

REPORT TO PLANNING COMMISSION

SUBJECT

Forward Recommendations to the City Council related to the adoption of the **PEERY PARK SPECIFIC PLAN** (2013-7653):

- Accept the errata to the EIR and find that none of the circumstances triggering recirculation of the EIR or subsequent environmental review have occurred under CEQA Guidelines Sections 15088.5 and 15162
- Adopt a resolution to adopt the Peery Park Specific Plan and make related amendments to the General Plan
- Introduce an ordinance to create the Peery Park Specific Plan district and rezone the parcels in the Plan Area
- Adopt a resolution to establish fees for Peery Park
- Adopt a motion to prioritize the flexible community benefits
- Support the use of \$100,000 of City Funds to provide a portion of the local match for the Peery Park Rides Grant Program.
- Direct staff to undertake the appropriate environmental analysis and community outreach and return to consider whether the Peery Park Specific Plan should be amended to include additional housing opportunities.

REPORT IN BRIEF

The Planning Commission held a public hearing on August 22, 2016 to consider the Peery Park Specific Plan (PPSP or Plan) and related actions (see Report to Planning Commission, Attachment 1 and Planning Commission Minutes of August 22, 2016 in Attachment 27). The Planning Commission passed a motion to recommend certification of the Environmental Impact Report (EIR) which included making the findings required by the California Environmental Quality Act (CEQA), adoption of the Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program and adoption of the Water Supply Assessment. In order for the Planning Commission to make a recommendation on a General Plan Amendment or Rezoning action, a motion to approve, approve with modifications or deny must receive the vote of at least four Planning Commissioners. Only five Planning Commissioners were in attendance that evening and the Planning Commission failed to pass a motion regarding recommendations on the PPSP (and related items) with four or more votes. The Planning Commission voted to continue the item to the meeting of September 12, 2016 expecting that more Planning Commissioners would be present to participate in the vote.

During the public hearing and deliberations community members and the Planning Commissioners made comments on: additional housing opportunities in the Plan Area, transportation demand management (TDM) goals, thresholds for review of projects and maximum floor area ratio (FAR) for projects. There was discussion concerning the estimated number of jobs with the proposed plan. There were also concerns about the format of the recommended changes to the draft plan.

This report includes background on the preparation of the PPSP and additional information on the concerns raised at the August Planning Commission hearing. A text only version of the PPSP that presents all the recommended modifications is included in Attachment 7, along with a table of changes. A clarification to the jobs number is provided in this report. After the Planning Commission hearing an additional comment, on the Final EIR was sent by Caltrans. Errata to the EIR are provided concerning these two issues (Attachment 28). Also after the August Planning Commission hearing, the PPSP was considered by the Santa Clara County Airport Land Use Commission (ALUC) and approved the PPSP with revisions and clarifying information provided by the City.

Staff does not recommend any changes to the TDM goals, maximum FARs and thresholds for review of projects. Staff has modified the recommendation to include: 1) direction to staff to study additional housing opportunities and to return to Planning Commission and City Council to consider amendments to the Plan, and 2) to incorporate the changes to the Plan accepted by the ALUC. A new Staff recommendation also includes accepting the errata to the EIR. All other staff recommendations, as presented in the August 22, 2016 staff report, remain the same.

DISCUSSION

SCOPE AND PREPARATION OF THE PERRY PARK SPECIFIC PLAN

Employment Center

Consideration of the PPSP process began as a Council Study Issue for 2008 (Attachment 2). At that time, Peery Park was identified as an aging business park with potential to become an attractive and successful employment center in the City. There are several aspects to Peery Park that led to the preparation of a specific plan:

1. The area enjoys access to several major arterials and new and emerging business districts and industries in Sunnyvale and in neighboring cities;
2. This is an opportunity to focus reinvestment in the area to ensure the City has an appropriate mix of product types to accommodate these new and emerging industries;
3. The area was developed as an auto-oriented area with minimal sidewalks and amenities for employees in the area; and
4. Existing development standards and policies are not sufficient to respond to the increasing development pressures and desires for the area.

