



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

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File #: 16-0358, Version: 1

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### REPORT TO CITY COUNCIL

#### **SUBJECT**

**File #:** 2015-7275

**Location:** 1111 Lockheed Martin Way (APNs: 110-01-036 and 110-01-038)

**Proposed Project:** Discussion and possible actions on related applications for a 47.4 acre parcel at 1111 Lockheed Martin Way:

**SPECIFIC PLAN AMENDMENT** for two parcels from Moffett Park General Industrial (MP-I) to Moffett Park Transit Oriented Development (MP-TOD) and associated text changes;

**REZONING** Introduction of an Ordinance to Rezone two parcels from MP-I (Moffett Park Industrial) to MP-TOD (Moffett Park Transit Oriented Development).

**ENVIRONMENTAL DOCUMENT:** Subsequent Environmental Impact Report.

**Applicant / Owner:** Jay Paul Company/ Lockheed Martin Corporation

**Staff Contact:** Margaret Netto, 408-730-7628, [mnetto@sunnyvale.ca.gov](mailto:mnetto@sunnyvale.ca.gov)

#### **REPORT IN BRIEF**

**Current General Plan:** Moffett Park General Industrial (MP-I)

**Proposed General Plan:** Moffett Park Transit Oriented Development (MP-TOD)

**Existing Zoning:** Moffett Park Industrial (MP-I)

**Proposed Zoning:** Moffett Park Transit Oriented Development (MP-TOD)

**Existing Site Conditions:** 924,500 square feet of office for Lockheed Martin

#### **Surrounding Land Uses**

**North:** Office (Lockheed Martin)

**South:** Office (Google)

**East:** Office (Juniper Networks)

**West:** Office (Moffett Towers- various tenants)

**Issues:** Land Use Compatibility and Traffic

**Staff Recommendation:** Certify the Subsequent Environmental Impact Report, Make the Findings Required by CEQA and Adopt a Statement of Overriding Considerations and Mitigation Monitoring Program, Amend the Moffett Park Specific Plan to change the land use designation at 1111 Lockheed Martin Way, Lots 2 and 4 from Moffett Park General Industrial (MP-I) to Moffett Park Transit Oriented Development, Introduce an Ordinance to Rezone the site to Moffett Park Transit Oriented Development.

#### **PROJECT DESCRIPTION**

A program level Environmental Impact Report (EIR) was prepared for the Moffett Park Specific Plan (MPSP) in 2003. The purpose of the program-level EIR was to inform the public agency decision-makers and the general public about the proposed MPSP and any potential impacts that may be associated with the planning and subsequent implementation of the Specific Plan.

For purposes of this project, a Subsequent EIR (SEIR) was prepared. The SEIR discusses the environmental impacts of the proposed Specific Plan Amendment, Rezoning and the proposed related development project.

The SEIR includes a description of the proposed development, but the project approval is not being considered with this staff report. If the SEIR is certified and the related General Plan and Zoning Amendments are approved, a Moffett Park Special Development Permit application for site and architectural review and a Development Agreement will be considered separately.

### **Overview of Project, Site and Environmental Document**

The following is a brief overview of the project that will be reviewed in June. The project will include demolition of 924,500 square feet of research and development office on a 47.4 acre site and construction of five new eight story Class A office buildings, a two story amenities building (for a total of 1,651,795 square feet), two four story parking structures, one five-story parking structure and surface parking (totaling 5,340 parking spaces). The buildings are oriented to surround two large landscaped common spaces to accommodate active and passive recreation on site. Each office building would have the same design and building height. Each eight-story office building totals 320,359 square feet of gross floor area with footprints of 40,045 square feet. -

The campus development would be centered around the proposed 50,000 square foot amenities building (included in the approximately 1.65 million square feet project total) which includes a fitness center, café, and extensive outdoor facilities including a pool and sports court. One of the 4 level parking structures would have an approximately 2 acre “High Garden” on the rooftop which includes vegetated areas, passive open space areas, running track, and picnic and seating areas. The project would include special parking for vanpools, carpools, electric vehicles, and spaces for shuttle stops. Bicycle parking would be provided at each building.

