

REPORT TO PLANNING COMMISSION

SUBJECT

Forward Recommendations related to the **LAWRENCE STATION AREA PLAN AND ENVIRONMENTAL IMPACT REPORT** (2013-7653) to the City Council to:

1. Adopt a Resolution to:

- Certify the EIR; Make the Findings Required by the California Environmental Quality Act; Adopt the Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program;
- Adopt the Water Supply Assessment
- Amend the General Plan to Create the Lawrence Station Area Plan General Plan Designation; and Update the General Plan Map to Reflect the Lawrence Station Area Plan Area;
- Adopt the Lawrence Station Area Plan, with Modifications;
- Adopt the Lawrence Station Area Plan Incentives and Development Cap Administrative Regulations.

2. Introduce an ordinance to:

- Add Chapter 19.35 (Lawrence Station Area Plan District) to Title 19 (Zoning) to the Sunnyvale Municipal Code;
- Amend the Precise Zoning Plan Zoning Districts Map to add the Lawrence Station Area Plan District and Rezone the Parcels in the Lawrence Station Area Plan Area to Lawrence Station Area Plan (LSAP) District; and
- Amend Sunnyvale Municipal Code Table 19.54.080 (Telecommunications Facilities Permits), Section 19.16.020 (Zoning Districts - Creation), and Section 19.90.010 (Special Development Permits) to Implement the Lawrence Station Area Specific Plan

REPORT IN BRIEF

In 2007, a study issue was sponsored to review options to increase ridership at the Lawrence Caltrain station. Options included increasing housing opportunities near the station and adding additional transit options (see study issue paper, Attachment 2). The study was ranked in 2008 and the initial effort to complete a feasibility analysis was completed in 2009 (Attachment 3). Following those efforts, the City received a grant from the Santa Clara Valley Transportation Authority ("VTA") to complete a study of potential alternatives for the area, followed by a grant from Metropolitan Transportation Commission ("MTC") in 2012 to prepare a station area plan and environmental review.

The purpose of the Lawrence Station Area Plan ("LSAP" or the "Plan") is to guide future development of the area surrounding the Lawrence Caltrain station, including increasing ridership at the station, improving circulation to the station and throughout the area for all modes of transportation, and planning for future development. The City Council appointed members of the community to an advisory group (the Citizen Advisory Group, or CAG) to participate in the development of the Plan.

The draft LSAP was issued in 2015 (Attachment 6) and is the culmination of extensive meetings with the CAG, other community members, the business community, and agencies with an interest in the area (MTC, ABAG, VTA, City and County of Santa Clara, Caltrain).

Once the LSAP was released, a draft Environmental Impact Report (DEIR) was prepared pursuant to the requirements of the California Environmental Quality Act ("CEQA") to study the potential environmental impacts that could arise from implementation of the LSAP. The DEIR was released in May 2016 and the Final EIR is included with this report, which incorporates by reference the Draft EIR (DEIR). The DEIR contains the analysis on the environmental impacts, the recommended mitigation measures to decrease adverse impacts of the project and the environmental alternatives to the project. The FEIR includes all written and oral comments submitted during the review period, as well as responses to those comments, and other clarifications or corrections to the DEIR.

A Water Supply Assessment (WSA) was prepared for the draft Land Use and Transportation Element (Attachment 21) which covers the recently adopted Peery Park Specific Plan as well as the LSAP. A WSA is required by State law for most land use amendments to the General Plan and area plans. The update to the Land Use and Transportation Element has not yet been considered by the Council, therefore separate adoption of the WSA is required for the LSAP.

A red-lined version of the draft LSAP was created to show the changes to the LSAP based on further consideration by staff and from comments received from the community (see Attachment 8). The analysis in the EIR reflects the provisions of the redlined draft LSAP.

Staff recommends that the Planning Commission recommend that the City Council take related actions to approve the LSAP.

BACKGROUND

The Lawrence Station area is generally centered around the existing Caltrain station located near the Lawrence Expressway overpass. The Lawrence Station area is separated by the railroad tracks that run east-west in this area. Generally, the plan area consists of industrial buildings from the 1970's north of the railroad tracks, along with newer R&D buildings, Costco and an industrial condominium complex built within the past 10 years. South of the tracks is a large building materials site (Calstone/Peninsula Building Materials), townhomes built within the past 10 years, a few industrial and service properties, and established multi-and single-family homes built in the 1970s, -2000s (see Attachment 9 for development history map).

Older industrial projects are typically built to a 35 percent floor area ratio (FAR), with newer buildings specifically for Intuitive Surgical built at 45 percent FAR. The residential area south of the tracks range from townhomes built at approximately 18 units per acre to standard single-family homes further from the railroad tracks.

In 2008 the City Council approved a study issue to review and analyze the Lawrence Station area to increase ridership at the Lawrence Caltrain station. A feasibility study was completed in May 2009 (Attachment 3). The original idea was to coordinate planning efforts in the area with the City of Santa Clara; however Santa Clara was not ready to commence planning for their jurisdiction. Staff from Santa Clara participated on the technical working groups for all phases of the project. After receipt of a \$150,000 grant from VTA study, work began in 2010 on the Phase 1 of the project, which included preparation of the existing conditions, an economic study, community feedback, and the development

of three conceptual land use alternative strategies. This work was completed with feedback from the Department of Public Works (DPW), City of Santa Clara, the County Roads division, VTA, the Joint Powers Board (JPB) of Caltrain, and other agencies (Attachment 10).

In 2011, after receipt of a \$450,000 grant from MTC, work began on the third phase of the plan, which is the current effort under consideration. The goal of this phase is to develop the Lawrence Station Area Plan (LSAP) and prepare the required EIR, culminating in approval and implementation of the LSAP. As part of this phase, a Citizen Advisory Group (CAG) was appointed by a sub-committee of the City Council. The 12-member CAG consisted of nearby residents of the station, residents at-large, business owners, and other interested parties. The CAG provided key input about the LSAP vision and guiding principles, and also chose a preferred land use alternative for the LSAP. This alternative is described as the “flexible mixed-use” plan. It incorporates elements of the other two alternatives (employment-focused and housing-focused) by developing a plan that allows both employment and residential uses in the same plan area. It also includes allowing projects with a mix of uses on the same property.

