

REPORT TO COUNCIL

SUBJECT

Proposed Project:

For the Lawrence Station Area Plan (LSAP) Update:

- 1. Adopt a Resolution to:**
 - a. Certify the Subsequent Environmental Impact Report;
 - b. Make the findings required by the California Environmental Quality Act;
 - c. Adopt the Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program;
 - d. Adopt the Water Supply Assessment;
 - e. Amend the Lawrence Station Area Plan;
 - f. Amend the General Plan and update the General Plan Map;
 - g. Adopt the LSAP Sense of Place Plan; and
 - h. Amend the LSAP Development Incentives Program.
- 2. Adopt a Resolution to:**
 - a. Amend Resolution No. 1060-21 (Master Fee Schedule) to add the LSAP Plan Fee, LSAP Sense of Place Fee, LSAP Residential Wastewater Fee, and LSAP Transportation Impact Fee.
- 3. Introduce an Ordinance to:**
 - a. Amend Sunnyvale Municipal Code (SMC) Section 19.16.020 (Zoning Districts-Creation), Chapter 19.35 (Lawrence Station Area Plan Specific Plan District), and make related changes to the SMC to implement the amended LSAP;
 - b. Amend the Precise Zoning Plan Districts Map and re-zone parcels within the LSAP district; and
 - c. Add Chapter 3.52 (LSAP Transportation Impact Fee) to Title 3.50 (Revenue and Finance).

Location:

Existing Plan: Lawrence Station Area

Proposed Boundary Expansion Sites: 932 Kifer Road (APN 205-49-005), 950 Kifer Road (APN 205-49-012), 945 Kifer Road (APN 205-40-002), and 955 Kifer Road (APN 205-40-001)

File nos.:

2017-7082 (Lawrence Station Area Plan Amendment)

2018-7714 (Sense of Place Plan)

2018-7723 (General Plan Amendment/Rezoning for Boundary Expansion Sites)

Zoning:

LSAP - Various designations of Flexible Mixed-Use I (MXD-I), Flexible Mixed-Use II (MXD-II), Flexible Mixed-Use III (MXD-III), LSAP Industrial and Service (M-S/LSAP), Office/Retail (O-R), and High Density Residential and Office (R-5)

Proposed Boundary Expansion Sites - General Industrial (M-3) [932 and 950 Kifer Road] and Industrial and Service (M-S) [945 and 955 Kifer Road]

Applicants: City of Sunnyvale (file #'s 2017-7082 and 2018-7714) and Intuitive Surgical, Inc. (file # 2018-7723)

Environmental Review (SCH # 2019012022): Adopt a resolution to make findings required by CEQA, certify the Subsequent Environmental Impact Report (SEIR), and adopt a Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program.

Project Planner: George Schroeder, 408-730-7443, gschroeder@sunnyvale.ca.gov

SUMMARY OF COMMISSION ACTION

The Planning Commission considered this item on August 23, 2021. Three members of the public spoke on the item. The speakers included two property owners within the Lawrence Station Area Plan (LSAP), PS Business Parks and Intuitive Surgical, Inc. (Intuitive); and an Intuitive employee that works in the area.

PS Business Parks owns the property at 1310-1380 Kifer Road which the plan identifies as the location of the Loop Road's main eastern leg. PS Business Parks stated concerns about the Loop Road impacting future development on their site and requested consideration of an alternate location between their property and the neighboring property to the west. They also provided a letter prior to the hearing with these concerns, included in Attachment 28. Intuitive supported the proposed LSAP Update. The Intuitive employee requested that the original 2016 LSAP's road diet on Kifer Road be implemented as part of the LSAP, including Class IV protected bicycle lanes, and that the City should install sidewalks on Sonora Court rather than wait for individual property owners to install them upon redevelopment. The original 2016 LSAP's road diet included a center median, one automobile travel lane in each direction, and bicycle lanes and on-street parking on both sides of the street. Staff's comments on the LSAP Update's road diet removal are described later.

The Planning Commission voted 5-0 (one Commissioner was absent) to recommend approval of Alternative 2: Recommend the actions in Alternative 1 (listed in the Recommendation section of the report) with the following modifications:

1. Extend the availability of development incentives for consolidating parcels to the Lawrence/Willow/Reed subarea (MXD-IV zoning district); and
2. City staff shall follow up with the City of Santa Clara to determine whether there is interest in a road diet on Kifer Road that would accommodate Class IV protected bicycle lanes.

