



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO HERITAGE PRESERVATION COMMISSION

SUBJECT

SPECIFIC PLAN AMENDMENT: Amend the Downtown Sunnyvale Specific Plan

Location: Downtown Sunnyvale

File #: 2017-8047

Zoning: DSP

Applicant/Owner: City of Sunnyvale

Environmental Review (SCH # 2018052020): Adopt a resolution to make findings required by CEQA, certify the Environmental Impact Report (EIR), and adopt a Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program.

Project Planner: Michelle King, (408) 730-7463, mking@sunnyvale.ca.gov

REPORT IN BRIEF

General Plan: Downtown Specific Plan (DSP)

Existing Site Conditions: The DSP area includes multiple parcels and property owners. The area is developed with a mix of local and regional uses, residential units in multi-family buildings and single-family detached, office buildings and open spaces including Plaza Del Sol and Redwood Square.

DSP Boundary: The Downtown Specific Plan is generally bounded by Charles Avenue to the west, Sunnyvale Avenue to the east, the Caltrain tracks to the north, and Olive Avenue to the south (and to El Camino Real along the east side of Mathilda Avenue).

Issues: Allowing additional development intensity and height within the Commercial Core district Block 18, Block 1a and Block 22, for the provision of community benefits, transitions from the Downtown Core to adjacent lower intensity development, ensuring future development supports a cohesive public realm and contributes to a pedestrian-friendly Downtown.

Staff Recommendation: Heritage Preservation Commission recommend that the City Council take the following actions as they relate to Heritage Preservation:

- Adopt a Resolution to:
 - Certify the Environmental Impact Report;
 - Make the Findings Required by CEQA and Approve a Statement of Overriding Considerations (included in the Resolution);
 - Approve a Mitigation Monitoring and Reporting Program (MMRP) for the DSP amendments and future development projects (see link in Attachment 1); and,
 - Approve the amended Downtown Specific Plan.

BACKGROUND

The Downtown Specific Plan (DSP) is a long-term planning document to reinforce a vibrant and traditional downtown that serves the local community with a desirable mix of retailers, restaurants, corporate tenants, residents, and is a regional destination providing a unique and highly active

environment. The DSP contains goals, policies, design strategies and guidelines, land use and development intensities and standards to guide development in the DSP area. The City has developed an update to the existing DSP to better address current market trends and future project design. See the draft Planning Commission staff report for detailed information regarding the proposed update (link in Attachment 1). The proposed updates result in an increase in the number of allowed residential units and commercial and office floor area.

Detailed information about the related actions in the Downtown are provided in four draft reports to the Planning Commission (see link in Attachment 1). The report that addresses the Downtown Specific Plan and EIR is the primary report that the Heritage Preservation should review to make a recommendation on the DSP and EIR to the City Council; the entire set of reports may provide a greater context to understand proposed development in the Downtown and the projects that initiated the review and update of the Downtown Specific Plan.

The draft Planning Commission staff reports will be updated to include additional correspondence received prior to the public hearing. Time permitting, the recommendations of the other commissions will be added to the Planning Commission report; otherwise, an oral update will be provided at the hearing.

The **Bicycle and Pedestrian Advisory Commission** will review the DSP update on July 16, 2020 and make a recommendation to the City Council.

The **Sustainability Commission** will review the DSP update on July 20, 2020 and make a recommendation to the City Council.

The **Heritage Preservation Commission** will review the EIR and DSP Update on July 22, 2020 and make a recommendation to the City Council.

The **Planning Commission** will review on July 27, 2020 and make a recommendation to the City Council on the following: 1) Downtown Parking Study; 2) Final EIR, DSP Update, Zoning amendments; and 3) and 4) Development Agreements

The **City Council** is scheduled to consider this item on August 11, 2020.

EXISTING POLICY

The following General Plan policies relate to the protection of City cultural and heritage resources and should be considered in the Commission's recommendation.

CC-5.1 Preserve existing landmarks and cultural resources and their environmental settings.

CC-5.3 Identify and work to resolve conflicts between the preservation of historic resources and alternative land uses.