Public Meetings and Outreach Efforts

An extensive and iterative community outreach program has been conducted in the last several years to prepare the draft Peery Park Specific Plan. This plan reflects four community workshops, scoping meeting for the EIR, meetings with property owners and residents, and multiple joint study sessions with the City Council and Planning Commission, which are outlined below. Some of the latest amendments to draft plan reflected the most recent public input. Council's direction when it approved the study issue paper and work program to prepare the PPSP was to position Peery Park to be a competitive employment center for attracting Silicon Valley's innovation companies that are seeking prime sites for higher density quality office space. The Council recognized Peery Park's highly favorable employment location given the confluence of Highways 85, 237 and 101 and proximity to Caltrain and VTA transit stations. This potential has been verified by the pronounced interest expressed by businesses and commercial office developers throughout the public outreach process

for the plan. The multiple applications that are on file with the Community Development Department for new office projects in Peery Park, which are pending adoption of the PPSP, attest to the strong interest to transform Peery Park into a dynamic employment district for innovation companies. At the same time, staff also received considerable public feedback that future development in Peery Park should respect and protect adjacent neighborhoods and minimum adverse effects.

The culmination of the community workshops and other public input led to Council policy direction provided at three study sessions from February to August 2015. Key direction was provided by a formal motion at the April 28, 2015 study session when the Council endorsed a document that outlined the policy framework for the plan, which addressed development capacity and included the TDM goals table. At the subsequent August 18, 2015 study session, the Council reviewed the market potential and concepts for the Community Benefits Program in which the FAR tiering for project approval and maximum FAR was shared. With the Council direction provided at these study sessions, staff proceeded to work with the consultant to further develop the policies (Book 1) and the supporting development standards, design guidelines and implementation plan (Books 2-3). The PPSP represents the results of an extensive multi-year planning process reflecting much discussion and deliberation along the way regarding staff assumptions for the referenced policy framework.

City Council Study Sessions

There have been four study sessions with the City Council to provide staff and the consultants with guidance on the preparation of the plan. The meetings included:

1. February 24, 2015 (Joint Study Session with the Planning Commission) with the following outcomes:
 - a) Confirmation of the preliminary land use map for the PPSP;
 - b) Acceptance of the development capacity of the plan; and,
 - c) PPSP goals, policy framework and transportation strategies.
2. April 28, 2015 with the following outcomes:
 - a) Confirmation of the EIR project description;
 - b) Finalization of the policy framework concepts; and,
 - c) Discussion on community benefits.
3. August 18, 2015 with the following outcomes:
 - a) Formulation of the EIR Alternatives;
 - b) Results of the Market Analysis; and,
 - c) Feedback on the conceptual community benefits program.
4. August 9, 2016 (Joint Study Session with the Planning Commission) with the following outcomes:
 - a) Introduction to the Transportation Management Association;
 - b) Information on the Community Benefits Program; and
 - c) Information on the EIR analysis and Land Use Alternatives.

Community Workshops

There have been four community workshops to provide an overview of the project to the community and to gain feedback on the plan options. Following are the key topics for each of these meetings (results are summarized in Attachment 10):

1. October 16, 2013 to discuss:
 - a) Existing Conditions and Workplace Trends;
 - b) Market Analysis; and,

- c) Broad Brush Strategic Framework
2. December 3, 2014 to discuss:
 - a) District Vision;
 - b) Preliminary Policy Framework; and,
 - c) District Priorities
3. January 21, 2015 to discuss:
 - a) Traffic; and
 - b) Connectivity and Streetscape Visioning
4. July 9, 2015 to discuss:
 - a) Neighborhood Protections and Amenities

Other outreach efforts

1. Interviews and meetings with property owners within the PPSP; and
2. A community survey (summarized in Attachment 11).

Environmental Impact Report

The PPSP and the Draft EIR (DEIR) were released for the 45-day public review period on April 29, 2016. The Planning Commission held a public meeting to allow and provide comments to the DEIR on May 23, 2016. The Planning Commission recommended certification of the EIR on August 22, 2016.