The Planning Commission's recommendation includes a new development incentive in the proposed LSAP Development Incentives Program (Attachment 14) for parcel consolidation in the Lawrence/Willow/Reed subarea. Staff supports the addition, as it would incentivize developers to purchase the parcel along Lawrence Expressway that would be most impacted by the County of Santa Clara's grade separation project. The incentives program in Attachment 14 has been updated with the Planning Commission's recommended addition.

The Planning Commission recommendation further differs from staff's recommendation by specifying that a road diet on Kifer Road be pursued with the City of Santa Clara (that owns the north half of Kifer Road). While references to a road diet on Kifer Road were included in the original 2016 LSAP, staff is no longer proposing it because of its incompatibility with higher traffic volumes anticipated with future development in Sunnyvale and Santa Clara and because the City of Santa Clara has not expressed support for the road diet concept during the preparation of the LSAP Update. Due to these reasons, the proposed Sense of Place fee does not include costs for a road diet. Instead of the road diet, the LSAP Update includes improvements to Kifer Road's pedestrian and bicycle facilities while

still retaining the existing number of automobile travel lanes. In the long term, the new Loop Road and Class I shared-use paths would allow alternate routes for pedestrians and bicycles on Kifer Road to properties within the LSAP and to Lawrence Station. Therefore, staff does not recommend inclusion of the Planning Commission's recommendation to reinstate road diet discussions in the motion to adopt the LSAP Update. Additionally, staff contacted the City of Santa Clara following the Planning Commission hearing and they confirmed they have no near or long-term plans for a road diet. To consider its feasibility, the City of Santa Clara would need to conduct a detailed study along with an extensive public outreach process. If Santa Clara's City Council is supportive of the road diet, they would need to allocate funding for a future capital improvement project.

Along with the road diet discussions, the City of Santa Clara requested that the LSAP Transportation Impact Fee Nexus Study (Attachment 27) be updated to include current cost estimates for roadway improvements in their jurisdiction. This results in a change to the LSAP Transportation Impact Fee from \$1,297 to \$1,298 per residential unit. The County of Santa Clara also reviewed the study and requested that it include a note stating that the proposed improvements in their jurisdiction are not fully funded and that the City coordinate with them on a funding agreement and implementation plan. Attachment 27 has been updated with these requested revisions and Attachment 4 has also been updated to include the amended LSAP Transportation Impact Fee per residential unit.

See Attachment 1 (August 23, 2021 Planning Commission staff report) for a detailed discussion on the LSAP amendments and Attachment 29 for an excerpt of the draft Planning Commission minutes.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, Sunnyvale Public Library and Department of Public Safety. In addition, the agenda and report are available at the Office of the City Clerk 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 LSAP boundary and proposed boundary expansion area (see the Vicinity and Noticing Map in Attachment 5). Additional public contact efforts include e-mail notifications to the list of interested parties, an Update Sunnyvale announcement, and LSAP webpage updates.

Following the Planning Commission hearing, staff received an e-mail from a member of the public, included in Attachment 30. Environmental-related comments received during the public review period of the Draft Subsequent Environmental Impact Report (SEIR) are included in Section 2 of the Final SEIR (Attachment 8). The Final SEIR was released for public review on August 18, 2021.

ALTERNATIVES

Alternative 1:

1. Adopt a Resolution (Attachment 2) to:

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- d. Adopt the Water Supply Assessment;

- e. Amend the Lawrence Station Area Plan;
- f. Amend the General Plan and update the General Plan Map;
- g. Adopt the LSAP Sense of Place Plan; and
- h. Amend the LSAP Development Incentives Program.

2. Adopt a Resolution (Attachment 4) to:

- a. Amend Resolution No. 1060-21 (Master Fee Schedule) to add the LSAP Plan Fee, LSAP Sense of Place Fee, LSAP Residential Wastewater Fee, and LSAP Transportation Impact Fee.

3. Introduce an Ordinance (Attachment 3) to:

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Alternative 2: Alternative 1 with modifications provided the modifications are within the scope of the environmental review.