In February 2013, the three main alternatives of employment-based, residential-based, and flexible mixed-use were presented to the Planning Commission and City Council at hearings to determine the preferred alternative for the LSAP and EIR (see Attachment 11). The Planning Commission recommended and the City Council supported the CAG-preferred alternative of flexible mixed-use. This alternative provides the basis for the LSAP.

The City Council is scheduled to consider this item on December 6, 2016.

GENERAL PLAN

Community Vision Element

Policy CV-1.3 - Encourage community involvement in the development and implementation of city and community activities, programs and services.

Land Use and Transportation Element

Goal LT-6 - Supportive Economic Development Environment

An economic environment that is supportive of a wide variety of businesses and promotes a strong economy within existing environmental, social, fiscal and land use constraints.

Policy LT-4.2c - Develop specific area plans to guide change in neighborhoods that need special attention.

Policy LT-4.8a - Require high quality site, landscaping and building design for higher intensity industrial development.

Policy LT-6.1b - Support transportation demand management programs and other ride sharing programs countywide.

Policy LT -5.2 - Integrate the use of land and the transportation system.

LT-5.2e Study potential transit station mixed use development.

COUNCIL POLICY

Policy 1.1.9 - Sustainable Development and Green Buildings. It is the policy of the City to encourage

sustainable development throughout the community of Sunnyvale, to provide education and information to the community, and to serve as an acknowledgement by the City Council of the importance of sustainable development concepts and practices.

ENVIRONMENTAL REVIEW DISCUSSION

EIR Noticing

The EIR is a required informational document under the California Environmental Quality Act (CEQA) that describes the environmental effects of the project, identifies ways to minimize the significance of the adverse impacts, responds to comments made during the public comment period, and discusses reasonable alternatives to the project that modify the environmental impacts. Certification of an EIR does not automatically approve the project. Certification means that the EIR was completed in compliance with CEQA, that the agency has reviewed and considered the EIR, and the EIR reflects the agency's independent judgment and analysis. Approval of the LSAP is a separate action.

Notice of Preparation Period and Scoping Meeting

On August 9, 2013, a Notice of Preparation (NOP) for the EIR was prepared and mailed to neighboring cities, the State, other public agencies, and property owners requesting their input on the scoping of the EIR. In addition, a scoping meeting (required by CEQA) was held during the NOP period on August 28, 2013 in the Ponderosa Park Building at 811 Henderson Avenue in Sunnyvale. Outside agencies, members of the general public and stakeholders were invited. The purpose of the NOP period and scoping meeting is to allow the community a forum to provide direction on issues to be addressed in the EIR. Fifteen members of the public attended the scoping meeting for the LSAP EIR and several made comments. Staff received six letters from community members and organizations, two letters from neighboring cities and four letters from outside agencies. The summary of the meeting comments can be found in Attachment 21.

Notice of Availability

The DEIR was issued for public review and comment on May 20, 2016. The link to the DEIR was mailed and/or e-mailed in the notice to appropriate agencies, members of the LSAP electronic interest list, neighborhood groups and to all property owners within 2,000 feet of the Lawrence Station Area boundary. Physical copies on the DEIR were placed at the Sunnyvale library, the One-Stop Permit Center and the Community Center. During the 45-day review period that concluded on July 5, 2016, members of the public and outside agencies submitted written comments on the DEIR (and the LSAP).

At the conclusion of the 45-day public review period, staff received 35 letters from members of the public, property owners/businesses and public agencies. In addition, staff collected oral comments from several boards and commissions during the public review period and from the Planning Commission and members of the public during a public hearing specific to this process on June 27, 2016 in the Council Chambers (Planning Commission minutes, Attachment 17). All of the comments received are in the FEIR (Attachment 15).

Summary of Impacts

Overview of Impact Types

There are different levels of impacts identified in an EIR, including the following:

- Significant unavoidable
- Significant that can be mitigated

- Less than significant
- No impact

If an impact is shown to be significant and unavoidable, then the decision-making body certifying the EIR, in this case the City Council, must adopt a statement of overriding considerations, which is a statement that the ultimate benefits of the project outweigh its environmental impacts.

Near-Term Environmental Analysis

There was one project evaluated within the LSAP (Greystar 520-unit mixed use project on Kifer Road), as a near term project. It was evaluated in a near-term Traffic Impact Analysis and was studied in four sections of the EIR: noise, greenhouse gas emissions, air quality and transportation, circulation and traffic.

Significant Impacts Identified in the EIR

The EIR determined that the project would or could possibly cause significant impacts in the following areas:

- Air Quality
- Biological Resources
- Cultural Resources
- Flooding
- Hazards and Hazardous Materials
- Noise
- Paleontological Resources
- Transportation, Circulation and Traffic

Many of the potentially 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 EIR and Mitigation Monitoring and Reporting Program (Attachment 14 and 16). Mitigation measures will be incorporated into the Conditions of Approval for each individual development project and will be monitored by City staff throughout the construction phase. Three of the impacts would remain significant and unavoidable, as described below. The EIR also includes analysis of cumulative impacts, which considers approved and pending projects located outside of Lawrence Station Area. 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. The EIR identifies one cumulative significant and unavoidable impact for air quality for the San Francisco Bay air quality basin.

Significant and Unavoidable Impacts

A significant and unavoidable impact is an impact that cannot be mitigated to a less than significant level if the project is implemented as it is proposed. The LSAP EIR identifies the following areas where, after the implementation of mitigation measures, the project may still result in impacts that cannot be mitigated to a less than significant level:

- Construction Air Quality
- Cumulative Air Quality
- Traffic Operations

All of the information regarding the significant impacts in the above-mentioned sections of the LSAP EIR is summarized in the Executive Summary of the EIR (Attachment 15), with the full discussion found in the individual sections of the EIR.