ENVIRONMENTAL REVIEW

Environmental Review (SCH # 2018052020): City Council to adopt a resolution to make findings required by CEQA, certify the Environmental Impact Report (EIR), and adopt a Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program.

The California Environmental Quality Act (CEQA) requires that all state and local government agencies consider the environmental consequences of projects for which they have discretionary authority. An initial study was prepared for the proposed changes to the DSP and six specific development projects (collectively, “the Project”), which indicated the Project had potential impacts that could not be fully mitigated. Therefore, a Draft Environmental Impact Report (DEIR) has been prepared and circulated for this project on November 22, 2019 to January 6, 2020. The Final EIR (FEIR) was released for public review on July 10, 2020.

DISCUSSION

Downtown Sunnyvale is generally considered the earliest developed area of Sunnyvale. Within the DSP boundaries are many older buildings and heritage features. The DSP provides an integrated set of goals, policies, and development standards and guidelines for land use and development in the Downtown. The DSP acknowledges the heritage resources in and adjacent to the Downtown and includes design guidelines intended to protect heritage resources. Attachment 2 is a map of heritage resources (including landmarks and districts) within and near the Downtown.

The City Council initiated the amendments to the DSP (authorized the studies to consider amending the plan) and provided direction on a number of items to be studied and considered. None of the directives specifically relate to the Heritage Preservation Commission purview; however, given the context of the downtown and Sunnyvale’s history, the Heritage Preservation Commission needs to review and make recommendations concerning the Project’s impact on heritage resources. In particular, the proposed redevelopment of the former Macy’s site and Redwood Square (Sub-block 3 of Block 18 of the DSP area) will require removal or relocation of one of the six heritage redwood trees in Redwood Square.

If the City Council certifies the EIR and approves the DSP amendments, the developer of Block 18 (STC Venture LLC and its affiliated entities) will be required to return to the Heritage Preservation Commission at a later date for approval of a Resource Alteration Permit as part of its application for approval of the development project. Certification of the EIR and approval of the DSP amendments do not entitle the Developer to build the project, but will establish the environmental and regulatory framework for the consideration of the developer’s application.

The Heritage Tree Grove

Sunnyvale’s old City Hall was in the center of downtown at the corner of Murphy and McKinley avenues. The five largest redwood trees in the Heritage Grove were planted between 1930 and 1945 on the old City Hall grounds to commemorate various events in Sunnyvale history. The grove originally included two cedar trees, one of which was lost sometime before 1984. The other cedar was removed after 1984 because of ill health. The sixth redwood tree was planted in 1978 at the groundbreaking of the Sunnyvale Mall and dedicated to Manuel Vargas, a longtime Sunnyvale resident who planted the “Vargas Redwoods” at the corner of Mary Avenue and Carson Drive. The Sunnyvale Mall was built on land that included the former site of the first City Hall building; construction of the mall preserved a relatively small space around the grove of trees. The City designated the grove as a Heritage Resource in 1984 (see Attachment 3). Subsequently, the Sunnyvale Mall was demolished in 2008-2009, and the grove was fenced off for several years while efforts to redevelop the site were stalled as result of the financial crisis and subsequent litigation. In 2017, the new developer of the site (STC Venture LLC, also known as CityLine) re-opened Redwood Square with temporary improvements to create a park-like setting.

The current proposal for the build-out of DSP Block 18 would preserve the five oldest trees in the Heritage Grove and create approximately one acre of publicly-accessible open space that extends to the corner of McKinley and Murphy Avenues. To achieve the ideal layout of the buildings and open space and to avoid extensive underground construction near the five other trees, the northernmost redwood tree (see Attachment 5) in the Heritage Grove would need to be removed or relocated. The staff report for the Planning Commission (see link in Attachment 1) includes a copy of the arborist report with further information about the trees (Attachment 19 of the draft Report to Planning Commission).