### **MPSP Changes**

The proposed Moffett Towers II would require the following modifications to the existing 2004 MPSP:

- Text amendment to allow two parcels currently zoned as Moffett Park Industrial (MP I) to be rezoned to Moffett Park Transit Oriented Development (MP TOD).
- Amendment of the Specific Plan to allow the base density of the existing MP I parcels to increase from a 35 percent to 50 percent. Through the standard Moffett Park green building bonus, properties zoned MP-TOD can achieve up to 70 percent Floor Area Ratio (FAR).

### **Green Building**

Projects in Moffett Park can increase FAR by 15 percent (MP-I) or 20 percent (MP-TOD) by achieving LEED Gold with USGBC certification. In addition, projects can increase FAR by another 10 percent by achieving LEED Gold with USGBC certification and a Major Moffett Park Special Development Permit (reviewed by City Council) demonstrating the project incorporates additional green/sustainable development features.

The applicant proposes 80 percent FAR by incorporating additional green building incentives through the City’s Green Building Program. The additional 10 percent FAR will be considered by City Council as part of the Moffett Park Special Development Permit. The application includes designing the

Project to meet LEED Platinum standards and new state energy requirements with regard to building materials and the design of the project which includes proximity to public transit and water efficient landscaping.

### Development Reserve

The primary land use tool available for implementing the vision of the MPSP of redeveloping as a high technology office and R&D area with smart growth principles is the Development Reserve. The Development Reserve sets aside square footage that is available on a first come/first serve for individual projects within the MP-I (except military parcels) and MP-TOD. Approved access to the reserve allows a project to exceed the base FAR for the site up to the maximum allowable zoning. For example, a parcel with a base FAR of 50 percent (i.e., MP-TOD) may potentially build an additional 20 percent FAR for one level of green building and a further 10 percent for another level of green building, for a total of 80 percent FAR. The additional square footage above 50 percent FAR would be subtracted from the MPSP Development Reserve.

The MPSP was adopted with a total build-out of 24.33 million square feet, with a base zoning square footage of 18.89 million square feet. This left approximately 5.44 million square feet to achieve maximum build out. The 5.44 million square feet was defined as the MPSP Development Reserve and has been made available to applicants on a first-come first-serve basis.

At this time, the remaining Development Reserve is approximately 1,241,960 square feet. The Moffett Tower II project proposal would take 727,000 square feet of the reserve, for a balance of 514,960 square feet. There are two other projects pending that would request portions of the development reserve: NetApp and a project at 1184 N. Mathilda. If the reserve is used for those projects, the remaining balance will be 266,701. Once the development reserve is depleted, an option for exceeding the base FAR would be the transfer of development rights-TDR (i.e., purchasing the rights from another site where an owner does not want to use the entire base zoning).

### Environmental Document

The development application is for an increase in the allowable development intensity for a portion of the MPSP area controlled by the applicant. The purpose of the SEIR is to provide project-specific subsequent environmental impact analysis in light of current conditions, circumstances, and new information that was not available and not analyzed in the previously certified MPSP EIR.

## **BACKGROUND**

On February 10, 2015, the City Council initiated a study to amend the Moffett Park Specific Plan to change the land use designation for a 47.4-acre site at 1111 Lockheed Martin Way, Lots 2 and 4, from Moffett Park General Industrial (MP-I) to Moffett Park Transit Oriented Development (MP-TOD). The two parcels currently contain 924,500 square feet of building space, which is a floor area ratio (FAR) of approximately 45 percent.

Surrounding land uses include the applicant's Moffett Towers to the west and south, Technology Corners office campus to the south (same owner; occupied by Google), Juniper Networks to the east, and the Lockheed Martin facility to the north.

Applicant is proposing to demolish the existing buildings and construct a project with approximately 1.65 million square feet of Class 'A' office space. This would result in a FAR of 80 percent, which is the maximum allowed under the MP-TOD district using both the Moffett Park and the Citywide Green

Building incentives.

The General Plan is the primary policy that guides the physical development of the City. The General Plan contains long-term goals and policies for the next 10-20 years and strategic actions for the next five to 10 years. Primary goals and policies pertaining to office and industrial development that are relevant to the Moffett Park Specific Plan (MPSP) are included in Attachment 8.

## **DISCUSSION**

### **ENVIRONMENTAL REVIEW**

The SEIR is an informational document that describes the significant environmental effect of the project, identifies possible ways to minimize the significance of the effects and discusses reasonable alternatives to the project to avoid reduce or minimize environmental impacts. The purpose of this review is to determine if the analysis in the SEIR is adequate. It is not the purpose of the SEIR to recommend either approval or denial of the project.