Statement of Overriding Considerations

The City Council's adoption of the LSAP would result in environmental impacts that cannot be substantially lessened or avoided. While mitigation measures would reduce these impacts, they would remain significant and unavoidable.

Section 15093 of the CEQA Guidelines requires the decision-making agency to balance the economic, legal, social, technological, or other benefits of a proposed project against its significant and unavoidable environmental impacts. Adoption of the LSAP requires that the City Council must state in writing the reasons in support of its action based on the Final EIR and the information in the record. The statement of overriding considerations is supported by substantial evidence in the record. The Statement of Overriding Considerations and CEQA Findings, to be adopted are in Exhibit D of Attachment 4.

When deciding whether to certify the EIR and adopt the statement of overriding considerations, it will be necessary for the City Council to consider the balance of the benefits of the LSAP against its unavoidable environmental impacts and to make a determination that the benefits of the proposed project outweigh the unavoidable adverse environmental impacts. Some of the benefits of the LSAP that allow for this determination are outlined below (full descriptions can be found in Attachment 4).

- The LSAP provides a sense of place within the station area.
- The LSAP allows for higher density development near the station, which can provide new housing opportunities, especially for those choosing to live car-light or car free, and
- Higher density development near the station will increase the ridership base, which may lead to improved transit options.
- The LSAP encourages mixed use development, which provides additional housing near employment, and additional opportunities for existing businesses in the area and also contributes to an increased ridership base which may lead to improved transit options.
- The LSAP encourages the replacement of older buildings with modern office buildings that are more energy efficient and sustainable and would contribute to CAP implementation.
- The LSAP improves the transit experience and can help promote transit use, a goal of the General Plan and Climate Action Plan.
- The LSAP requires coordinated streetscape improvements for all forms of transportation, including automobiles, bicycles, and pedestrians.
- The LSAP enables development of innovative alternatives for transit-oriented development, to

provide both new housing opportunities and potential for local business growth.

EIR Mitigation Monitoring

A Mitigation Monitoring and Reporting Program (MMRP) for significant impacts is required by CEQA to ensure implementation of all mitigation measures. A monitoring program identifies each mitigation measure, the party responsible for implementation, the monitoring schedule, and who will perform the monitoring functions for each development project. While property owners and developers will be responsible for implementing many of the mitigation measures with construction of individual projects, the City is primarily responsible for monitoring and verifying that the mitigation measures are satisfied. City departments that have oversight responsibility include Community Development, Public Works, and Public Safety. The MMRP can be found in the FEIR (a link to the FEIR is in Attachment 15) and will be incorporated into the Conditions of Approval for each individual development project within the LSAP area.

EIR Alternatives

Completion of an EIR requires the consideration of Project Alternatives as a way to evaluate the potential reduction in project impacts. 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.” Chapter 4.0 of the DEIR provides detailed analysis of the selected three alternatives and they are described briefly as follows:

1. **CEQA Alternative 1: No Project Alternative.** Alternative 1 assumes development within the LSAP plan area would proceed in accordance with adopted General Plan land use designations and zoning. This would allow for less residential development in the amount of 926 fewer units as compared to the proposed project. Alternative 1 would also avoid significant traffic operation impacts to the Wolfe Road & Arques Avenue and Wolfe Road and Reed Avenue intersections but would result in impacts to 14 other intersections. Population and Housing impacts would be somewhat lower as would public services impacts, both which were less than significant in the proposed project. Alternative 1 would result in similar level of impacts in other categories.

The No Project Alternative would not meet many of the guiding principles and objectives of the LSAP. Specifically, the “no project” alternative would not foster the development of mixed use, TOD or increased transit connectivity and ridership. This alternative would also limit the development of new residential units and the potential for increased local business opportunities.

2. **CEQA Alternative 2: Residential Emphasis Alternative**

Alternative 2 assumes new land uses within the LSAP plan area would be almost exclusively residential with a limited amount of neighborhood serving retail, commercial, and office uses. This alternative would expand the generally residential character of the plan area found south of the Caltrain tracks into the area north of the tracks, although it is envisioned that the north area would develop at considerably higher densities than the predominantly single-family detached densities found in the south. Densities would range from 19 dwelling units (du) per acre (townhouses) to 78 du per acre in multi-story buildings in new development areas, resulting in 2,237 more residential units than the proposed project. It would also result in 2.91 million square feet less industrial/office/commercial space.

Alternative 2 would meet most of the objectives of the LSAP because it would result higher-density housing opportunities and increased potential transit ridership. Replacing some areas intended for employment uses with residential uses may not fully realize the project objectives as planned, however, and could result in less innovative mixed use development and a less unique sense of place in the station area. The residential emphasis alternative would result in the similar significant and unavoidable impacts as the proposed project; however, some of the impacts would be lessened.

3. **CEQA Alternative 3: Office/R&D Emphasis Alternative**

Alternative 3 assumes new development areas north of the station in the LSAP plan area would be almost exclusively office and research and development (R&D), with a limited amount of support services. New residential development in the plan area would be limited to specific parcels south of the Caltrain tracks. The higher intensity alternative would increase the development potential of office and research and development net new square feet by 2.3 million. This would result in a total of 6.1 million net new square feet to be developed within the Lawrence Station Area, replacing 1,883 residential units compared the proposed project.

This alternative would attain some of the project objectives through implementation of the LSAP. Alternative 3 would still generate employment, new opportunities for local business and higher-density development near the station that can boost ridership potential. However, the project objective to provide housing options and mixed use development would be more limited under this alternative. Additionally, it would be more difficult to ensure new development will respect and mesh with the existing character of surrounding residential neighborhoods. Although the Office/R&D Emphasis Alternative would result in similar significant and unavoidable impacts as the proposed project, the overall impacts would be lower; this is the environmentally superior alternative.