HOUSING

While the City Council direction was to focus on opportunities for enhancing the existing business park, consideration was also given to provide housing opportunities in the Plan Area. In considering the potential locations for additional housing, the following criteria were considered:

1. New housing would be appropriate where it is adjacent to existing housing to provide a good transition from the existing homes to the employment center;
2. The presence of the Moffett Federal Airfield limits opportunities for housing locations within the employment center portion of the Plan Area;
3. Since the employment center area would continue to have research and development and industrial uses, careful attention was required when considering housing adjacent to more traditional industrial uses; and
4. The goal of the Plan is to provide the standards to guide new employment center uses in the Plan Area.

Given these criteria, the housing included in the Plan is limited to a maximum of 215 units on the east side of Mathilda Avenue (along San Aleso Avenue) in the area immediately adjacent to an existing single-family neighborhood. This area is known as the Neighborhood Transition, a sub-district of the PPSP.

General Plan: Housing and Land Use Elements

The adopted and State certified Housing Element of the General Plan demonstrates the importance of housing for Sunnyvale, how the City will meet its Regional Housing Need Allocation (RHNA), and provides programs to address the needs of specified populations. The Land Use and Transportation Element (LUTE) of the General Plan provides policy guidance by identifying locations and densities for housing and includes policies on land use compatibility and development; the LUTE plans for about 8,000 more housing units than exist today. Sites include: vacant and underdeveloped residential sites; Industrial to Residential (ITR) areas; mixed use zones in the Downtown Specific

Plan and Lakeside Specific Plan Areas; and redevelopable Commercial/Mixed Use Zones in the El Camino Real Precise Plan Area.

The draft update to the LUTE plans for 6,000 housing units over the adopted General Plan (9% increase) identifying locations where additional housing may be appropriate. The new locations include Lawrence Station Area, East Sunnyvale ITR expansion area, expanded opportunities along El Camino Real and in potential new mixed-use Village Centers at neighborhood shopping and office centers. For many of the areas identified for more housing there will be a reduction in industrial, commercial and office development. It is advisable to consider the context of all land use decisions with respect to housing and employment and not focus on one geographic area.

Additional Housing in Peery Park

Members of the Planning Commission discussed the potential for increasing housing sites in the Plan Area. Except for the 215 units describe above, Peery Park is not included in the draft LUTE update for additional housing. The PPSP has been considered an employment center since the commencement of the Plan. The Santa Clara County Airport Land Use Commission (ALUC) has prepared a Compatible Land Use Plan for the Moffett Federal Airfield which identifies the airport influence area (AIA) and compatible uses within the AIA based on height, noise, safety and density factors. All of the Peery Park Plan Area is located within the AIA. Due to the proximity to the airfield, and the adopted CLUP, housing opportunities are much more limited in Peery Park than other areas of the City. It is estimated that for approximately 95% of land in the Plan Area that housing is not an acceptable use.

Based on the above, staff review determined that two areas in the PPSP that are not in conflict with the Plan Area: the Southern Activity Center and a portion of the large industrial property on the south side of California Avenue (the “Libby can” site). These areas are approximately 25-30 acres or 5% of the total Plan Area. There are no pending formal development applications for those areas. Attachment 30 includes a map of pending projects and possible locations for additional housing.

EIR review of Alternative Projects

The EIR includes three alternative project descriptions:

- Alternative 1: No project alternative (existing General Plan and zoning).
- Alternative 2: Mixed Use Housing alternative. This alternative would remove 500,000 square feet of office area and add 425 housing units.
- Alternative 3: Higher Intensity Buildout alternative. This option increases office area by one million square feet and add no additional housing units.

CEQA requires that an EIR describe a range of potentially feasible alternatives that will foster informed decision making and public participation. CEQA provides that an EIR must contain sufficient information about alternatives to allow meaningful comparison and analysis with the proposed project. The alternatives are not evaluated to the same level of analysis as the proposed project for the EIR. A decision to reject a proposed project and adopt an alternative generally requires supplemental environmental review in order to fully evaluate the potential impacts, identify appropriate mitigation measures and ensure that the decision makers and the public have complete information before final approval.

