



City of Sunnyvale

Agenda Item

18-0799

Agenda Date: 9/25/2018

REPORT TO COUNCIL

SUBJECT

Adopt a Resolution to Certify the Program Environmental Impact Report, Make the Findings Required by the California Environmental Quality Act, Adopt the Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program; and Adopt the Civic Center Modernization Master Plan

REPORT IN BRIEF

The Civic Center Master Plan Design Option 1 was selected by Council in November 2017. Since then, City Staff and the design team (SmithGroup JJR) have continued to further develop the Master Plan. A Draft Program Environmental Impact Report (DEIR) was prepared for the Civic Center Modernization Master Plan Project ("Project"), including the Civic Center Master Plan Design Option 1 - Plaza, as selected by Council in November 2017 (RTC No. 17-0835). The DEIR incorporates relevant information such as the results of the public scoping meeting and technical studies. A Final Program EIR (FEIR) has been prepared for the Project, which includes responses to the comments received during the 45-day review period of the DEIR. Earlier this September, the Final Program Environmental Impact Report (FEIR) was presented to the Heritage Preservation Commission and Planning Commission for their recommendation and was also reviewed by City Council at a Study Session on September 11, 2018. Council action is needed to certify the Environmental Impact Report, make the Findings Required by the California Environmental Quality Act and approve the Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program.

Council action is also required for adoption of the final Civic Center Modernization Master Plan. The Master Plan contains a long-term, multi-phased vision of the entire campus including a checklist to achieve LEED Platinum level for City Hall, and a net zero energy analysis. The City will implement the Master Plan in several phases, over several decades, to modernize and expand the Civic Center. Phase 1 includes a new City Hall Building with underground parking, an addition to the Department of Public Safety Headquarters, and landscape and hardscape site features (Master Plan Option - Plaza).

BACKGROUND

The Sunnyvale Civic Center, located at the corner of El Camino Real and Mathilda Avenue, is home to the City's primary administrative facilities (City Hall), Library, and Department of Public Safety Headquarters. Civic Center buildings range in age between 30 and 60 years old.

In early 2015, the City began an extensive community engagement process to evaluate how facilities at the Civic Center could be renovated or replaced. Through this process, the City developed a Needs Assessment, Vision Statement, and Success Criteria for the Project that were intended to guide further planning efforts.

On October 25, 2016, City Council approved a scope of services for the Civic Center Modernization

Project Master Plan (RTC No. 16-0072). The scope outlines specific consulting services needed to complete a long-term Master Plan for the Civic Center and further defined what elements of the project would be implemented as part of the first phase of construction. The scope of work also documented decisions that have already been made by the Council and specific studies that were needed to support decision making during the master planning process.

A multi-step public procurement process was used to solicit interest and select a consultant to complete the Civic Center Master Plan. On May 17, 2017, Council awarded a contract to SmithGroup JJR for master planning services (RTC No. 17-0136). SmithGroup JJR is an architecture firm with extensive experience preparing campus master plans and designing modern, sustainable and attractive buildings. The City's agreement with SmithGroup JJR includes a detailed scope of services, and project schedule that identifies Council decisions points and community outreach activities throughout the master planning process.

On July 25, 2017 Council reviewed options for expanding the existing Public Safety Building and considered whether the City Hall Annex Building could be renovated and used for NOVA Workforce Services (RTC No. 17-0617). After considering the options, Council gave direction to pursue an addition to the existing Public Safety Building of approximately 11,000 square feet as part of Phase 1 of the Civic Center Project. Also, that the City Hall Annex Building be replaced and space for NOVA Workforce services be included in City Hall.

In 2017, two Master Plan options for the Civic Center were developed for building placement, site circulation, parking facilities, and open space features. In November 2017, the City Council selected Option 1 - Plaza as the alternative for further environmental analysis (RTC No. 17-0835).

EXISTING POLICY

General Plan, Community Character and Land Use and Transportation chapters and Council Policies include the following policies applicable to the Civic Center Modernization Project:

GENERAL PLAN

Community Character

Policy CC-4.1 - Ensure that Sunnyvale's Public Facilities are easily identified, accessible, attractive and representative of the community's values and aspirations.