Adoption Process if an Alternative is Selected

If Council selects the “No Project” alternative, no further environmental review is required. The City’s existing development standards and fees will continue to apply to projects in Lawrence Station Area.

If the Council wishes to select either Alternative 2 (Residential Emphasis) or Alternative 3 (Office/R&D Emphasis), additional community outreach and supplemental environmental review will be necessary because the EIR does not fully evaluate the environmental impacts of those alternatives.

Council could also adopt the LSAP as recommended by staff and direct staff to return with proposed amendments to the LSAP after completing environmental review. This process may require recirculation and public comment on a revised EIR. The City would bear the cost of the additional environmental studies unless an application is filed for a mixed use or higher intensity project which could provide the necessary funds. Adoption of the LSAP would allow currently pending development applications to be processed in accordance with the adopted plan and subject to the proposed Lawrence Station Area development standards and fees while additional environmental review is completed.

Other modifications to the draft LSAP that are within the scope of the EIR (e.g., less office area or fewer residential units) could be approved if the EIR is certified. No further environmental analysis

would be necessary. Modifications that remove features that contribute to the mitigation of environmental impacts may require additional environmental review and analysis.

Environmentally Superior Alternative

CEQA Guidelines require that an EIR identify the Environmentally Superior Alternative to the proposed project from among the alternatives analyzed. If the No Project Alternative is found to be the environmentally superior alternative, the EIR also identifies an Environmentally Superior Alternative from among the other alternatives.

The No Project Alternative is eliminated from consideration as the Environmentally Superior Alternative as this alternative would not meet any of the key project objectives. Section 4.8 of the EIR concludes that while the impacts that are significant and unavoidable remain for all the alternatives analyzed, Alternative 3 was found to be environmentally superior, as public service and utilities impacts would be lowered with residents. However, Alternative 3 only fulfills some of the project objectives, failing to meet several critical objectives: a dynamic mixed use development, or newer higher density housing in proximity to the station.

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 the conclusion found in the EIR, but only the sufficiency of the EIR 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 Recommendation:

Staff finds that the proposed Final EIR, consisting of the DEIR, comments received on the DEIR, responses to comments received and a list of persons and public agencies commenting on the DEIR, meets the requirements of CEQA both in content and format. The Draft and Final EIR documents and technical appendices can be viewed on the project website (Attachment 14 and 15).

If the Planning Commission or City Council determines the LSAP EIR is not adequate, a statement must be made to express how the document is deficient with a recommendation that additional analysis be prepared prior to certification. A change to a mitigation measure in the EIR may affect the accompanying determination of significance (e.g. a change may result in a determination of a significant unavoidable impact where a significant impact was mitigated to a less than significant level). If a mitigation measure is changed that creates a significant unavoidable impact, a Statement of Overriding Considerations would be required and a new hearing would need to be conducted. No project related actions may be taken until the EIR is certified. As noted earlier, certification of the EIR, in itself, does not adopt the LSAP or future development proposals.

Environmental Public Contact:

All public notification procedures required for the EIR were followed. The NOP was distributed to the State Clearinghouse and required agencies on August 9, 2013. The Notice of Availability of the EIR was sent to public agencies, stakeholders and mailed to property owners and tenants within 2,000 feet of the project area on May 20, 2016. A public hearing to accept comments on the DEIR was held by the Planning Commission on June 27, 2016, the meeting minutes from that meeting are shown in Attachment 17.

STATION AREA PLAN DISCUSSION

Overview

The LSAP is created to promote and guide redevelopment of the area near an existing underutilized Caltrain station. The existing land use patterns found around the station are not ideal densities or uses for a commuter train station. The existing single-story industrial buildings do not promote the higher uses desired near major public transit, and given the development pressures found in the City, maintaining the existing zoning densities would not allow future changes in the area to take advantage of the unique location. Also, having an opportunity to enact an area-wide set of regulations and guidelines before redevelopment pressures occur will ensure the area redevelops in a controlled and expected manner.

The effort to create a specific plan area around the Lawrence Caltrain Station began years ago with a feasibility study, the creation of land use alternatives, and finally the current draft Station Area Plan (Attachment 6). There has been significant outreach to nearby residents, businesses, developers, City boards and commissions, and regional groups, and over 30 formal meetings have been held with these groups to gain perspectives on how to proceed with a new plan for the area and a forum to present the draft results.

A City Council sub-committee created a Citizen Advisory Group (CAG) to provide input and direction on how the LSAP should be developed. The CAG met 10 times on varying topics, and the LSAP is the result of those vital efforts.

The LSAP is organized as follows:

1. Background
2. Vision and Guiding Principles
3. Land Use Policies and Guidelines
4. Circulation and Parking Guidelines
5. Utilities and Public Services
6. Urban Design Guidelines
7. Plan Implementation

Vision and Guiding Principles

A starting point in creating the LSAP was to create a Vision and set of Guiding Principles for the LSAP (see Attachment 19). The CAG and staff worked together to create a vision for the area. The main objective of the LSAP was to take advantage of the proximity of the Caltrain station and build around that asset. From that point, the following elements were used to guide creation of the major elements of the LSAP:

- Provide diverse types of land use;
- Provide density closest to the station;
- Improve access to and around the entire area, and to areas beyond the LSAP area;

- Develop a plan to allow developments and public improvements to create a character and identity unique to the area and consistent with that found in Sunnyvale;
- Provide flexibility in future redevelopment to allow a plan responsive to the changing land-use pressures and market changes; and,
- Ensure any changes made use sustainable and environmentally sensitive elements.

Circulation

In creating the original study issue paper for the *Lawrence Station Transit Village*, the Planning Commission highlighted a key goal to be pursued: increase ridership at the Lawrence Caltrain station. The LSAP accomplishes this goal in several ways. One is to allow various types of uses at higher densities in the station area to bring more people to the area. Allowing a variety of uses helps ensure ridership of the commuter train will be both leaving and arriving at the Caltrain station throughout the day rather than the present condition where the majority of the ridership is business-related with arrivals in the morning and departures in the evening.