The SEIR to be considered at this public hearing includes the Draft Subsequent Environmental Impact Report (DSEIR) and the Final SEIR (FSEIR). The FSEIR includes the written comments received during the 45-day public review period and oral comments at the Planning Commission public hearing, the responses to those comments, and any other clarifications or corrections to the DSEIR. Comments received from the public are fully addressed in the FSEIR document.

On June 26, 2015, a Notice of Preparation for the SEIR was prepared and mailed to neighboring cities, the State, and other public agencies, and surrounding property owners requesting their input on the scoping of the SEIR.

<b>Milestone</b>	<b>Dates</b>
Notice of Preparation	June 26, 2015
EIR Scoping Meeting	July 16, 2015
Notice of Availability of DSEIR (45-day public review period)	December 28, 2015-February 12, 2016
Planning Commission Public Hearing for Comments on DSEIR	February 8, 2016
Final SEIR minimum 10 public review	March 23, 2016
Planning Commission Public Hearing (recommendation to City Council)	April 11, 2016
City Council Public Hearing (Certification of SEIR)	April 19, 2016

*Areas of potential impact analyzed in the SEIR include the following:*

• Aesthetics	• Air Quality
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• Biological Resources	• Cultural Resources
• Geology and Soils	• Greenhouse Gas Emissions
• Hazards and Hazardous Materials	• Hydrology/Water Quality/Flooding
• Land Use and Planning	• Noise
• Public Services, Utilities, and Service Systems	• Recreation
• Transportation and Traffic	

### Scoping Meeting on the Environmental Impact Report

A scoping meeting is required under CEQA for public agencies. Members of the general public were also invited. The scoping meeting is intended to allow the community to provide direction on the issue to be addressed in the SEIR. This meeting was held on July 16, 2015 in the City Council Chambers. One member of the public attended the scoping meeting and did not offer any comments.

### Notice of Availability

The DSEIR was issued for public review and comment on December 28, 2015. The DSEIR was mailed to the appropriate agencies and neighborhood groups. Copies were placed at the Sunnyvale library, the One-Stop Permit center and the Community Center. Notices of availability were mailed to property owners within 2,000 feet of the project area. During the 45-day review period that followed, members of the public and other agencies could submit written comments on the DSEIR. The public review period and comment period closed on February 12, 2016.

Three letters were received from public agencies and no letters were received from the general public during the review period. Three Planning Commissioners commented on the formatting of the DSEIR during the public hearing on February 8, 2016.

### Significant Impacts identified in the SEIR

The SEIR determined that the project would or could possibly cause significant impacts in these areas:

- Aesthetics
- Air Quality
- Cultural Resources
- Geology and Soils
- Land Use
- Noise
- Hazards and Hazardous Materials
- Public Services and Utilities
- Transportation and Traffic

Significant environmental impacts of the proposed project would be reduced to a less than significant level with the implementation of mitigation measures identified in the SEIR for all impacts except construction air quality and cumulative plus project traffic impacts. Mitigation measures would be incorporated into the Conditions of Approval for the Special Development Permit of the project. The SEIR also includes analysis of cumulative impacts. As defined by CEQA, cumulative impacts refer to

two or more individual effects, which when combined, are considerable or which compound or increase other environmental impacts.

### **Significant and Unavoidable Impacts**

A significant unavoidable impact is an impact that cannot be mitigated to a less than significant level if the project is implemented as it is proposed. This SEIR identified the following areas where, after the implementation of feasible/mitigation measures, the project may result in impacts that cannot be fully mitigated:

- Construction Air Quality Impacts
- Cumulative Plus Project Traffic Impacts

#### *Air Quality Impacts*

The project would demolish the existing buildings onsite and develop approximately 1.65 million square feet of office space in a campus development over 47.4 acres. Demolition would include the removal of approximately 633,745 square feet of office and R&D space. Earthwork would require 68,022 cubic yards of cut and 68,869 cubic yards of fill, with a total of 847 cubic yards of soil to be imported. Construction would occur in one phase (approximately three years), with the greatest amount of fugitive dust emissions being generated during the initial stage of project construction due to the application of architectural coatings. With implementation of construction mitigation measures emissions would be reduced to a less than significant level however, ROG (reactive organic gases) would remain significant and unavoidable for construction year 3; and NO<sub>x</sub> (mono-nitrogen oxides) emissions would remain significant and unavoidable for construction years 1, 2, and 3.