Alternative 3: Do not take any action and provide direction on desired changes.

STAFF RECOMMENDATION

Alternative 1:

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The LSAP Update responds to the need for more housing in Sunnyvale with increased residential development near transit, fulfilling City priorities to increase transit use, reduce single-occupant vehicle trips, and lessen greenhouse gas emissions. With the increased residential potential, there is still the ability to construct flexible mixed-use development with other types of land uses, such as retail and office/R&D. Residential development would provide needed community benefits such as open space and circulation in exchange for higher densities. The promotion of the State Density Bonus in the Plan Area's density structure may also result in more affordable housing than required by the City's standard inclusionary affordable housing requirements.

The new Lawrence Station Sense of Place Plan would support the multimodal transportation network with new and improved pedestrian, bicycle, transit, and automobile facilities that would have safer, more direct access to Lawrence Station. Over time, the Plan would help to establish a neighborhood identity with an improved aesthetic character as the area transitions from auto-oriented industrial to a compact, transit-oriented, mixed-use neighborhood.

Expanding the LSAP boundary to include the additional parcels owned by Intuitive would lead to a more consistent approach in planning for the Kifer Road corridor. Inclusion in the plan boundary would allow a Sunnyvale-based company to expand and provide additional office/R&D/industrial development to balance the increase in residential potential. Additional employment opportunities would be provided in a mixed-use environment within close proximity to Lawrence Station, increasing the potential for employees to use transit or live nearby.

Prepared by: George Schroeder, Senior Planner
Reviewed by: Amber Blizinski, Principal Planner
Reviewed by: Andrew Miner, Assistant Director of Community Development
Reviewed by: Trudi Ryan, Director of Community Development
Reviewed by : Chip Taylor, Director of Public Works
Reviewed by: Tim Kirby, Director of Finance
Reviewed by: Connie Verceles, Assistant to the City Manager
Reviewed by: Teri Silva, Assistant City Manager
Approved by: Kent Steffens, City Manager

ATTACHMENTS

1. Report to Planning Commission [21-0642, August 23, 2021] (without attachments)
2. Draft Resolution for Certification of the SEIR; CEQA Findings; Mitigation Monitoring and Reporting Program; Statement of Overriding Considerations; Water Supply Assessment; General Plan Amendments; LSAP Amendments; Lawrence Station Sense of Place Plan; and LSAP Development Incentives Program
3. Draft Ordinance Amending Sunnyvale Municipal Code Chapters 19.16, 19.35, 19.54, and 19.56; Adding Chapter 3.52
4. Draft Fee Resolution for Proposed LSAP-Specific Fees (updated as noted in the report)

5. Noticing and Vicinity Map
6. Relevant General Plan Goals and Policies
7. Links to Draft SEIR and Appendices
8. Links to Final SEIR and Appendices
9. Summary of Commission Hearing Comments during the Public Review Period
10. Summary of SEIR Mitigation Measures
11. Summary of SEIR Significant and Unavoidable Impacts
12. Existing LSAP Development Incentives Program
13. Proposed Density and Height Table
14. Proposed LSAP Development Incentives Program (updated to include Planning Commission's recommended modification)
15. Market Study
16. Fiscal Impact Analysis and Residual Land Value Analysis
17. Summary of Market Study, Fiscal Impact and Residual Land Value Analysis Findings
18. Residential Infrastructure Impact Study
19. Residential Transportation Impact Analysis
20. Link to Final Draft of the Lawrence Station Sense of Place Plan
21. Link to Final Draft of the Amended Lawrence Station Area Plan
22. Link to LSAP Goals, Policies, and Design Guidelines Comparison
23. Links to 2016 Adopted LSAP Redlines and 2015 Public Draft Plan
24. Link to Summary of Revisions to Public Drafts of the 2021 Amended LSAP and Sense of Place Plan
25. Existing General Plan Land Use and Zoning Maps
26. Summary of Substantive Amendments to the LSAP by Chapter
27. LSAP Transportation Impact Fee Nexus Study (updated as noted in the report)
28. Public Comments Received after Planning Commission Staff Report

Additional Attachments for Report to Council

29. Excerpt of Draft Minutes of the Planning Commission Meeting of August 23, 2021
30. Public Comments Received after Planning Commission Meeting