Other aspects that were studied and included in the current plan to improve circulation came through input from nearby residents and employees to improve access to the station. The following are circulation and access goals of the LSAP:

1. Increase vehicular access to station. Finding the actual Caltrain station is currently an effort. The vehicular access is so limited; VTA cannot provide standard bus service to the station. Most circulation in the LSAP area is provided with east/west streets. The only north/south vehicular access is Lawrence Expressway-which is grade separated over the train tracks. The only north/south pedestrian/bike access locations in the area are along Lawrence Expressway and the undercrossing at the station.

A key goal of the LSAP is to increase access options, such as including a “loop road” to bring clear and sufficient additional roads from Kifer Road to the station to benefit current residents and employees in the area as well as those patrons associated with future development. Access would be inclusive of pedestrians, bicyclists and vehicles. The LSAP provides street designs to ensure travel to and through the area for all types of transportation modes.

2. Improve circulation framework. The bicycle/pedestrian access in the area is currently limited by the existing street configurations and design. The LSAP seeks to increase the use of non-automobile transportation to the area and beyond. Some of the elements included include:
 - Provide future under-railroad track crossings in key locations that tie into existing and future bicycle/pedestrian paths;
 - Require future developments to add bicycle/pedestrian paths through their properties in order to provide off-street access through the area;
 - Add and widen sidewalks throughout the area to make a more attractive and desirable pedestrian experience;
 - Improve street lighting to allow pedestrians to feel safer when walking to, from, and beyond the Caltrain station;
 - Provide improved transit stops and shelters, and bus access on future streets to allow access to the Caltrain station; and,
 - Include potential parking options such as unbundled and shared parking to take advantage of the proximity of the Caltrain station and potential for residents to rely on

fewer cars.

Land Use

Existing Conditions.

A key aspect in creating a new land use plan is to understand the existing land use conditions in the area. The desired land use patterns and development criteria for the area are informed by that understanding. The LSAP first describes the existing land use for the area within ½ mile of the Caltrain station and subsequently identified opportunity areas. For LSAP, the opportunity areas include the area within ½ mile of the station north of the tracks, and extending to the City limit on the east side. This ½ mile distance is the established criteria used to describe how far a resident or employee typically would walk to use transit opportunities. Patrons may travel further from the train if bicycle travel is convenient and safe.

The opportunity area south of the tracks is the existing Futures (Industrial to Residential) site 4b, including the Calstone/Peninsula Building Materials (PBM) property and two other small areas near Reed Avenue. None of the existing residential areas south of the tracks are part of the opportunity areas for the LSAP and none are allowed to be redeveloped as part of the LSAP. The Futures ITR sites are zoned M-S/ITR/R-3/PD (24 units per acre).

The properties located north of the tracks include many different conditions and levels of opportunities. A key property adjacent to the station is the Costco site. This is an important asset for the City, and the LSAP makes no expectation for it to move or vacate. Intuitive Surgical (ISI) is the largest property owner and business in the area with several buildings on the north side of the tracks, including the corporate headquarters. It is expected ISI will take advantage of aspects of the LSAP in the near future.

There is an 11-acre industrial condominium complex on Kifer Road. This property includes 73 individual (ownership) condominium offices in seven buildings. The multiple ownership situations make that property unlikely to redevelop.

Sonora Court is a cul-de-sac that extends from the Caltrain station to the west approximately ¼ miles. The properties along Sonora Court consists mainly of one-story tilt-up industrial buildings and include existing uses such as machine shops, light industrial uses and commercial uses. Sonora Court is currently well used by Caltrain riders to park during the day given the free parking with no time limits. Given the close proximity to the Caltrain station and age of the buildings, Sonora Court properties could experience redevelopment in the future. Several Sonora Court property owners have participated in outreach meetings and met with staff to understand the options as part of the plan.

Planned Areas

The LSAP is organized to group properties into areas based on common development options and consistency with neighboring properties (see LSAP district map, Attachment 20). Generally, the LSAP has different expectations for properties north of the tracks versus the properties south of the tracks. This is because the properties south of the tracks are adjacent to existing residential uses and will have reduced development opportunities compared to the properties north of the tracks that are currently older industrial and newer office uses. The north and south areas are then further described to respond to proximity to the station. For the purpose of determining distances from the Caltrain station, the station is described as the location of the undercrossing at the termini of San Zeno Way and Willow Avenue.

The largest portion of the LSAP area is proposed to be a flexible designation. This allows properties to be either office or residential uses. The following describes the preferred alternative for the planned areas (with proposed zoning designation):

North of the tracks:

- Flexible Mixed-Use I (MXD-I) - Within ¼ mile of the station.
- Flexible Mixed-Use II (MXD-II) - Between ¼ and ½ mile of the station
- Industrial and Service (M-S) - Between Calabazas Creek and the City limit

South of the tracks:

- Flexible Mixed-Use III South (MXD-III) - PBM/Calstone property along Aster Avenue
- Office/Retail (O-R) - On Reed Avenue between Willow Avenue and Lawrence Expressway
- High Density Residential (R-5) - On Willow Avenue south of the El Camino Channel

Flexible Mixed-use

A unique element of the LSAP is use of a flexible mixed-use zoning designation. This is a key aspect proposed by the CAG to allow the plan to be responsive to market changes. In the LSAP case, flexible mixed-use means properties can be developed as either residential or office uses, or both. Properties can be single uses on a site or a mix of uses on one site. The advantage of the flexible zoning is that the area could redevelop with different types of uses rather than all one type, and that mix provides the area with an active area where people live, work and recreate in one location. It provides the opportunity for employees to live near their place of employment. It also provides a better chance for retail and restaurant uses to succeed due to a wider number of hours potential customers are in the area. It also broadens the use of the Caltrain station with people both boarding and disembarking the train throughout the day.