Environmental Impact Report

Historical resources are part of the physical environment that must be reviewed under the California Environmental Quality Act (CEQA). Historic resources typically consist of districts, sites, buildings, structures, or objects that are significant to the community because of their traditional, cultural, or historic associations. CEQA's definition of historic resources is very broad and goes beyond resources that are listed or eligible for listing in the national or state registers. CEQA also applies to resources that are locally identified as historic or found to be historically significant during the process of CEQA review. A project has a significant impact on a historic resource if it would cause a substantial adverse change in the historic significance of that resource. A "substantial adverse change" is defined as the **physical demolition, relocation, or alteration of the resource or its immediate surroundings such that the significance of the historical resource would be materially impaired.**

Page 91 of the Draft EIR describes the heritage resources in the Downtown area that are potentially impacted by the six development projects analyzed in the EIR. The only potential impact is to the Heritage Grove. No construction is proposed that would affect other historic sites or structures in the Downtown area, such as the Murphy Avenue landmark district.

The Draft EIR disclosed possible removal of "one or more" of the trees in the Heritage Grove; however, the Final EIR clarifies that only one tree, the northernmost redwood that was planted in 1978, would need to be replaced or relocated. This is considered a "significant and unavoidable impact" under the California Environmental Quality Act (CEQA). Even if an attempt is made to relocate the tree, it might not survive. Similarly, memorializing the tree by photography, installing a plaque, or planting a replacement tree will only partially mitigate the loss of the tree. Therefore, in order to certify the EIR, the City Council must find that there are social, economic, environmental, or other benefits of the Project that outweigh the loss of the tree.

Attachment 4, pages 57-62 contain the Statement of Overriding Considerations for the Project which lists the various factors and policies and would support a decision to remove the tree. In particular, removal or relocation of the northernmost redwood may be necessary to achieve the best design of the site that will allow Redwood Square to extend to the corner of Murphy and McKinley and will minimize impacts of underground construction to the remaining trees, which are preferable. The proposed improvements to Redwood Square will ensure the preservation of five of the six heritage redwood trees while creating an inclusive and inviting publicly accessible open space that will help create a sense of place in the Downtown. Both the City and the Developer envision Redwood Square as a key amenity in the Downtown that will become a center for recreation, outdoor enjoyment and special events. Having Redwood Square as an amenity in the Downtown will further the City's environmental goals by encouraging walking and biking in the Downtown, and reducing the need for

nearby workers and residents to drive elsewhere to enjoy parks and recreation.

Although the Heritage Grove is a symbol of Sunnyvale's history and its preservation is a high priority, the City should consider removal or relocation of the northernmost heritage redwood tree in order to achieve the ideal layout of the proposed below grade parking and decrease the amount of excavation and cost to build the project's parking. The proposed layout would assure the remaining five trees are protected from excavation and construction activity by not disturbing the roots or soil in and around the trees. The removal of the northernmost tree also facilitates the layout of buildings to achieve larger, more usable open space that extends to the corner of McKinley Avenue and Murphy Avenue, which will also maximize the amount of open space, provide sufficient space and sunlight to sustain the continued health and growth of the redwood grove, and allow public access and visibility of the trees and surrounding park from both the south and east directions.

The DEIR includes two mitigation measures to partially mitigate the loss of the heritage tree:

- MM CR-1.1: Macy's and Redwood Square: If a heritage tree is removed or relocated, the relocation of a heritage tree shall be done under the supervision of a certified arborist, in consultation with the City arborist. The new location for a relocated tree shall be approved by the City prior to the tree's removal.
- MM CR-1.2: Macy's and Redwood Square: If a heritage tree is removed or relocated, the project applicant shall install a replacement plaque for the heritage tree with the same inscription as on the original plaques, which are noted in the 2006 (*California*) Department of Parks and Recreation form. The final design of the plaque shall be approved by the City prior to its installation.

The mitigation measures include the requirement of a Resource Alteration Permit (RAP) to consider tree removal or relocation. A RAP requires action by the Heritage Preservation Commission. If the EIR is certified and the DSP update is adopted, the Heritage Preservation Commission will need to take a separate action in the future to consider the RAP. Even with the mitigations incorporated, the removal or relocation of a heritage resource (one tree) is a significant and unavoidable impact.