Policy CC-4.1b - Consider ways to increase the visibility of the Civic Center on Mathilda Avenue and El Camino Real and consider better identification for the Community Center along Remington.

Land Use and Transportation

Action LT-14.17a - Maintain and plan for appropriate land areas to support public facilities, such as the civic center, library, corporation yard, and water pollution control plant.

Action LT-14.17b - Promote co-locating government (federal, state, county, city) activities when appropriate to improve access to services for the community at large.

Council Policy

The Council Fiscal Policy contains several policies related to infrastructure in Chapter 7: Planning and Management.

Policy section 7.1C, *Capital Improvement Policies*:

C.1.3 High priority should be given to replacing capital improvements prior to the time that they have deteriorated to the point where they are hazardous, incur high maintenance costs, negatively affect property values, or no longer serve their intended purposes.

C.1.5 Priority will be given to the repair and replacement of existing infrastructure as compared to the provision of new or expanded facilities.

C.1 The decision on whether to repair or to replace an existing capital asset will be based on which alternative is most cost-effective or provides the best value to the City.

ENVIRONMENTAL REVIEW

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. Adoption of the Civic Center Modernization Master Plan is a separate action taken by the Council.

Notice of Preparation Period and Scoping Meeting

On September 26, 2017, 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 October 18, 2017, in the City Council Chambers. 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. The scoping period concluded on October 26, 2017. Staff received 11 letters from community members, stakeholders and outside agencies. The summary of the meeting comments and the complete list of comments received can be found in Appendix 1.0 of the DEIR (Attachment 5).

On November 7, 2017, the City Council selected Option 1 - Plaza as the preferred alternative of two options initially proposed for the Civic Center Modernization Master Plan. In response to the selection of Option 1 - Plaza, the City prepared a revised NOP on December 11, 2017. Comments received during the original NOP and the revised NOP were considered in the DEIR. The scoping period concluded on January 10, 2018. Staff received four letters from community members, stakeholders and outside agencies (Attachment 5).

Notice of Availability

The DEIR was issued for public review and comment on April 23, 2018. The link to the DEIR was mailed and/or e-mailed in the notice to appropriate agencies, members of the Project interest list, neighborhood groups and to all property owners within 2,000 feet of the Civic Center boundary. Physical copies of 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 June 7, 2018, members of the public and outside agencies submitted written comments on the DEIR.

After the 45-day public review period, staff received six letters from residents and one letter from a public agency. In addition, staff collected oral comments from the Heritage Preservation Commission on May 2, 2018, and the Planning Commission and members of the public during a public hearing specific to this process on May 29, 2018. All the comments received are in the FEIR (Attachment 6).

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.

Significant Impacts Identified in the EIR

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

- Aesthetics
- Air Quality and Greenhouse Gas Emissions
- Biological Resources
- Cultural and Tribal Cultural Resources
- Geology and Soils
- Hazards and Hazardous Materials
- Hydrology and Water Quality
- Noise
- Traffic and Transportation
- Utilities and Service Systems

Some 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 (Attachment 4 - Section 2.0) and Mitigation Monitoring and Reporting Program (within Attachment 7). Mitigation measures will be incorporated into each phase of the Project and will be monitored by staff throughout the construction phase. The EIR also includes analysis of cumulative impacts, which considers approved and pending projects located outside of the Civic Center. 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.

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 Project 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:

- Cultural and Tribal Cultural Resources

The Historic Resources assessment determined that a portion of the Civic Center campus is eligible for listing in the California Register as a historic district. In addition, City Hall and Sunnyvale Office Center are potentially eligible for listing. The proposed project would result in the removal of the eligible buildings and setting that comprise the potential historic district. This loss can be partially, but not fully mitigated by the proposed mitigation measures, such as documentation and photographs. This impact is significant and unavoidable.