Development Capacity

The following table shows the development potential for office/R&D and residential units proposed in the LSAP and included in the EIR analysis:

	Existing	Existing LUTE	Proposed	Net New from Existing
Office/R&D (s.f.)	2,400,000	2,550,000	3,600,000	1,200,000
Residential (units)	1,200	1,600	3,523	2,323

The LSAP considers a total of 1.2 million net new square feet of office/R&D space and 2,323 net new residential units. Other uses are allowed under the LSAP and proposed zoning (i.e., retail and industrial), but not expected to be a majority of the uses in the area given the potential for land values to rise due to the LSAP's increase in density and allowance for residential.

In order to assure there is a balance of uses developed in the LSAP, temporary caps on development types will be established and reviewed periodically to allow the Planning Commission and City Council to consider allowing more of one type of use or another to develop if a balance is not being met. Staff recommends establishing this temporary cap at the onset of the LSAP and to revisit the amount periodically as significant development occurs.

Staff is recommending the following phase one temporary cap, as detailed in the Incentives and Development Cap Administrative Regulations:

Office/R&D: 650,000 net new square feet

Residential: 1,160 new units

Incentive Zoning and Community Benefits

The LSAP was created with an eye on requiring future applicants to provide community benefits in the plan area. In contrast to the recently adopted Peery Park Specific Plan that describes defined and flexible community benefits, the LSAP was designed to provide a list of incentives for applicants to choose from to maximize the build-out of their properties. The Incentive Program is defined in that each type of incentive is described, but has flexibility so that

applicants can choose which incentive(s) makes sense for the conditions and characteristics of their site and proposed project. Many of these elements are beyond the City to accomplish (i.e., new roadways through the LSAP area), or needed to ensure the LSAP creates a true transit village (sufficient open space and affordable housing provided in the area), and significant sustainable features and transit opportunities easiest to provide near a major transit stop.

In order to encourage developers to include these elements into their plans, an incentive zoning program is included as part of the LSAP. This program is proposed to be adopted by resolution and not specifically included in the LSAP itself in order to maintain flexibility to update the provisions to address needed elements as the plan area matures and some elements are completed. At the inception, the Loop Road is considered one of the most important improvements for the LSAP because it improves access to the Caltrain station, including the provision of bus service. This is the highest program incentive because ensuring the construction of that important public improvement is a crucial aspect of the LSAP's success. Other elements include increased open space, affordable housing, sustainable development and bike and pedestrian paths.

The Draft Incentive Zoning Program is in Attachment 7, with each element described, along with the density increases allowed when each element is included in development applications.

The development standards shown in the draft ordinance depict a minimum and maximum density allowance for each zoning district. For instance, for projects within ¼ mile of the Caltrain station, a residential project could attain between 36 units per acre to 68 units per acre. The upper end of the density/FAR allowances are equal to those found Downtown, but higher than elsewhere in the City, to take advantage of the Caltrain station location, and to give applicants the opportunity to maximize the community benefits in the area. The minimum density/FAR (housing density/office project floor area ratio) is relatively low in order to compel applicants to include community benefits in the projects to maximize the build-out potential.

The incentive program is not intended to be a discretionary aspect of project review. The program is intended to provide applicants with a clear roadmap of how to design a project as appropriate for each project's unique identity and conditions present at the specific location.

Development Standards

The proposed zoning code for LSAP includes development standards for each new district and use. The standards depict the minimum and maximum densities allowed in each district. The minimum is higher than typically found in similar zoning districts in the City in order to ensure properties closest to the Caltrain station are compelled to make the greatest use of their proximity to the Caltrain station. The further a project is from the Caltrain station the minimum density totals decreases, but the maximum stays the same. The minimum densities are intended to find a balance between being too low, which could discourage higher density, but not so high to render desired incentives unnecessary, which could limit some of the plan objectives.

Zoning Code changes

The LSAP provides the goals, policies and implementation for the area, and the zoning requirements will be part of the Sunnyvale Municipal Code. The amendments to the Zoning Code (see Draft Ordinance - Attachment 5) are designed to minimize the changes necessary to the existing Zoning Code by incorporating existing processes and standards and not create a new set of procedures or approaches to project review. The biggest changes are the incorporation of new zoning districts unique to the LSAP area, the development standards, and reference to the incentive zoning program.

Implementation

Consideration of broader infrastructure improvements has been considered throughout preparation of the LSAP and EIR. There are no identified water or wastewater improvements necessary to allow future development to occur in the Plan area. Street improvements along Kifer Road will be considered in the future after coordination with the City of Santa Clara (which shares half of Kifer Road). Specific projects will be responsible for making off-site improvements as part of the development of the project.

In order to ensure the area closest to the station includes elements to improve the pedestrian and biking experience, a Sense of Place plan is proposed as an implementation effort. An element of the LSAP success is to ensure the area includes consistent design criteria for streets, sidewalks, tree grates, lighting fixtures, and similar urban design elements. Staff recommends Council provide direction to prepare a Sense of Place plan for the LSAP area to include these elements and determine an appropriate associated fee for public improvements. Once the Sense of Place plan is

prepared, staff will return to City Council to establish a Sense of Place fee to be collected from future applicants to fund the completion of those program improvements. The Sense of Place plan and collection of fees will ensure public improvements are completed through the LSAP area at one time, and not only when specific private projects are approved and built.

Changes in Plan since Draft

The LSAP Draft Plan was issued in February 2015, and since that time certain changes have occurred or information better understood that helps the LSAP to be refined and made more relevant. Also, two development projects have been submitted and are waiting for the LSAP adoption, and staff was able to review the projects against the draft Plan which allowed for reality checks on some aspects of the plan. The two projects include a mixed-use residential and retail project on Kifer Road (Greystar) and a new business campus for Intuitive Surgical immediately adjacent to the residential project.