City Council will be considering the Adoption of the EIR and Overriding Considerations, which requires a CEQA finding to remove this resource, and adoption of the Downtown Specific Plan. Alternatively, the City Council could require the project to build an alternative design that does not require the removal of the northernmost tree. The alternative without the removal of the tree, will not provide the same level of usable, quality open space than the preferred alternative nor will it provide for the efficient provision of underground parking for the contemplated project.

Review of EIR

Commissioners are responsible for reading the sections of the documents that pertain to the Heritage Preservation Commission's role. Staff recommends the Commissioners read at least:

- DEIR Section 1 (Introduction)
- Section 2 (Project Description)
- Section 3.5 (Archeological, Historic, and Tribal Cultural Resources), and
- Section 6 (Other CEQA Considerations)

The reading material (DEIR, FEIR, the Draft Downtown Specific Plan and draft Reports to Planning Commission) can be found on the project webpage

<https://sunnyvale.ca.gov/news/topics/dsp/default.htm> (see Link in Attachment 1).

PUBLIC CONTACT

Public contact was made by posting the agenda on the City's official-notice bulletin board outside City Hall and on the City's website. Notice of the hearing was also published in the Sun newspaper and notices mailed to property owners and tenants within 2,000 feet of the Downtown Specific Plan. Detailed information about public contact is listed in the draft report to the Planning Commission on the Downtown Specific Plan, EIR and Zoning amendments.

ALTERNATIVES

1. Recommend to the City Council to a) Certify the Environmental Impact Report (see link in Attachment 1 to the report), b) Make the Findings Required by the California Environmental Quality Act and Approve a Statement of Overriding Considerations for the relocation or removal of one of the trees included the Heritage Grove, a City Heritage Resource (Attachment 4 to the report), c) Approve a Mitigation Monitoring and Reporting Program (MMRP) for the DSP amendments and future development projects as they pertain to Heritage Resources, and d) Approve the amended Downtown Specific Plan as it relates to Heritage Resources.
2. Recommend to the City Council to require an alternative design for Redwood Square that preserves all six trees included in the Heritage Grove.

STAFF RECOMMENDATION

Alternative 1: Recommend to the City Council to a) Certify the Environmental Impact Report (see link in Attachment 1 to the report), b) Make the Findings Required by the California Environmental Quality Act and Approve a Statement of Overriding Considerations for the relocation or removal of one of the trees included the Heritage Grove, a City Heritage Resource, (Attachment 4 to the report), c) Approve a Mitigation Monitoring and Reporting Program (MMRP) for the DSP amendments and future development projects as they pertain to Heritage Resources, and d) Approve the amended Downtown Specific Plan as it relates to Heritage Resources.

The Environmental Impact Report is a disclosure document and staff has found that it adequately addresses potential environmental impacts associated with the update to the DSP and related development proposals. As it relates to Cultural and Heritage Resources, the Statement of Overriding Considerations for the removal of one of the trees in the Heritage Grove is supported by the findings. The updated DSP supports a number of City goals and policies for the Downtown. Updated policy statements focus on encouraging a high-quality active street environment, supporting local businesses, and respecting the character of the Murphy Station Heritage District (the 100 Block of S. Murphy Avenue). The proposed updated DSP also references the Murphy Station Heritage District as there are separate design guidelines for the historic block of Murphy Avenue. Special criteria are included to address the interface and transition of higher intensity development with the existing lower-scale development within the Heritage Housing Districts and other adjacent residential districts.

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Reviewed by: Teri Silva, Assistant City Manager

Approved by: Kent Steffens, City Manager

ATTACHMENTS

1. Link to DSP webpage with Draft Reports to Planning Commission and related documents
<https://sunnyvale.ca.gov/news/topics/dsp/default.htm>
2. Map of Heritage Resources in and near the Downtown Specific Plan
3. Information Related to the Heritage Tree Grove
4. Draft Resolution Findings of Fact and Statement of Overriding Considerations
5. Photograph of the Heritage Tree Grove