#### *Cumulative Plus Project Traffic Impacts*

The cumulative analysis provides a long-term projection (Year 2025) of the traffic operations within the project study area and summarizes the potential long-term transportation related impacts associated with the project. The project would have significant impact on the following intersections in the Cumulative Plus Project Scenario:

- N. Mathilda Avenue/Innovation Way: PM peak period

The Mitigation Measure for the intersection includes the applicant paying a fair share for managed traffic control project. However, because the City's project to develop a fully coordinated and interconnected managed traffic control system along Mathilda Avenue is an unfunded project and implementation of this project may not mitigate this impact. Therefore, potential impacts remain significant and unavoidable.

### **Key EIR Topics**

#### **Aesthetics**

Visual impacts were evaluated using a combination of a site reconnaissance, review of photo documentation and aerial photographs, and a review of existing policy documents (e.g., City of Sunnyvale General Plan).

The analysis indicates that project implementation could increase the amount of light and glare in the project site, as it would increase the amount of development within the project site compared to

existing conditions. It is anticipated that project lighting would include exterior wall-mounted light fixtures and lighting within the onsite surface parking areas to ensure public safety and safe pedestrian and vehicular circulation. The amount of glass on the building facade could generate significant glare as result of reflecting sunlight. To ensure that impacts related to light and glare are reduced to levels considered less than significant, the proposed project would adhere to existing City policies for community design and aesthetics, and would require implementation of the lighting guidelines as defined in Chapter 5, *Development Regulations*, of the MPSP. Moreover, the project would be required to implement Mitigation Measure 4.1-3a, which requires all exterior windows and glass used on building surfaces to be non-reflective or treated with a non-reflective coating, as well as Mitigation Measure 4.1-3b, which requires the lighting plan to locate all lighting in such a manner that it cannot be mistaken for airport approach or runway lights by pilots.

#### Air Quality

Air Quality impacts were measured based on the traffic trips resulting from a project, project operations, and the extent and duration of construction. Project construction would violate an air quality standard. As a required mitigation measure, implementation of the Basic Construction Mitigation Measures would be required. However, as noted above construction would occur in one phase (approximately three years), with the greatest amount of fugitive dust emissions being generated during the initial stage of Project construction. Additionally, the greatest amount of ROG emissions would typically occur during the final stage of construction due to the application of architectural coatings as noted above. Implementation of Basic Construction measures would reduce emissions to a less than significant level for PM<sub>10</sub> and PM<sub>2.5</sub> but would still remain significant and unavoidable for ROG (as noted above).

#### Cultural Resources

Cultural resources impacts are based on the disturbance of subsurface resources and/or the loss of historic structures resulting from a project. The study examines prehistoric and historic resources whether historic resources are disturbed. The analysis notes the project would have an impact on historic resources, archeological resources and paleontological resources. The study includes mitigation measures to ensure proper documentation and recordation of the existing buildings on-site and any unknown subsurface cultural materials, should they be discovered during any ground disturbing activities.

#### Geology and Soils

A geotechnical investigation was conducted by TRC in 2014. The investigation was performed to evaluate the geologic and subsurface conditions and to provide geotechnical recommendations for design of the proposed project. The analysis notes the project could expose people or structures to potential adverse effects involving strong ground shaking or unstable soil as a result of construction. With implementation of the recommendations from the project geotechnical report, the impacts would be reduced to less than significant.

#### Land Use

Land Use impacts are based on the project's consistency with applicable land use plans, goals, and policies included in the City's General Plan and the MPSP, and also address land use compatibility issues. The proposed development of a corporate campus consisting of five new eight-story office buildings, a two-story amenities building, surface parking and two- four-story parking structures and one five-story structure would be compatible with the Moffett Federal Airfield CLUP height and tall structure compatibility policies, as the proposed structures would not exceed the maximum allowable

height at the project site of 182 feet above MSL (mean sea level), as specified by Federal Air Regulations Part 77. As a condition of development approval, the project applicant shall dedicate an aviation easement to the County of Santa Clara.