- Noise

Noise associated with demolition and construction activities will be partially but not fully mitigated through best management practices, construction scheduling, and notification of residents. In addition, relocation of the police headquarters and secured parking lot could expose nearby residents to increased noise if officers use their sirens when exiting the parking area. These impacts are significant and unavoidable.

All the information regarding the significant impacts in the above-mentioned sections of the Project EIR is summarized in the Executive Summary of the EIR (Attachment 4 - Section 2.0), with the full discussion found in the individual sections of the EIR.

Statement of Overriding Considerations

The City Council's adoption of the Civic Center Modernization Master Plan would result in significant 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 Project 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 must be supported by substantial evidence in the record. The Statement of Overriding Considerations is in Attachment 9.

Statement of Overriding Considerations can include the following:

- The Project provides opportunities for providing the functionality and space required to meet the City's needs for modern and efficient administrative, public safety, library, workforce investment, and other community services.
- The Project encourages the replacement of older buildings with modern office buildings that are more energy efficient and sustainable and would contribute to the Climate Action Plan (CAP) implementation.

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 project. The City and its contractors and consultants will be responsible for implementing the mitigation measures with construction of this Project, and 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 (Attachment 6) and in Attachment 7 of this report and will be incorporated into the design for each development phase.

EIR Alternatives

Completion of an EIR requires the consideration of Project Alternatives 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.” The DEIR (Attachment 4 - Section 5.0) provides detailed analysis of the selected three alternatives and they are described briefly as follows:

1. **CEQA Alternative 1. No Project Alternative:** This alternative assumes that the proposed project is not implemented and the environmental impacts identified in the DEIR would be avoided. A reasonable assumption would be for the existing Civic Center buildings to remain with minor maintenance activities of the buildings and surrounding landscaping, as well as upgrades to existing facilities. City services may expand into the Sunnyvale Office Complex as leases expire.

The No Project Alternative could result in greater environmental impacts in the areas of seismic hazards, water quality, public services, stormwater runoff, and energy resources. However, the No Project Alternative would reduce impact on other resource topics. This alternative would not meet the project objectives. The existing buildings would not be replaced or renovated to meet future service delivery needs, nor would they be modernized, including the Library and Emergency Operations Center. The future service needs of the City would not be met and the Civic Center buildings would not be a model of sustainability.

2. **CEQA Alternative 2. Maintenance of Existing Public Safety Headquarters Location Alternative:** This alternative includes redevelopment of City Hall but maintains the location of the existing Public Safety Headquarters and secured parking lot. Phase I construction, including the new City Hall construction and the Public Safety Building addition, would be included as proposed by the Project. The new Public Safety Headquarters and secured parking lot would be constructed in generally the same location as the existing. The existing structures may be expanded or renovated to achieve a size of up to 65,000 sq. ft. with the underground garage construction during future phases.

Alternative 2 would meet all basic principles and avoid significant and unavoidable impact on periodic increases to ambient noise as the secured lot will remain in the same location as the existing. Alternative 2 would result in less adverse environmental impact and is identified as the environmentally superior alternative.

Adoption Process if an Alternative is Selected

If Council selects the “No Project” alternative or Alternative 2, no further environmental review is required.

Environmentally Superior Alternative

CEQA Guidelines require that an EIR identify the Environmentally Superior Alternative to the proposed project from among the alternatives analyzed.

Section 5.5 of the EIR concludes that Alternative 2 would meet all basic principles and avoid significant and unavoidable impact on periodic increases to ambient noise as the secured lot will remain in the same location as the existing. Alternative 2 would result in less adverse environmental impact and is identified as the environmentally superior alternative. The City retains the authority to identify the Environmentally Superior Alternative based on the evidence in the EIR, agency and public input, lead agency standards and policies, and the lead agency's independent decision-making.

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 Public Contact:

All public notification procedures for the EIR were followed. The EIR was distributed to the State Clearinghouse and required agencies on April 23, 2018 for the required 45-day public review period. 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 April 23, 2018. Public hearings were held to accept oral comments from the Heritage Preservation Commission on May 2, 2018, and the Planning Commission on May 29, 2018.

