



City of Sunnyvale

Agenda Item-No Attachments (PDF)

File #: 16-0201, Version: 1

REPORT TO COUNCIL

SUBJECT

Consider County Request to Site Modular Shelter Building on Parcel E at Onizuka

BACKGROUND

On September 29, 2015 (RTC 15-0857) Council issued a temporary license to the County allowing it to use City property located at "Parcel A" on the former Onizuka Air Force Station (AFS) for the four-month winter shelter season, which runs each year from the Monday after Thanksgiving until the end of March. With allowance for demobilization and the possible need to extend the operation of the shelter to accommodate an Inclement Weather Episode, the license agreement has a termination date of April 30, 2016 (Attachment 1).

In mid-January, to allow for proper transition time, City and County staff began discussing the demobilization and transition strategy for the Cold Weather Shelter from the Parcel A site. While discussions for next year's Cold Weather Shelter are beginning, along with the County's recent acquisition of a facility on Hamlin Court, at issue currently is the County's interest in securing a site to store its modular structure. The County has indicated that it would take two years to ready the Hamlin Court site for a longer term cold weather shelter use, if that is the final County determination of its use. The County recently inquired about the possibility of temporarily locating the modular structure on "Parcel E." This is entirely a decision of the City Council, and it has deliberated on this parcel in the past; however, staff is presenting the most current County request for additional dialogue on this site and presents policy considerations to add to the discussion. A map of the various parcels at Onizuka is provided in Attachment 2.

EXISTING POLICY

Council Policy 1.2.7

Acquisition, Leasing, and Disposition of City-Owned Real Property

In all real property transactions, consideration must be given to the City's near and long-term goals and the public benefit derived from the use. Using an approach that will best accomplish the City's objectives given the circumstances at the time should be the guiding principle. It is the City's policy to manage its real property assets to further City goals.

Moffett Park Specific Plan (MPSP)

Moffett Park General Industrial MP-I: The MP-I sub-district is intended for general industrial development at moderate Floor Area Ratio (FAR) due to its proximity to regional transportation facilities and transit services. The MPSP contemplated the long term use of the Onizuka property as a military parcel. In the event the site was no longer used for military purposes the plan allows a modest sized redevelopment as a research and development or office facility.

Onizuka Local Redevelopment Authority (LRA) Amended Redevelopment Plan

Citizen Advisory Committee (CAC) Reuse Objectives

- Seek development options which maximize “highest and best use” and the highest fair market value.
- Seek disposition and development which creates a highly visible and widely recognized “landmark class” facility design - identified with Sunnyvale, with an important City entryway, with Onizuka AFS and/or Silicon Valley.

The Redevelopment Plan identifies the preferred use for Parcel E to be uses consistent with the current MP-I zoning, excluding intensive office uses that would generate significant AM/PM peak hour traffic as determined by the City.

Housing Element Policy E.6

Participate in the County Collaborative on Affordable Housing and Homeless Issues to support its efforts to prevent and end homelessness. Facilitate and sponsor the provision of permanent supportive housing for homeless people. Support local service providers that offer facilities and support services to homeless individuals and families, and persons at risk of homelessness.

ENVIRONMENTAL REVIEW

The 2015 license agreement for Parcel A was determined exempt from the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Section 15304(e) related to minor temporary uses of land due to the limited duration of the term of operation (four months).

As additional information, any proposed use of Parcel E for the purpose of siting and/or operating a shelter would require additional CEQA review upon receipt from the County of a more definitive proposal for the use of Parcel E.

DISCUSSION

Earlier this year, County staff asked City staff if Parcel E might be available for storing the modular buildings after the cold weather shelter was closed. City staff indicated that the use of Parcel E was a City Council decision and encouraged the County to continue to explore options throughout the county.

On February 9, the north county City Managers received a letter (Attachment 3) from the County Office of Supportive Housing. The letter asks if the cities have any land or buildings that a) could be used for the cold weather shelter program in subsequent season(s), or b) be used to temporarily or permanently site the County-owned modular building currently being used as a shelter facility; and for Sunnyvale, whether the City is “open to the possibility” of siting the modular on Parcel E (on a short-term basis). It is not entirely clear from this letter whether the “short-term basis” means for the purpose of storing the modular facility until the County disposes of it or sites it at a new location, or if it means for the purpose of operating the shelter at this location in the next winter season and/or subsequent seasons. City staff has suggested to the County staff that they also explore the storage of the modular building at its Hamlin Court site, or other County property.