### Noise

The noise impacts are based primarily on the exposure of sensitive receptors to unacceptable noise levels and increases in ambient noise levels. The analysis indicates a significant impact would be anticipated under project construction. Project construction could cause an increase in ambient noise levels in the vicinity above levels without the project due to operation of heavy equipment during construction. Construction noise mitigation is required prior to demolition or grading.

### Hazards and Hazardous Materials

Phase I Environmental Site Assessment (ESA) was conducted for each parcel of the proposed project site by Farallon Consulting in April 2014. A subsequent Phase II ESA was completed by Farallon Consulting in August 2014. The analysis indicates due to the age of the buildings, there is a potential exposure to asbestos-containing materials and lead based paint. A Hazardous Building Materials Survey and Abatement is required prior to demolition of each building.

### Transportation and Traffic

The transportation impact analysis (TIA) was prepared by Kimley Horn. Impacts described in Section 4.13 of the Draft SEIR were based on the net increase of trips for the proposed project as well cumulative project conditions. The existing roadwork consists of regional and local access. Regional access to the project site is provided via US Highway 101.

Under both Background Plus Project Conditions, and Cumulative Plus Project Conditions, the project would contribute to four intersections currently operating at Level of Service (LOS F), by increasing the average critical delay and increasing the volume-to-capacity ratio above acceptable limits. Impacts related to these four intersections are considered less than significant with mitigation incorporated. The addition of project traffic would result in significant impacts to identified freeway segments that would be mitigated with fair share contributions to planned freeway segment improvements. Cumulative traffic impacts at the N. Mathilda and Innovation Way intersection would remain significant and unavoidable.

### Public Service and Utilities

Utilities and service system impacts are primarily based on the ability of existing infrastructure and/or a service provider to support a proposed development, in light of existing and planned growth.

The proposed corporate campus would increase the demands placed on the Sunnyvale Department of Public Safety Fire Services and the City of Sunnyvale Police Services Bureaus, potentially affecting response times and coverage ability. Moreover, the introduction of the corporate campus could indirectly induce student population growth through the addition of new jobs that would attract new residents to the area.

Concurrent with project entitlements, the applicant will enter into a Development Agreement with the City of Sunnyvale regarding the addition of public safety personnel to the City.

### SEIR Mitigation Monitoring

A mitigation monitoring and reporting program for significant impacts is required by CEQA to ensure



implementation of all mitigation measures. A monitoring program identifies the mitigation measure, who is responsible for implementation, monitoring schedule and who is responsible to do the monitoring for each site. All of the monitoring responsibilities for the development will be handled by the City of Sunnyvale through its Community Development, Public Works, and Public Safety Departments. The Mitigation Monitoring and Reporting Program can be found in Attachment 6 to this report and will be incorporated into the Recommended Conditions of Approval under the Environmental Mitigation Measures section.

### **CEQA Alternatives**

CEQA also requires the consideration of Project Alternatives as a way to reduce the impacts of the project. The CEQA Guidelines specify that an EIR identify alternatives that “would feasibly attain the most basic objectives of the project but would avoid or substantially lessen many of the significant environmental effects of the project.” Section 6 of the DSEIR provides further analysis of the alternatives. This section of the DSEIR considers the following three alternatives.

1. **CEQA Alternative 1: No Project** This alternative assumes that the proposed project is not implemented and the environmental impacts identified in the SEIR would be avoided. The existing space could be rented out and the buildings would remain in place. The No Project Alternative would not meet some of the guiding principles and objectives of the Moffett Park Specific Plan. Specifically, it would not develop additional Class A office space (Guiding Principle 1.0). It would not focus areas of higher intensity development in areas adjacent to public transportation facilities (Guiding Principle 5.0). Nor would it result in the construction of an energy efficient building (Guiding Principle 10) or provide a higher intensity building within close proximity to LTR and transit stations (Objective LU-6).
2. **CEQA Alternative 2: Existing Specific Plan (0.60 FAR) Alternative**  
This alternative assumes that the project is developed, but that the intensity is limited to the existing maximum of 60 percent Floor Area Ratio (FAR) for parcels that are zoned MP-I. Alternative 2 would result in the same development of the project site with a corporate campus similar to the proposed project. All features would remain the same as the proposed project including the site layout, access, number of buildings and parking, green building techniques, landscaping, etc., with the exception that the amount of gross building area would be reduced from 1,651,795 square feet as proposed by the project to a total of 1,238,846 square feet. The reduced project alternative would essentially result in the same significant and unavoidable impacts as the proposed project.
3. **CEQA Environmentally Superior Alternative**  
An EIR is required to identify the Environmentally Superior Alternative from a range of feasible alternatives evaluated in the EIR. Section 5.6 concludes that Alternative 2 is the “environmentally superior alternative,” as it would reduce some of the proposed Project’s potentially significant impacts. Chapter 5.6 also notes that, although Alternative 2 is environmentally superior, it would essentially result in the same significant and unavoidable impacts as the proposed project. However, Alternative 2 would provide the greatest reduction in potentially significant environmental effects when compared to the proposed project.