DISCUSSION

Summary of Commission Action

A Program Environmental Impact Report (PEIR) has been prepared, circulated for public comment, finalized and then reviewed by the Heritage Preservation Commission and the Planning Commission.

The Heritage Preservation Commission considered this item on September 10, 2018. The Heritage Preservation Commission voted to recommend the City Council:

1. Adopt a **Resolution** to:
 - a. Certify the Program Environmental Impact Report;
 - b. Make the Findings Required by the California Environmental Quality Act; and
 - c. Adopt the Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program.

The vote was 4-0, with Commissioner Michitaka absent.

The Planning Commission considered this item on September 10, 2018. The Planning Commission voted to recommend the City Council to:

1. Adopt a **Resolution** to:
 - a. Certify the Program Environmental Impact Report;

- b. Make the Findings Required by the California Environmental Quality Act; and
- c. Adopt the Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program.

The vote was 5-0, with Commissioners Weiss and Olevson absent.

Master Plan

A final Civic Center Modernization Master Plan (Master Plan) booklet has been prepared (Attachment 8). The Master Plan contains a long-term, multi-phased vision of the entire campus: relocating some of the on-grade parking to underground spaces; increasing open space and native landscape; constructing three new facilities—a City Hall, Department of Public Safety Headquarters, and Library; razing older structures on site, and modernizing the entire campus. The Master Plan also includes a checklist to achieve LEED Platinum level for City Hall, a net zero energy analysis, and better definition of the hardscape and landscape features.

The City will implement the Master Plan in several phases, over several decades, to modernize and expand the Civic Center. The first phase Option 1 - Plaza, will include a new City Hall Building, a renovation and addition to the Public Safety Headquarters Building, and site modifications. During the phased construction, the City prefers to keep the campus in place and its services functioning at full capacity, and to avoid relocating any City services to temporary facilities.

A new, approximately 103,250-square-foot, four-story City Hall near the corner of West Olive Avenue and South Mathilda Avenue will be the first building constructed on the campus. The new City Hall will house City and NOVA Workforce Services Department employees, a “One-Stop Permit Center,” and City staff offices. A floor plan has been created for City Hall to layout spaces for optimum service delivery and finalize the size of the building. There will be 1 level of underground parking below City Hall. The City Hall will be at least LEED Platinum, with the potential to be Net Zero Energy, and the structure has the potential to be constructed from cross-laminated timber (CLT).

A two-story, 11,300-square-foot addition will be constructed adjacent to the existing Department of Public Safety Headquarters building. This addition will relieve overcrowding in the existing building, now 32 years old. In addition to this expansion, there will be a 11,300-square-foot worth of tenant improvements within the headquarters building.

Following completion of the new City Hall, the existing City Hall, City Hall Annex, City Hall South Annex, and the Sunnyvale Office Center buildings will be demolished. Approximately 6 acres of open space will be created, including an improved pedestrian-oriented Olive Avenue, a new civic plaza, an outdoor amphitheater, and a temporary passive landscape where the Sunnyvale Office Center currently is located.

Once the final Master Plan is adopted, detailed design for Phase 1 will begin. City Staff will return to Council for Design Contract Award to SmithGroup JJR.

Staff anticipates that Phase 1 design can be completed by the end of 2019, with construction starting in spring of 2020.

FISCAL IMPACT

Cost estimates were prepared for Phase 1 for the November 2017 Report to Council.

Estimated costs were provided in 2017 dollars, and include design, construction, and project administration costs. A 20% design contingency is included to address the lack of design details at

this stage of planning. Not included in the estimates are construction change order contingencies (typically 10%), furnishings, electronic equipment, additional costs to achieve net zero energy usage, and financing costs.

Since November 2017, an updated cost estimate has been prepared. Estimate includes design, construction and project administration costs. The updated cost estimate also includes Public Art (1%), soft costs (furnishings, electronic equipment), and additional costs to achieve net zero energy usage (\$2.2 M). Construction Escalation and Change Order Contingency have been added to the total cost to show a more accurate estimated cost at time of construction.