Including more housing and reducing office space in the Plan Area (either as outlined in Alternative 2

or under a different scenario) is inconsistent with previous City Council direction and the objectives of the project. Alternative 2 has received increasing community interest and the City Council recently directed staff to provide additional information on this area of interest-housing opportunities in the Plan area. Housing was discussed at the City Council study session on August 9, 2016. While Council did not direct amending the plan to reflect more housing, there were inquiries about further study of housing and without holding up plan adoption. Additionally, revising the Plan to include more housing would require further environmental review, as well as additional consideration by the ALUC. Further community outreach to receive public input on this potential plan amendment is also highly advised.

Based on the existing housing policies for the City, the extremely limited locations due to the airfield, and pending development applications in Peery Park for either of the two potential housing locations, staff supports adoption of the PPSP Plan as presented in the draft plan. Based on the feedback from the community and the Planning Commission staff supports a recommendation to City Council to further study housing, including appropriate environmental review and community outreach, and to return for a Planning Commission recommendation and City Council consideration of potential amendments to the Plan.

THRESHOLD LEVELS AND MAXIMUM FARS

During the Planning Commission deliberations on the Plan, a motion included amending the levels of review for future applications and reduced the maximum density FAR allowed in the PPSP. The Planning Commission discussed amending the floor area ratio (FAR) in the table on page 51 of the Plan that provides the maximum FAR and the required community benefits for each Tier. The general effect of these changes would overall lower the development potential in all Tiers (i.e. the maximum FAR would be reduced from 100% to 90% in Zone 1 and from 120% to 100% in Zone 2). This change would also result in changing the level of review for projects (e.g., Staff, Planning Commission and City Council). The following table illustrates the Planning Commission discussion.

LEVEL	Maximum FAR		Required Community Benefit
	Zone 1	Zone 2	
BASELINE (See 4.2 Community Benefits Program, Book 4)	Up to 35%	Up to 50%	N/A
TIER 1 PROJECTS	Up to 50%	Up to 65%	Defined Only
TIER 2 PROJECTS	Up to 70%	Up to 80%	Defined and/or Flexible
TIER 3 PROJECTS	Up to 90%	Up to 100%	Defined & Flexible

Although there are no guarantees that the FARs presented in the Draft PPSP will be adopted, it should be noted that these are the FARs that City staff recommended and shared with the City Council as feasible, for quite some time. Through the various referenced outreach efforts and meetings, additional housing has not surfaced as an amendment required to proceed with the Plan. In fact, staff returned to City Council after revisiting the interest in additional housing (which included additional community outreach) and no change to the policy framework was requested. This potential change is a cause for concern given the timing of the process and the previous endorsement of the policy framework for the plan, which addressed development capacity and included the TDM goals table. Additionally, a separate market analysis was conducted that evaluated the existing potential

growth against the net new growth and that information was also shared with the City Council and was found to be feasible. Staff considers Peery Park an area to build out an employment center because of its strategic geographic location, access to freeways, etc. and that the significant industrial conversion areas to housing should be factored into this growth. The other plans that will address housing opportunities include the Land Use and Transportation Element, the Lawrence Station Area Plan and the update to the Precise Plan for El Camino Real.

Staff is concerned that reducing the maximum FAR in the area is inconsistent with prior study assumptions shared with the City Council and has the potential to weaken the City's long term need for Perry Park to become a stronger employment center as other areas in the City are converted to denser housing (see Housing discussion above). Also of note is that the maximum FARs that were presented to City Council for the purpose of developing a community benefits program that fund surrounding public services may be adversely impacted if sufficient community benefit funds are not received. These benefits include the ability to sustain and expand shuttle services, accomplish fire station improvements, and other civic infrastructure enhancements. Higher FAR projects would generally need to offer greater community benefits, such as the priority flexible benefits that are recommended by staff for City Council approval. Because the Plan is proposed with a maximum shared development potential a reduction in potential FAR for a site would allow more sites to participate in the program. Staff is concerned that the lower FARs will not provide the expected variety of business and workplace settings. Other development standards will ensure building heights, scale and form, and lot coverage are met to maintain a development pattern consistent with City expectations. Staff recommendation is to keep the review levels and FAR levels as presented in the draft plan.