### **Comments on the DSEIR**

Staff received two comments from public agencies regarding the Draft SEIR, one letter from an environmental organization, and no comments from the general public. These comments with responses are included in the Final SEIR.

The California Department of Transportation (Caltrans), and Santa Clara Valley Transportation Authority (VTA) provided comments regarding the TIA. Clarifications were provided regarding the scope, data, and mitigation required for the project. Comments from the Sierra Club and Audubon Society include comments on the City's Bird Safe Guidelines and the creation of additional vehicle trips that contribute to pollutants in the air.

### **Determination of Adequacy**

The "rule of reason standard" is applied to judicial review of EIR contents. The standard requires that an EIR show that an agency has made a good-faith attempt at full disclosure. The scope of judicial review does not extend to correctness of an EIR's conclusion, but only the EIR's sufficiency as an informative document for decision-makers and the public. Legal adequacy is characterized by:

- All required contents must be included;
- Objective, good-faith effort at full disclosure;
- Absolute perfection is not required;
- Exhaustive treatment of issues is not required;
- Minor technical defects are not necessarily fatal;
- And Disagreement among experts is acceptable.

### **Environmental Review Staff Comments:**

Staff finds that the proposed Final SEIR, consisting of the Draft SEIR (incorporated by reference), comments received on the Draft SEIR, responses to those comments, and a list of persons and public agencies commenting on the Draft SEIR, meets the requirements of CEQA both in content and format. The Draft and Final SEIR documents and technical appendices can be viewed online at:

[<http://sunnyvale.ca.](http://sunnyvale.ca.gov/)

Should it be determined that the SEIR is not adequate, the Planning Commission or City Council may state those areas of discussion where the document is deficient and recommend that additional analysis be prepared prior to certification. Any changes to the mitigation measures in the SEIR may affect the accompanying determination of significance. The deletion or alteration of a mitigation measure may result in a determination of a significant unavoidable impact where a less than significant impact was determined as originally mitigated. If a mitigation measure is changed that creates a significant unavoidable impact, a Statement of Overriding Considerations will be required and a new hearing will have to be conducted. No project related actions shall be taken until the Final SEIR is certified. As noted earlier, certification of the SEIR does not approve or deny any element of the project or related development proposals.

### **Environmental Public Contact:**

All public notification procedures for the SEIR were followed. The SEIR was distributed to the State Clearinghouse and other required and adjacent agencies on December 28, 2015 for a required 45-day public review period. A Notice of Availability of the SEIR was sent to property owners within 2,000 feet of the project area on December 28, 2015. A public hearing on the Draft SEIR was held with the

Planning Commission on February 8, 2016.

### **SPECIFIC PLAN AMENDMENT**

The subject site is located within Moffett Park Specific Plan and currently has a land use designation of Moffett Park General Industrial (MP-I).

The applicant is requesting to change the land use designation to Moffett Park Transit Oriented Development (MP-TOD). The requested change would increase the existing allowable FAR range of 35-50 percent to a range of 50-70 percent FAR. An additional 10 percent FAR may be achieved through the City's Green Building incentive.

Amendments to the MPSP will include revisions in several areas and modification to the Land Use Map (Exhibit 2-5), the Transit Core Radius Map (Exhibit 2-6) and the MPSP and Former Future Futures Site "E" (Exhibit 7-1). The maps are included with the General Plan Resolution as Exhibits in Attachment 3.