A cost comparison is provided below:

Project Element	2017	2018
City Hall	\$ 107,000,000	\$ 124,000,000
Site Work	\$ 28,000,000	\$ 35,000,000
Parking	\$ 10,000,000	\$ 12,000,000
Public Safety Addition	\$ 18,000,000	\$ 20,000,000
Subtotal	\$ 163,000,000	\$ 191,000,000
Construction Escalation	(Previously Excluded)	\$ 11,500,000
Change Order Contingency		\$ 10,000,000
TOTAL		\$ 212,500,000

Financing Plan

A preliminary financing plan for Phase 1 of the Civic Center was provided in the November 2017 Council Report (RTC No.17-0835). A copy of that plan is provided in Attachment 10. The plan identifies a variety of potential funding sources including the use of current capital reserves, issuing debt, proceeds from the sale of three City properties not used for City services, contributions from enterprise funds, and park dedication fees. More work is needed to refine the assumptions included in this preliminary plan. Allocating costs among various funding sources will require a more in-depth analysis of how space is used in City Hall so that costs can be split proportionally between programs. City Staff will return to Council with an updated financing plan as Council considers the award of contract for Phase 1 design services.

PUBLIC CONTACT

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

1. 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
2. Publication in the *Sun* newspaper, at least 10 days prior to the hearing;
3. Mailed notice (Attachment 3) sent to property owners within 2,000 feet of the Civic Center area; and,
4. E-mail notification of the hearing dates sent to all interested parties and neighborhood associations

ALTERNATIVES

1. Adopt a Resolution (Attachment 2) to:
 - a. Certify the Program EIR for the Civic Center Modernization Master Plan Project;
 - b. Make the Findings Required by the California Environmental Quality Act;
 - c. Adopt the Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program; and
 - d. Adopt the Civic Center Modernization Master Plan;
2. Direct City Staff to proceed with design of Net Zero for City Hall Building;
3. Adopt the Resolution as stated in Alternative 1 with modifications.
4. Do not Adopt a Resolution to certify the EIR for the Civic Center Modernization Master Plan Project and provide direction to staff on necessary revisions.
5. Do not adopt (or approve) the Civic Center Modernization Master Plan (Phase 1)

STAFF RECOMMENDATION

Alternative 1: Adopt a Resolution to:

- a. Certify the Program EIR for the Civic Center Modernization Master Plan Project;
- b. Make the Findings Required by the California Environmental Quality Act;
- c. Adopt the Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program; and
- d. Adopt the Civic Center Modernization Master Plan;

AND

Alternative 2: Direct City Staff to proceed with design of Net Zero for City Hall Building;

Staff believes that the Master Plan meets the City's objectives for the project as defined by the Vision Statement, Success Criteria, and Needs Assessment adopted by Council in 2015. A Net Zero design for City Hall is consistent with City goals and represents a good investment given the payback will be complete in eight years.

Prepared by: Allison Boyer, Senior Engineer

Reviewed by: Jennifer Ng, Assistant Director of Public Works/City Engineer

Reviewed by: Chip Taylor, Director, Public Works

Reviewed by: Teri Silva, Assistant City Manager

Approved by: Kent Steffens, City Manager

ATTACHMENTS

1. Report to the Heritage Preservation Commission, 18-0807 and Planning Commission, 18-0670, September 10, 2018 (without attachments)
2. Draft Resolution to Certify the Program EIR and related actions
3. Civic Center District and Noticing Map
4. Link to the Draft Program Environmental Impact Report (DEIR)
5. Link to DEIR Appendices
6. Link to the Final Program Environmental Impact Report (FEIR) and Appendices
7. Mitigation Monitoring and Reporting Program (MMRP)
8. Link to the Civic Center Modernization Master Plan
9. Statement of Overriding Considerations
10. Draft Preliminary Financing Plan

Additional Attachments for Report to Council

11. Excerpt of Draft Heritage Preservation Commission Minutes, September 10, 2018
12. Excerpt of Draft Planning Commission Minutes, September 10, 2018