TRANSPORTATION DEMAND MANAGEMENT

Transportation Management Programs (TDM) are tools used to reduce traffic for office projects geared at providing options to single-occupant vehicles. The TDM programs in Sunnyvale are expressed as a percent reduction in trips (typically peak hour trips) as compared to average trip rates in the Institute of Transportation Engineers (ITE) manual. Other agencies may express TDM as a "mode split" (percent of trips that are single-occupant vehicles vs other forms of travel), which is not comparable to trip reduction. Many factors affect the ultimate success, and related established reduction targets, of TDM programs:

Appropriate land uses and densities. These include items such as having appropriate land uses within proximity of one another, proximity to transit, and higher levels of density to support transit and site layout that supports easy access for pedestrians and bicyclists.

Appropriate multi-modal infrastructure. Without the infrastructure in place to provide alternatives to single-occupancy vehicles, TDM programs will not be as successful. Infrastructure includes walking, biking, bus, train and "last mile" transit options. Sunnyvale continues to develop its multimodal infrastructure and the Peery Park Plan includes many multi-modal improvements. Non-physical infrastructure such as on-site coordinators and easy access to information are also needed.

Employee/er programs, behaviors and values. Transit options, private buses and shuttles, and other options will only exist if employees decide to not drive to work based on convenience, comfort and effectiveness of the programs.

The combination of the three above categories needs to be considered as the City considers reduction targets. City policy requires projects in the Moffett Park Specific Plan (MPSP) area to attain up to a 30% reduction for peak hour trips. To date only one site in Sunnyvale, the Central &

Wolfe project, has been required to attain a 35% peak hour reduction; this goal is seen as aggressive. Setting higher thresholds does not result necessarily in higher levels of reduction. In fact, the City is underway in auditing its TDM program to determine if the set reduction targets are being met and mechanisms and/or policy changes for attaining higher reduction targets. At the time that the 35% peak hour reduction target was approved by the City Council, staff shared that each 5% incremental increase presented challenges to attain compliance. Staff is concerned that the Planning Commission's recommendation is too aggressive, absent the densities and infrastructure to support these reduction target, and that non-compliance could be assumed as a cost of doing business. As staff has indicated to applicants many times, we are seeking compliance with the trip reduction goals, not collection of fines for non-compliance.

Transportation Demand Management Goals

The TDM Goals table in the PPSP originates from the policy framework document that was reviewed and by the Planning Commission in April 2015. The Planning Commission recommended that the Council include an allowance for TDM reduction goals to increase between 10 and 15 percent, rather than the limit of 35 percent. On April 28, 2015 City Council accepted the project description and policy framework including the maximum TDM goals of 35 percent. At the August 22 hearing, the Planning Commission revisited the TDM goals and suggested increasing the trip reduction goal requirements of the PPSP by 5% for all levels; this recommended change is shown in the table below:

Fig. 4.4.1 TDM Goals	
Project Size (gross sq. ft.)	TDM Trip Reduction Goal
Up to 100,000 or change in occupancy that intensifies prior use	25%
100,001 to 300,000	30%
300,001 to 750,000	35%
Over 750,000	40%

Due to the Planning Commission's keen interest in higher TDM goals, staff evaluated additional materials to determine the appropriate TDM goals for Peery Park. Staff also referred to TDM programs that are currently in place in other jurisdictions and reviewed measures that could contribute to reducing vehicle trips and promoting the use of alternative transportation. Information is available that suggests the potential percentage trip reduction that could be achieved by individual TDM measures, such as *Ecopasses*, car sharing, unbundled parking, enhanced bicycle facilities, bus shuttles and various employer provided financial incentives for employees. The data suggest that even if a business is located at a prime transit location and incorporates a large number of these measures into a robust and successful TDM program, a cumulative 35 percent trip reduction goal is still highly challenging and particularly infeasible for smaller companies. It is expected that a TMA can facilitate the ability of Peery Park companies to achieve its required TDM goals, but operational experience is needed to verify levels of success.