Section 2.4 Land Use of the MPSP outlines criteria for the location of the MP-TOD land use designation. The criteria developed with the 2003 plan were based on a one-quarter mile radius from light rail transit (LRT) stations to focus higher density development within walking distance of the light rail corridor. In 2006 and again in 2013, this section was modified to include additional siting criteria that were used for the Moffett Towers and Moffett Place projects. The MP-TOD subdistrict boundaries include properties that comply with the following criteria:

Parcels zoned MP-I and located within one-quarter mile of a current light rail station, as measured from an averaged center point of the station; or a property that is designed as a cohesive office/R&D campus with a property that has direct access to the light rail station and provides on-site amenities that serve the entire campus proposal, including pedestrian features that overcome any physical barrier and help reduce the dependence on automobiles.

Parcel boundaries that are legally recorded, tentative map application has been received, or for which a lot line adjustment application has been submitted to the City of Sunnyvale. The City may consider separate parcels if they are part of a comprehensive campus development. The City may impose additional conditions to ensure the campus development remains enact through the life of the project.

The proposed amendments are consistent with the goals and objectives of the MPSP in that they allow the opportunity for additional Class A campus development within easy walking and bicycling distance of a two LRT stations (Lockheed Martin station is to the east and Moffett Park station is to the south). Developments associated with an amendment will be required to provide connectivity to LRT stations, if segments are missing or deficient. On-site amenities will also be required to further reduce the number of vehicle trips to and from a site by providing a cafeteria, gym and other personal services for the tenants. The MPSP already requires higher levels of daily vehicle trip reductions for higher levels of FAR through a Transportation Demand Management (TDM) program. The MPSP evaluated the maximum development that the area could accommodate and it provided for a floating Development Reserve to further encourage redevelopment in the area (see discussion below).

Pedestrian access would be available from Moffett Park Drive and Mathilda Avenue where there are

existing VTA light rail stations. The Project would be located within 1,200 feet from the Moffett Park Drive light rail station and 1,600 feet from the Mathilda Avenue light rail station. Also, the project will be designed to meet the criteria listed in the criteria shown above; therefore, staff determines the request is consistent with the MPSP policy.

The Santa Clara Valley Transportation Authority (VTA) adopted Transportation Impact Analysis (TIA) Guidelines in 2009 as part of the County Wide Congestion Management Program. The TIA Guidelines contain trip reduction strategies and assumptions that are intended to encourage development that reduces system wide congestion and improves air quality. Specifically, it contains trip reduction strategies for proximity to light rail if the project is located within 2,000 feet (approximately four-tenths of a mile) of a LRT station (Section 8.2.4).

#### Other MPSP Considerations

The proposed language requires that all floor area above the current standard floor area for the site be deducted from the Development Reserve, maintaining development of the area within the projected maximum. Detailed findings for the proposed amendment are included in Attachment 2.

#### **REZONING**

The requested rezoning of two parcels within the proposed project area from MP-I to MP-TOD would be consistent with the requested MPSP amendment. The request would change the zoning from the standard 35 percent FAR to 50 percent FAR. Rezoning requests are required to be in the public interest (Sunnyvale Municipal Code Section 19.92.050). Findings for the requested zone change have been included in Attachment 2 and the Draft Ordinance in Attachment 4. The MP-TOD zoning district is the appropriate zoning district for the MP-TOD Specific Plan designation.

#### **FISCAL IMPACT**

An amendment to the Moffett Park Specific Plan and zoning for the property do not have direct fiscal impacts. Any future development projects that are considered for this site would have to pay, at a minimum, the required housing mitigation fees, traffic impact fees, construction taxes, and general plan maintenance fee. Other fees for applications and permits would apply. Property tax would change if the site is redeveloped. School impact fees will be paid directly to the Sunnyvale School District and the Fremont Union High School District.

#### **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.

#### **Neighborhood Outreach Meeting**

The applicant conducted an outreach meeting on January 28, 2016. The meeting notification radius is depicted in Attachment 1, which includes all properties located a minimum of 2,000 feet from the edge of the site. No members of the public attended.

#### **Planning Commission Meeting**

The Planning Commission conducted a public hearing on the Draft SEIR on February 8, 2016. At this meeting, members of the public and the Planning Commission had the opportunity to provide comments on the analysis and results of the SEIR. No members of the public spoke. The Planning

Commission had formatting suggestions (the suggestions are reflected in the Refinements section of the Final SEIR).

