the project.

### **DISCUSSION**

Amendments to the LSP may be approved upon finding that the amendment:

- Meets the intent of the Specific Plan's adopted goals and objectives; or
- Enhances the Specific Plan's ability to accommodate development needs without compromising its original goals and objectives; or
- Implements the goals and objectives of the Specific Plan or General Plan.

The applicant is proposing to build the same number of residential units and hotel rooms as allowed under the current plan with a revised site plan. If amended, the site plan would allow residential development on the west side, which would be closer to an existing residential apartment complex, and hotel development on the east side, which would be adjacent to another hotel development.

If the initiation request is approved, the applicant will be authorized to file a formal Specific Plan Amendment application as well as applications for a Special Development Permit (SDP) and Tentative Map (TM) for project approval. Staff would review the entire LSP, and not just the site plan, to assure internal plan consistency and to update provisions to reflect current policies. Under Council policy, the SDP and TM would be considered by the Planning Commission after the Council approves an amendment to the LSP. In this case, due to the unique nature of the LSP, which pertains to one property which is relatively small, Council may want to allow the Specific Plan amendment and project entitlements to be considered simultaneously.

### **FISCAL IMPACT**

There are no fiscal impacts associated with initiating a General Plan or Specific Plan Amendment study. All development processing and CEQA costs will be covered by the applicant.

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

Public contact was also made through posting of the Planning Commission agenda on the City's official notice bulletin board, on the City's website, and by the availability of the agenda and report in the Planning Division and in the Reference Section of the City's Public Library. Notices were sent to all property owners within 2,000 feet of the site (638 owners, see Attachment 2); and an email message with the notice was sent to the Lakewood Village and San Miguel neighborhood associations.

### **ALTERNATIVES**

1. Initiate a study to amend the Lakeside Specific Plan to change the land use site plan, including studying the loss of significant trees.
2. Allow the site development applications to be considered simultaneously with the Specific Plan Amendment.
3. Initiate a study to amend the Lakeside Specific Plan to change the land use site plan with a modified scope.
4. Do not initiate a study to amend the Lakeside Specific Plan.

### **RECOMMENDATION**

The Planning Commission and staff recommend Alternatives 1 and 2: Initiate a study to amend the Lakeside Specific Plan to change the land use site plan, including studying the loss of significant trees; and allow the site development applications to be considered simultaneously with the Specific Plan Amendment.

Staff finds that the Specific Plan Amendment study is appropriate because the proposed site layout

may better relate to the surrounding land uses. Staff also recommends considering the Specific Plan Amendment concurrently with the development applications since the primary amendments pertain to the site plan diagrams in the Specific Plan, which are appropriate to consider with the development applications.

Prepared by: Trudi Ryan, Planning Officer

Reviewed by: Hanson Hom, Director of Community Development

Reviewed by: Kent Steffens, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

### **ATTACHMENTS**

1. Applicant's Request Letter, dated May 1, 2015
2. Vicinity Map with 2000-foot mailing radius
3. Draft Planning Commission Minutes of June 8, 2015