Staff is concerned about raising the TDM goals to the levels discussed by the Planning Commission. TDM requirements should be aggressive, but also realistic and achievable. As staff starts its new tracking and penalty program for TDM, one of the key components is to reward success. This means that even if a project cannot achieve its full TDM requirement, there are still incentives to get as close

to it as possible. Sunnyvale is still developing the necessary infrastructure (bike, pedestrian, transit, etc.) and transportation connections to help achieve TDM goals.

Staff does not expect a 40% trip reduction to be achievable with the current infrastructure (and employee behavior) and raises the likelihood that projects will be unable to meet the goal (or come close to it, which is an incentive with regards to penalties) and will forgo TDM implementation and factor non-compliance penalties as part of their operating costs. A maximum 35% requirement is aggressive and appropriate. As the infrastructure and land uses continue to fill in, higher TDM requirements might be considered in the future. For this reason, staff determined that the community benefits program should have transportation/shuttle services as its top priority. Staff is recommending the maximum 35% trip reduction as an aggressive goal for larger projects in Peery Park, given current infrastructure and transit options in place.

PPSP JOBS ESTIMATE

A discussion occurred during the hearing relating to the estimated jobs numbers presented in the EIR and Traffic Impact Analysis document. The concern is that there were different numbers used in the EIR process. The EIR originally combined 2013 Bay Area information produced by the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) with traffic study information. The Draft 2013 Bay Area Plan estimates “existing” 2010 jobs in Peery Park at 5,990 jobs. The City’s projected values for “buildout” in 2035 is 20,391 jobs. These values indicate a total increase of 14,401 jobs, or approximately 340 percent growth. This number is not consistent with other data used in the EIR and results in an unlikely job generation factor (one employee per approximate 153 square feet of commercial and industrial development (2.2 million square feet / 14,401 jobs).

The traffic study assembled by Hexagon Transportation Consultants indicates 14,153 existing jobs in Peery Park for 2013 and 20,391 in 2035. This increase of 6,238 jobs, or approximately 44 percent growth, assumes a job generation number of one employee per 353 square feet of commercial and industrial development (2.2 million square feet / 6,238 jobs). The number from the traffic study is consistent with other sources such as the business license data for Peery Park and the U.S. Bureau of Census “On the Map” tool. The number of additional employees for the Plan build-out at 6,238 is the appropriate estimate and was used throughout the other sections of the EIR. The errata sheet in Attachment 28 has been prepared to explain the results and relationship of the results in CEQA context. Based on the information in the errata sheet, the modification to the job estimates does not constitute significant new information that requires recirculation of the EIR under CEQA Guidelines Section 15088.5. Furthermore, these modifications do not require major revisions to the EIR, create new significant impacts, or increase the severity of existing impacts requiring a subsequent EIR under CEQA Guidelines Section 15162.

COMPLETE PLAN FOR REVIEW

The Planning Commission noted difficulty in reviewing the changes to the Plan through the use of an errata table rather than providing a revised document. Staff has prepared a redline version of the Plan and included as Attachment 7. All substantive changes are noted in redline. The table at the front of that document lists the changes to the Plan. Changes to exhibit numbers and other minor editing are not included, but would be a part of the final document.

COUNTY OF SANTA CLARA AIRPORT LAND USE COMMISSION (ALUC)

On August 24, 2016, The ALUC unanimously found that the PPSP is consistent with the CLUP for

Moffett Federal Airfield. Subsequent to the first ALUC hearing, staff worked with the ALUC staff to ensure a consistency finding would be obtained by making a few modifications to the PPSP to increase linkage between the PPSP and the CLUP. Attachment 23 contains the modifications to the PPSP created by staff and approved by the ALUC at their August 24, 2016 hearing on the PPSP; these text changes are also included in updated Attachment 7.