On February 22, 2016, the Planning Commission held a study session on the project. A project overview was provided. The Planning Commission comments were more related to the project, which will go to future hearings should the Specific Plan and Rezoning amendments be approved.

### **Planning Commission Public Hearing on the FSEIR, Specific Plan Amendment and Rezone**

The Planning Commission held a public hearing on April 11, 2016. Two members of the public spoke; one stressed the importance of public access, bicycle and pedestrian connectivity to light rail and public transportation, and one speaker was in support of the project because of its location close to public transit.

The Planning Commission discussed the Santa Clara Valley Transportation Authority (VTA) comment letter regarding the mid-block crossing near the 5<sup>th</sup> Avenue/E Street intersection. Staff reiterated that a mid-block crossing would result in additional traffic impacts and safety concerns. There was also discussion about methods of mitigating traffic impacts (e.g., roadway improvements vs. TDM efforts). The Planning Commission also inquired about the development reserve and methods of transferring development rights.

The Planning Commission voted 5-2 to recommend that the City Council certify the SEIR, adopt a Statement of Overriding Considerations, and adopt the Mitigation Monitoring and Reporting Program as contained in Attachments 6 and 7.

The Planning Commission voted 6-1 to recommend that City Council amend the MPSP to change the Land Use Designation from MP-I to MP-TOD for two parcels and associated text amendments, as contained in the findings in Attachment 2 and Resolution in Attachment 3 and to introduce an ordinance to Rezone two parcels within the MPSP Area from MP-I to MP-TOD as contained in the Findings in Attachment 2 and Draft Ordinance in Attachment 4.

### **ALTERNATIVES**

#### **EIR Actions:**

1. Adopt a resolution certifying the SEIR, adopting the Statement of Overriding Considerations, and adopting the Mitigation Monitoring and Reporting Program as contained in the Attachments 6 and 7.
2. Do not certify the SEIR and do not adopt the Statement of Overriding Considerations, and direct staff as to where additional environmental analysis is required.

#### **Moffett Park Specific Plan Amendments:**

3. Adopt a resolution to amend the Moffett Park Specific Plan to change the Land Use Designation from Moffett Park Industrial to Moffett Park Transit Oriented Development for Lots 2 and 4 and associated text amendments, as contained in the Findings in Attachment 2 and Resolution in Attachment 3.
4. Do not adopt a resolution to approve the change of the Land Use Designation from Moffett Park Industrial to Moffett Park Transit Oriented Development for Lots 2 and 4.

#### **Rezoning Actions:**

5. Introduce an ordinance to Rezone Lots 2 and 4 within the Moffett Park Specific Plan Area from

MP-I (Moffett Park Industrial) to MP-TOD (Moffett Park Transit Oriented Development) as contained in the Findings in Attachment 2 and Draft Ordinance in Attachment 4.

6. Do not Rezone Lots 2 and 4 within the Moffett Park Specific Plan Area from MP-I (Moffett Park Industrial) to MP-TOD (Moffett Park Transit Oriented Development).

### **STAFF RECOMMENDATION**

Alternatives 1, 3 and 5: 1) Adopt a resolution certifying the Subsequent Environmental Impact Report adopting the Statement of Overriding Considerations, and adopting the Mitigation Monitoring and Reporting Program as shown in Attachment 6 and 7 to the report; 3) Adopt a resolution to amend the MPSP to change the Land Use Designation from Moffett Park Industrial to MP-TOD for Lots 2 and 4 as contained in the Findings in Attachment 2 to the report and Resolution in Attachment 3 to the report, and 5) Introduce an ordinance to Rezone Lots 2 and 4 within MPSP from MP-I to MP-TOD as contained in the Findings in Attachment 2 and Draft Ordinance in Attachment 4 to the report.

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Approved by: Deanna J. Santana, City Manager

### **ATTACHMENTS**

1. Vicinity Map
2. Recommended Findings
3. Draft General Plan Resolution
4. Draft Ordinance - Rezoning
5. Final Subsequent Environmental Impact Report
6. Mitigation Monitoring and Reporting Program
7. SEIR Certification Resolution, CEQA Findings and Statement of Overriding Considerations
8. Existing Policy
9. Planning Commission Minutes of April 11, 2016