Comments and feedback received during the LSAP comment review period and during the staff review of the two proposed projects identified areas of the plan that should be updated and clarified. The draft Plan has been updated (original version with exhibits, tables and photographs shown in Attachment 6) and a redline version and errata sheet listing each change (Attachment 8) are provided for consideration. Amendments included the following:

1. *Removal of the Retail Mixed-use Overlay* (Street Fronting Retail). This was intended to provide a “Santana Row”-type experience on a future street connecting Kifer Road and Sonora Court. This was removed for several reasons:
 - a. Discussion with marketing experts concluded that a retail only road would not have sufficient traffic necessary to attract retail businesses to the area. In fact, it was felt that significant retail along Kifer Road may not be feasible, but the amount proposed in the Greystar proposal would be acceptable.
 - b. The proposed Greystar mixed-use project includes a road down the middle of the proposed residential project which is designed to meet the Loop Road design, in case no other future loop road option occurs. The proposed road extends from Kifer Road to the end of the property, and could be extended when properties along Sonora Court are redeveloped.
2. *Reduced Minimum FAR for Office*. In reviewing different proposed and preliminary plans for properties in the LSAP area, it became apparent that the minimum FAR of 70% was too high. The intent of providing a high minimum is to ensure only dense improvements are built near the Caltrain station. The impact of having too high a minimum includes:
 - a. A minimum of 70% means the lowest possible FAR would be higher than maximum allowed in Moffett Park (excluding the current extra green building bonus).
 - b. Providing a high minimum FAR would reduce office project participation in the Incentive Program, which would significantly reduce potential LSAP improvements and community benefits.
 - c. Reducing the minimum would not affect the maximum FAR allowed in the LSAP.
3. *FAR for property east of Calabazas Creek*. The Plan allows a maximum density of 50% FAR for the M-S properties east of the creek versus the currently allowed 35% FAR. This is slightly higher than allowed in other M-S areas of the City because, although further than ½ miles from the Caltrain station, it is still within ¾ miles of the station and would likely benefit from that proximity. The revised draft plan and draft zoning ordinance clarifies this change.
4. *Parking and Transportation Demand Management*. The LSAP includes discussion for several types of parking strategies that can be required for future projects. Although a major public transit stop is the appropriate location for options such as unbundled parking, shared parking, etc., these decisions should be made after a City-wide review of the acceptability and feasibility of such programs.
 - a. Staff proposes to remove requiring reduced parking and other parking from the Plan and instead allow these options as incentives.
 - b. Staff proposes to remove a specific TDM reduction for residential projects and instead to use the recently adopted City-wide Residential TDM program.
5. Other changes include corrections to typos, corrected tables and maps, and updated information.

FISCAL IMPACT

The costs for preparation of the LSAP and EIR were funded by: a \$450,000 grant from MTC and a \$175,000 City match to those funds (primarily staff time). There are no further costs anticipated for the completion of the LSAP. Implementation

of the plan will result in revenue for various programs and services (e.g., housing mitigation fees, park in-lieu fees), include capital improvements such as roads, bike/pedestrian paths, and parks and other publicly-available open space. Development review is paid for by application and inspection fees. Redevelopment of sites would result in an increase in property assessments.

PUBLIC CONTACT

Public contact regarding this item was made in the following ways:

1. Posting the Planning Commission agenda on the City's official-notice bulletin board outside City Hall and by making the agenda and report available at the Sunnyvale Public Library and on the City's website;
2. Publication in the *Sun* newspaper, at least 10 days prior to the hearing;
3. Mailed notice sent to property owners within 2,000 feet of the Lawrence Station Area Plan area; and
4. E-mail notification of the hearing dates sent to all interested parties and neighborhood associations.

Public Meetings

The LSAP has been subject to dozens of meetings with the community, the Community Advisory Group, Technical Advisory Group, City boards and commissions, and the City Council (see Attachment 21).

Citizen Advisory Group (CAG) - In 2013, a City Council sub-committee appointed members of the LSAP CAG to represent the varying opinions and goals of the community in the development of the LSAP. The CAG included area residents and business owners, area property owners, and residents from anywhere in the City ("at-large"). In 2014, the Council sub-committee replaced members that had resigned from the CAG with three new business owners or representatives.

The CAG played an important role in the formation of the LSAP. The concepts brought up by the CAG, such as flexible mixed-use and varying densities based on proximity to the station, became the cornerstone of the LSAP. Although programmed for four meetings with the CAG, the staff met the CAG ten times in order to work through Plan details and goals. The LSAP represents many hours of work and involvement by the CAG and is better for their involvement.

Technical Advisory Group - This group was made up of representatives of many Sunnyvale and outside groups, including:

- City of Sunnyvale, Department of Public Works (DPW), Traffic/Transportation and Engineering
- City of Sunnyvale, Economic Development
- Metropolitan Transportation Commission
- Association of Bay Area Governments (ABAG)
- Santa Clara Valley Transportation Authority
- County of Santa Clara, Roads and Airport Department
- City of Santa Clara
- Bay Area Air Quality Management District (BAAQMD)
- Caltrain

The TAG met five times, the majority at project initiation and once the draft plan was issued for review. The TAG's input was vital to ensuring the LSAP considered area-wide concerns and activities. It was from the TAG meetings that the City of Sunnyvale and County of Santa Clara understood how to coordinate the goals of the LSAP and future design of Lawrence Expressway.

Community Meetings- In addition to the CAG meetings, there were also several general community meetings held. Three meetings were held in order to present the community with concepts considered and to provide an opportunity for feedback. The first community meeting in 2012 was to discuss the work to date and describe the preferred alternative and circulation concepts. The second meeting in 2013 presented progress to date, including the flexible mixed-use concepts and further refinement of the LSAP goals and guiding principles. The third meeting was in 2015 to present the released draft Plan.

In addition to the formal community meetings, staff made a presentation in 2013 on behalf of the Silicon Valley Leadership Group at the Texas Instrument campus on Kifer Road to gain feedback of the challenges area workers face in moving through the area, access to the station and beyond, and to explain what the plan envisions to address those issues. Staff also met dozens of times with individual business and property owners, residents, and developers to discuss

concerns and opportunities in the LSAP.