ALTERNATIVES

Recommend to City Council:

1. Accept the errata to the EIR (Attachment 28) and find that none of the circumstances triggering recirculation of the EIR or subsequent environmental review have occurred under CEQA Guidelines Sections 15088.5 and 15162.
2. Adopt a Resolution (Attachment 3) to:
 - a. Amend the General Plan to Create the Peery Park General Plan Designation;
 - b. Update the General Plan Map to Reflect the Peery Park Plan Area;
 - c. Adopt the Peery Park Specific Plan, with Modifications (Attachment 7);
 - d. Adopt the Peery Park Specific Plan Community Benefits Table; and
 - e. Repeal the Southern Pacific Corridor Specific Plan Site 2.
3. Introduce an Ordinance (Attachment 4) to:
 - a. Amend Sunnyvale Municipal Code (SMC) Section 19.16.020 (Zoning Districts - Creation), repeal SMC Section 19.16.070 (Perry Park District Review Process); Add SMC Section 19.27.040 (Peery Park Specific Plan District); and,
 - b. Amend the Precise Zoning Plan Zoning Districts Map to add the Peery Park Specific Plan District and Rezone the Parcels in the Peery Park Specific Plan Area to Peery Park Specific Plan District; and
 - c. Rezone the Encinal Park Parcel to Public Facilities.
4. Adopt a Resolution (Attachment 5) to:
 - a. Amend Resolution No, 762-16 (Master Fee Schedule) to add the Peery Park Plan Review Fees, Peery Park Conditional Use Permit Fees, a Peery Park Specific Plan Fee, and Peery Park Wastewater Infrastructure Fee;
 - b. Authorize the City to impose a Sense of Place Fee and Peery Park and Water Infrastructure Fees on a project specific basis.
5. Make a Motion to Prioritize the Flexible Community Benefits as Recommended by Staff.
6. Adopt a Motion in support the use of \$100,000 of City Funds to Provide a Portion of the Local Match for the Peery Park Rides Grant Program.
7. Direct staff to undertake the appropriate environmental analysis and community outreach and to return to Planning Commission and City Council to consider whether the Peery Park Specific Plan should be amended to include additional housing opportunities.
8. Modify any of the above alternatives or provide direction for changes to any of the above alternatives.
9. Do not adopt the Peery Park Specific Plan and provide direction to staff on necessary revisions.

STAFF RECOMMENDATION

Recommend to the City Council Alternatives 1, 2, 3, 4, 5, 6 and 7.

1. Accept the errata to the EIR (Attachment 28) and find that none of the circumstances triggering recirculation of the EIR or subsequent environmental review have occurred under CEQA Guidelines Sections 15088.5 and 15162.
2. Adopt a Resolution (Attachment 3) to:

- a. Amend the General Plan to Create the Peery Park General Plan Designation;
 - b. Update the General Plan Map to Reflect the Peery Park Plan Area;
 - c. Adopt the Peery Park Specific Plan, with Modifications (Attachment 7);
 - d. Adopt the Peery Park Specific Plan Community Benefits Table; and
 - e. Repeal the Southern Pacific Corridor Specific Plan Site 2.
3. Introduce an Ordinance (Attachment 4) to:
- a. Amend Sunnyvale Municipal Code (SMC) Section 19.16.020 (Zoning Districts - Creation), repeal SMC Section 19.16.070 (Peery Park District Review Process); Add SMC Section 19.27.040 (Peery Park Specific Plan District); and,
 - b. Amend the Precise Zoning Plan Zoning Districts Map to add the Peery Park Specific Plan District and Rezone the Parcels in the Peery Park Specific Plan Area to Peery Park Specific Plan District; and
 - c. Rezone the Encinal Park Parcel to Public Facilities.
4. Adopt a Resolution (Attachment 5) to:
- a. Amend Resolution No, 762-16 (Master Fee Schedule) to add the Peery Park Plan Review Fees, Peery Park Conditional Use Permit Fees, a Peery Park Specific Plan Fee, and Peery Park Wastewater Infrastructure Fee;
 - b. Authorize the City to impose a Sense of Place Fee and Peery Park and Water Infrastructure Fees on a project specific basis.
5. Make a Motion to Prioritize the Flexible Community Benefits as Recommended by Staff.
6. Adopt a Motion in support the use of \$100,000 of City Funds to Provide a Portion of the Local Match for the Peery Park Rides Grant Program.
7. Direct staff to undertake the appropriate environmental analysis and community outreach and return to Planning Commission and City Council to consider whether the Peery Park Specific Plan should be amended to include additional housing opportunities.