The City Council recently took action to fund and complete an appraisal of Parcel E to inform policy decisions related to the Civic Center Modernization project, but has not taken any action and pending is the outcome of the voter opinion poll (due April 2016). Additionally, Council has not yet had a

public hearing to determine its intended future uses of its remaining property (Parcels D and E) at Onizuka AFS, therefore staff has not yet been able to provide a response to the County's question.

The County's inquiry touches upon a number of important policy issues for Council's consideration:

Sunnyvale Public Lands for Public Use Act Initiative

A ballot initiative entitled the "Sunnyvale Public Lands for Public Use Act" will be on the November 8, 2016, General Municipal Election for voter consideration. On August 11, 2015, an Elections Code 9212 report was presented to Council that analyzed the potential impacts of the proposed initiative. According to the report, the vacant Parcel E is not currently being used for a covered purpose under the initiative and since that time the use has not changed. However, additional analysis would be warranted if the City allows additional uses not contemplated by the report.

There are two issues for Council consideration as this request is deliberated. First, it is unknown whether this ordinance will be approved by the voters and, if so, whether it would be enacted before any potential execution of a license agreement with the County for Parcel E. Second, the City Attorney's Office could review any Council inquiries relative to storage and/or, a cold weather shelter use at Parcel E to determine if the initiative, if passed, would result in this site being designated a "community service amenity" for purposes of triggering the initiative's voting requirements.

Current Condition of Parcel E

Foothill-De Anza Community College District is handling the demolition associated with the former buildings on Parcel E. Final site-work to clean up the demolition debris is still in progress with completion anticipated for May 2016. If the Council is interested in allowing use of the property prior to that date it may require a modification to the clean-up schedule for the property.

Civic Center Alternatives

Long term, Parcel E could be used for relocated City facilities and or any other strategic land use that the City Council determines. Alternatively the land could be sold to help finance a portion of the Civic Center modernization. The City Council recently received an appraisal for this site, along with a preliminary funding scenario for the Civic Center, and more information on voter opinion is pending for April 2016.

Highest and best uses of valuable public assets such as property

Parcel E is located just north of the State Route 237. Along with Parcel D, the combined site totals 4.6 acres and provides redevelopment opportunities that could benefit from its highly visible location. Higher intensity office development and hotel are uses that frequently look for high visibility locations. The City Council has not had a dialogue about the proposed short and long-term uses for this site, but did seek an appraisal in late 2015.

Current Site as Option

In accordance with the Council approved Development Agreement (DA) for the Moffett Place office project, the developer has agreed to provide an alternative site for a new fire station/public safety facility and to substantially fund and construct this facility. Once the new facility has been accepted by the City, a land swap would occur whereby the City would receive title to the alternative site, and the developer would receive title to Parcel A and the adjacent Fire Station No. 5 parcel. The new fire station is projected to be completed by the end of March, so the land swap could occur as soon as

the County vacates Parcel A.

County staff has also tentatively inquired whether some of its facilities could continue to be stored on Parcel A following the land swap. The County would need to initiate this discussion with the developer/future property owner. While staff has alerted the future property owner of this inquiry, City staff has not been party to any discussions that may have taken place regarding this possibility. The County's continued use of the site would need to be evaluated against the DA that the City has executed with the developer for delivery of the new fire station/public safety facility, which is conditioned on completing the land swap. Staff would also need to review the possible implications on the quit claim deed between the City and Air Force, which has approved the land swap and transfer of the fire station to the new site. If these issues are resolved, it is entirely the future property owner's decision on how to proceed with the County's request.

FISCAL IMPACT

The Onizuka property has significant value. Any action which might preclude the City from utilizing the property to its highest and best use consistent with the MPSP and the adopted Local Reuse Authority (LRA) plan for the property could have long range impacts on the City's future resources. If the property is retained for public use there will be no property tax or other business related income. However, use of the property for City services could reduce the cost of land acquisition in other locations.

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.

ALTERNATIVES

1. Provide response to County inquiry regarding Parcel E.
2. Provide other direction to staff.

STAFF RECOMMENDATION

Alternative 1: Provide response to County inquiry regarding Parcel E.

The County has requested a response to this question as soon as possible so that it can make arrangements for timely removal of the modular building from Parcel A.

Prepared by: Suzanne Ise, Housing Officer

Reviewed by: Trudi Ryan, Director, Community Development Department

Reviewed by: Tim Kirby, Acting Director, Department of Finance

Reviewed by: Hanson Hom, Assistant City Manager

Reviewed by: Walter C. Rossmann, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. 2015 License Agreement for Onizuka Parcel "A"
2. Onizuka Map

3. County Letter dated February 9, 2016