Boards and Commissions- Staff made presentations to various City boards and commissions during the LSAP preparation. These included the:

- Housing and Human Services Commission- Discuss the anti-displacement program prepared for and included in the LSAP and Draft EIR.
- Bicycle and Pedestrian Commission- Discussed the draft Plan, specifically the circulation goals and policies.
- Sustainability Commission- Discussed the draft Plan sustainability efforts and the DEIR.
- Planning Commission- Held four meetings through the LSAP's preparation to discuss the various aspects of the LSAP. There were also two joint study sessions with the City Council to discuss the preferred alternatives and draft Plan.

City Council

- In addition to the two joint study sessions with the Planning Commission, the full City Council met to determine the appropriate preferred alternative and a City Council sub-committee met two times to appoint members to the CAG.

Public Comment Received on the Lawrence Station Area Plan

In addition to receiving public comment on the DEIR during the 45-day public review period, comments on the LSAP were also received from community members, LSAP property owners, outside agencies, and non-governmental organizations. Some of the comments received have been included in the staff recommended modifications to the LSAP (Attachment 6) and all of the comment letters can be found in the FEIR (Attachment 15).

ALTERNATIVES

Recommend to City Council:

1. Adopt a Resolution (Attachment 4 to this report) to:
 - a. Certify the EIR; Make the Findings Required by the California Environmental Quality Act; Adopt the Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program;
 - b. Adopt the Water Supply Assessment
 - c. Amend the General Plan to Create the Lawrence Station Area Plan General Plan Designation; and Update the General Plan Map to Reflect the Lawrence Station Area Plan Area;
 - d. Adopt the Lawrence Station Area Plan, with Modifications (Attachment 7 of this report);
 - e. Adopt the Lawrence Station Area Plan Incentives and Development Cap Administrative Regulations.
2. Introduce an ordinance (Attachment 5 of this report) to:
 - a. Add Chapter 19.35 (Lawrence Station Area Plan District) to Title 19 (Zoning) to the Sunnyvale Municipal Code;
 - b. Amend the Precise Zoning Plan Zoning Districts Map to add the Lawrence Station Area Plan District and Rezone the Parcels in the Lawrence Station Area Plan Area to Lawrence Station Area Plan District; and
 - c. Amend Sunnyvale Municipal Code Table 19.54.080 (Telecommunications Facilities Permits), Section 19.16.020 (Zoning Districts - Creation), and Section 19.90.010 (Special Development Permits) to Implement the Lawrence Station Area Specific Plan.
3. Modify any of the above alternatives or provide direction for changes to any of the above alternatives.
4. Do not adopt the Lawrence Station Area Plan and provide direction to staff on necessary revisions.
5. Do not Certify the Environmental Impact Report and provide direction on necessary revisions

STAFF RECOMMENDATION

Recommend to the City Council Alternatives 1 and 2:

1. Adopt a Resolution (Attachment 4 of this report) to:
 - a. Certify the EIR; Make the Findings Required by the California Environmental Quality Act; and Adopt the Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program;
 - b. Adopt the Water Supply Assessment;
 - c. Amend the General Plan to Create the Lawrence Station Area Plan General Plan Designation and Update the General Plan Map to Reflect the Lawrence Station Plan Area;
 - d. Adopt the Lawrence Station Area Plan, with Modifications (Attachment 7 of this report);
 - e. Adopt the Lawrence Station Area Plan Incentives and Development Cap Administrative Regulations.

2. Introduce an ordinance (Attachment 5 of this report) to:
 - a. Add Chapter 19.35 (Lawrence Station Area Plan District) to Title 19 (Zoning) to the Sunnyvale Municipal Code;
 - b. Amend the Precise Zoning Plan Zoning Districts Map to add the Lawrence Station Area Plan District and Rezone the Parcels in the Lawrence Station Area Plan Area to Lawrence Station Area Plan (LSAP) District; and
 - c. Amend Sunnyvale Municipal Code Table 19.54.080 (Telecommunications Facilities Permits), Section 19.16.020 (Zoning Districts - Creation); and Section 19.90.010 (Special Development Permits) to Implement the Lawrence Station Area Specific Plan.

The Lawrence Station Area Plan (LSAP) has been developed with the goal to provide a comprehensive plan that is supported by the proximity to a train station. The current use of the train station is primarily employees of local businesses and ridership is relatively low compared to other stops along this Caltrain line. The LSAP will encourage higher ridership through additional business development and additional residential development. The incentive zoning will allow more development in exchange for beneficial site features (e.g., higher green building standards) and increased community benefits (e.g., public open space, higher numbers of affordable housing units, loop road, bicycle and pedestrian pathways, etc.). The LSAP is reflected in the draft update to the Land Use and Transportation Element of the General Plan. Staff recommends certification of the EIR and approval of the LSAP and all related actions.

Prepared 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

1. Not Used (*for use with Report to Council*)
2. Study Issue Paper
3. Feasibility study 2009
4. Resolution to Certify the EIR and related actions, and Adopt the Lawrence Station Area Plan with related actions, with exhibits
5. Ordinance to Amend Title 19 (Zoning) and amend the Precise Zoning Plan Map, with exhibits
6. Draft Lawrence Station Area Plan and Appendices
7. Redline version of LSAP and List of Recommended Modifications to the Lawrence Station Area Plan
8. Development history map
9. Phase 1 LSAP study, 2011
10. RTC for City Council regarding preferred alternative
11. Text of Policy 1.1.9, Sustainable Development and Green Buildings
12. Summary of Notice of Preparation for EIR
13. Links to the Draft Environmental Impact Report and Appendices (Links for chapters are located directly beneath "The Station Plan is now available for review")
14. Links to the Final Environmental Impact Report
15. Mitigation Monitoring Reporting Program
16. Planning Commission minutes from public comment period June 27, 2016
17. Link to the Lawrence Station Area Plan Webpage
18. LSAP Vision and Guiding Principles
19. Lawrence Station Area Plan District Map
20. Public Comments
21. Water Supply Assessment