Adoption of the PPSP will provide a consistent and comprehensive framework for the approximately 450-acre Plan Area, and will provide clear policy direction and regulations for development to proceed in a well-planned and coordinated manner. Along with a Program EIR, the PPSP defines the City's expectations for Peery Park and could streamline the development review process for individual projects that are consistent with the PPSP.

Growth and transformation of the technology sector is driving significant demand for high quality office space across Silicon Valley, and Peery Park is an area of high interest due to its proximity to major corridors and the existing technology base. The PPSP responds to this market trend, and the policies, regulations and design guidelines strive to transform Peery Park into an active cutting-edge workplace district that will attract and support a variety of innovation companies. Peery Park is one neighborhood of the City and the PPSP allows for this business area to transform with a focus on providing work space for emerging industries and newer styles of working.

Over a series of multiple meetings, significant community engagement, and clear City Council direction to prepare a plan to address Peery Park as an employment area, staff agrees that there is value in looking into future housing opportunities in the area. In reviewing the constraints to housing in Peery Park, it is clear the options are limited, and do not conflict with active planning applications for office uses. A future study for housing will allow the issue to be considered in a deliberate manner, to consider all potential affects to the Plan, to do appropriate community outreach for property owners and neighbors of the sites affected, and to provide the necessary environmental review for the

change in uses.

Prepared by: Amber Blizinski, Principal Planner
Reviewed by: Andrew Miner, Planning Officer
Reviewed by: Manuel Pineda, Director, Public Works
Reviewed by: Trudi Ryan, Director, Community Development
Reviewed by: Hanson Hom, Assistant City Manager
Reviewed by: Kent Steffens, Assistant City Manager
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS (Changes from prior PC hearing in **BOLD**)

1. **August 22, 2016 Report to the Planning Commission (no attachments)**
2. Study Issue Paper
3. **Resolution** to Certify the EIR and related actions, and Adopt the Peery Park Specific Plan with related actions
4. **Ordinance** to Amend Title 19 (Zoning) and amend the Precise Zoning Plan Map
5. **Resolution** to Amend the Fee Schedule and to add Peery Park related fees
6. Links to the Peery Park Specific Plan and Appendices
7. **UPDATED Recommended Modifications to the Peery Park Specific Plan Document**
8. Links to the Draft and Final Environmental Impact Report and Appendices
9. Full Text of Council Policy 1.1.9
10. Meeting Notes and Summaries of the Group Exercises from the four Community Workshops
11. Summary of Online Survey Results
12. Summary of Comments Received at the EIR Scoping Meeting on June 25, 2015
13. Comments Received during the Notice of Preparation Period
14. Link to the Peery Park Specific Plan Webpage
15. Peery Park Specific Plan District Map
16. Link to the Comprehensive Land Use Plan for Moffett Federal Airfield
17. Summary of the Comments Received on the Peery Park Specific Plan during the Public Review Period
18. Financial Analysis Study conducted by EPS
19. Minutes from the June 1, 2016 Heritage Preservation Commission Hearing
20. Minutes from the May 16, 2016 Sustainability Commission Hearing
21. Minutes from the May 19, 2016 Bicycle and Pedestrian Advisory Commission Hearing
22. Minutes from the May 23, 2016 Planning Commission Hearing
23. Modifications to the PPSP for the August 24, 2016 ALUC Hearing
24. Information on the PPSP Fee, Sense of Place Fee and the Infrastructure Fees for Water and Wastewater
25. City of Sunnyvale Water Supply Assessment
26. **UPDATED** Public Comment

Additional Attachments - for September 12, 2016 Planning Commission Hearing

27. **Draft Planning Commission Minutes of August 22, 2016**
28. **Errata #1 and #2 to the Final Environmental Impact Report (EIR) for the Peery Park Specific Plan**
29. **PPSP Map with CLUP Safety and Noise Overlay Zones**
30. **Proposed PPSP Development Project Map with Potential Housing Opportunity Sites**