



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Authorize the City Manager to Enter into Agreement with Kimley Horn and Associates to Complete the Environmental Document to Amend the Moffett Park Specific Plan and Rezone 1050 & 1060 Innovation Way (Onizuka) and Approve Budget Modification No. 39

BACKGROUND

On February 7, 2017 (RTC No. 16-0664), City Council took the following actions regarding the Onizuka Site:

- Directed staff to proceed with a Request for Proposal for real estate broker services for the sale of the property on the open market (RFP has been completed and selection process is underway)
- Directed staff to proceed with the drafting of an amendment to the Moffett Park Specific Plan for City Council consideration at a future date to allow higher floor area ratio in connection with redevelopment of the Onizuka Parcels as described in the report (this report)
- Approved Budget Modification No 28 to Appropriate \$20,000 for updated appraisals and a Phase I Environmental Assessment (underway)

The amendment to the Moffett Park Specific Plan will look at removing the restriction on the use of the development reserve with the current zoning of Moffett Park Industrial zoning district (MP-I) and will also examine amending the land use designation and zoning to Moffett Park-Transit Oriented Development zoning district (MP-TOD). MP-I has a base zoning of 35% FAR with potential for 50% and 60% FAR, based on green building achievements. MP-TOD has a base zoning of 50% FAR with potential for 70% and 80% FAR based, on green building levels.

EXISTING POLICY

Council Policy 1.2.7 Acquisition, Leasing and Disposition of City-Owned Real Property Section 3: Disposing of surplus property shall be done in a manner to maximize the benefit to the community and should be done whenever real estate market conditions are favorable to the City.

Section 3.D: The City may use any of the following methods or combination thereof to maximize the benefit to the community. Methods of disposition should be determined on a case-by-case basis and may include:

- Auction
- Negotiated Sale
- Exchange
- Lease
- Request for Proposal

Discounts will not be negotiated unless an extraordinary need or circumstance is recognized by the City Council prior to negotiation, setting forth the amount of the discount and the justification for it. The purpose of this requirement is to demonstrate to the community that the City is not making a gift of public assets.

Section 3.E: Costs associated with the disposition of property shall come from proceeds of the sale or charged to the fund which owns the property. Unless otherwise directed by the City Council, net proceeds from disposition of surplus property owned by the General Fund shall be placed into the General Fund Reserve for Capital Improvements. Proceeds from the sale of land or facilities originally purchased with monies from a specific fund shall be returned to that fund, except when a fund no longer exists, it will be at the direction of City Council.

Moffett Park Specific Plan (MPSP)

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

Pursuant to Sunnyvale Charter Section 1305, at any meeting after the adoption of the budget, the City Council may amend or supplement the budget by motion adopted by affirmative votes of at least four members so as to authorize the transfer of unused balances appropriated for one purpose to another, or to appropriate available revenue not included in the budget.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(a) in that it has no potential for resulting in either a direct physical change in the environment, or a reasonable foreseeable indirect physical change in the environment.

DISCUSSION

The City of Sunnyvale currently contracts with Kimley Horn for on-call environmental review services and transportation impact analyses associated with private land development, and in the past the firm completed a number of environmental documents in Moffett Park.

Staff met with Kimley Horn to discuss the environmental clearance for the General Plan Amendment and developed a draft agreement for the scope of work (Attachment 1). At this time, it is not known if the project will require a Mitigated Negative Declaration (MND) or an Environmental Impact Report (EIR); staff will make this determination once the Traffic Impact Analysis (TIA) is complete. The MND would cost approximately \$100,000 and take approximately seven months to complete. The EIR would cost approximately \$200,000 and take approximately one year to complete. Staff is requesting funds up to \$200,000 to account for either scenario.

Staff will coordinate with the selected real estate consultant (upcoming contract award) to determine the best way to market the property. The real estate consultant will also advise the City regarding the benefits of proceeding with the amendment and increasing the FAR and the possible concerns with

delaying the sale until the process is completed. If the City moves forward with consideration of the amendment (once the environmental is completed) it would first go to Planning Commission and then City Council for consideration.

FISCAL IMPACT

Budget Modification No. 39 has been prepared to appropriate General Fund funds in the amount of \$200,000 for the EIR to a new project, Onizuka Environmental Review.

Budget Modification No. 39 FY 2016/17

	Current	Increase/ (Decrease)	Revised
General Fund			
<u>Reserves</u>			
Budget Stabilization Fund	\$48,809,463	(\$200,000)	\$48,609,463
<u>Expenditure</u>			
New Project - Onizuka Environmental Review	\$0	\$200,000	\$200,000

PUBLIC CONTACT

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

STAFF RECOMMENDATION

Authorize the City Manager to enter into an Agreement with Kimley Horn in an amount not-to-exceed \$200,000 for environmental consulting services related to the Amendment of the Moffett Pak Specific Plan to Rezone 1050 & 1060 Innovation Way (Onizuka) and Approve Budget Modification No. 39 in the amount of \$200,000.

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Reviewed by: Timothy J. Kirby, Director, Finance
Reviewed by: Kent Steffens, Assistant City Manager
Approved by: Deanna J. Santana, City Manager

ATTACHMENT

1. Draft Agreement