

# Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: June 22-23, 2011

Reference No.: 2.2c.(9)  
Action

From: BIMLA G. RHINEHART  
Executive Director

Subject: **APPROVAL OF PROJECT FOR FUTURE CONSIDERATION OF FUNDING  
FINAL ENVIRONMENTAL IMPACT REPORT FOR SUNNYVALE DOWNTOWN  
IMPROVEMENT PROGRAM PROJECT (RESOLUTION E-11-43)**

## **ISSUE:**

Should the Commission, as a Responsible Agency, accept the Final Environmental Impact Report (FEIR), Findings of Fact and Statement of Overriding Considerations for the Sunnyvale Downtown Improvement Program (Downtown Improvement Program) in Santa Clara County and approve the Sunnyvale Downtown Streetscape Improvement Project (Project) for future consideration of funding?

## **RECOMMENDATION:**

Staff recommends that the Commission accept the FEIR, Findings of Fact and Statement of Overriding Considerations for the Downtown Improvement Program and approve the Sunnyvale Downtown Streetscape Improvement Project for future consideration of funding.

## **BACKGROUND:**

The City of Sunnyvale (City) is the CEQA lead agency for the Downtown Improvement Program. The Downtown Improvement Program will adopt amendments to the General Plan, Zoning Code, Downtown Specific Plan and Sunnyvale Downtown Redevelopment Plan; develop standards and infrastructure improvements for the project area; replace office uses on the west side of Mathilda Avenue with high density residential and decrease allowable residential density in eastern adjacent areas; and modify building height limitations in certain sub districts. The Sunnyvale Downtown Streetscape Improvement Project programmed by the Commission in the State Transportation Improvement Program is an element of the Downtown Improvement Program and, therefore, the scope of this project was included in the FEIR.

The overall Downtown Improvement Program for which the FEIR covers will result in significant unavoidable impacts to air quality and traffic/circulation. Specifically, the overall project would result in increased regional emissions and downgrade the level of service due to additional trips generated by the project. Mitigation measures and/or alternatives to the proposed Downtown

Improvement Program that would substantially reduce or avoid these significant unavoidable impacts are infeasible.

The City adopted the FEIR, Findings of Fact and a Statement of Overriding Considerations for the Downtown Improvement Program on June 17, 2003. The City found that there were several benefits that outweigh the unavoidable adverse environmental effects of the Downtown Improvement Program. These benefits include, but are not limited to, creation of additional residential units that will improve the City's current jobs/household ratio; support both the City's General Plan policies and regional policy to locate higher density housing with easy access to transportation corridors; increase the number and quality of retail shops in the downtown area in furtherance of the City's Community Development Element and House and Community Revitalization sub-element; and comply with smart growth principles that will create beneficial impacts to the local environment. The City established a Mitigation Monitoring Program to ensure that the mitigation measures specified for the Downtown Improvement Program are implemented.

On May 16 2011 the City provided written confirmation that the preferred alternative set forth in the final environmental document is consistent with the Sunnyvale Downtown Streetscape Improvement Project programmed by the Commission in the STIP program. The City also provided written confirmation of its commitment to all of the mitigation measures stipulated in the FEIR and Mitigation Monitoring Program.

The Sunnyvale Downtown Streetscape Improvement Project is estimated to cost \$1,875,000 and is funded with State (\$1,500,000) funds and Local (\$375,000) funds. Construction is estimated to begin in fiscal year 2011/12.

#### Attachment

- Resolution E-11-43
- Findings of Fact & Statement of Overriding Considerations
- Project Location

# CALIFORNIA TRANSPORTATION COMMISSION

## Resolution for Future Consideration of Funding 04 – Santa Clara County Resolution E-11-43

- 1.1.1 **WHEREAS**, the City of Sunnyvale (City) has completed a Final Environmental Impact Report pursuant to the California Environmental Quality Act (CEQA) and the CEQA Guidelines for the following project:
  - Sunnyvale Downtown Improvement Program: Sunnyvale Downtown Streetscape Improvement Project
- 1.2 **WHEREAS**, the City has certified that the Final Environmental Impact Report has been completed pursuant to CEQA and the State CEQA Guidelines for its implementation; and
- 1.3 **WHEREAS**, the project will adopt amendments to the General Plan, Zoning Code, Downtown Specific Plan and Sunnyvale Downtown Redevelopment Plan; develop standards and infrastructure improvements for project area; replace office uses on the west side of Mathilda Avenue with high density residential and decrease allowable residential density in eastern adjacent areas; and modify building height limitations in certain sub districts; and
- 1.4 **WHEREAS**, the California Transportation Commission, as a Responsible Agency, has considered the information contained in the Final Environmental Impact Report; and
- 1.5 **WHEREAS**, Findings of Fact made pursuant to CEQA guidelines indicate that specific unavoidable significant impacts related to air quality and traffic/circulation make it infeasible to avoid or fully mitigate to a less than significant level the effects associated with the project; and
- 1.6 **WHEREAS**, the City adopted a Statement of Overriding Considerations for the project; and
- 1.7 **WHEREAS**, the City adopted a Mitigation Monitoring Program for the project; and
- 1.8 **WHEREAS**, the above significant effects are acceptable when balanced against the facts as set forth in the Statement of Overriding Considerations.
- 2.1 **NOW, THEREFORE, BE IT RESOLVED** that the California Transportation Commission does hereby accept the Final Environmental Impact Report, Findings of Fact and Statement of Overriding Considerations and approve the above referenced project to allow for future consideration of funding.

**RESOLUTION NO. 123-03**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUNNYVALE  
CERTIFYING THE ENVIRONMENTAL IMPACT REPORT, APPROVING  
MITIGATION MONITORING AND REPORTING PROGRAM, ADOPTING  
STATEMENT OF OVERRIDING CONSIDERATIONS AND A GENERAL PLAN  
AMENDMENT FOR THE SUNNYVALE DOWNTOWN IMPROVEMENT PROGRAM  
UPDATE**

WHEREAS, the City of Sunnyvale has been engaged in a Downtown Improvement Program with the goal of revitalizing the City's original central area. The Program has consisted of a number of City-adopted, interrelated planning and redevelopment components, including the Sunnyvale Downtown Specific Plan and associated Zoning Code provisions (adopted 1993), the Murphy Avenue Design Guidelines (adopted 1994), and the Sunnyvale Downtown Redevelopment Plan (adopted 1975, amended 1993); and

WHEREAS, the City now desires to update its Downtown Improvement Program. In April of 2002, the City Council conceptually approved a Downtown Design Plan (the "April 2002 Design Plan") created by a previously convened Stakeholders Committee. The stated goal of the Plan is to create and maintain "an enhanced, traditional downtown serving the community with a variety of destinations in a pedestrian friendly environment," through various land use and development standard revisions, new downtown design guidelines, new circulation and parking recommendations, and revised streetscape design standards; and

WHEREAS, the City Council further directed staff to prepare an Update for the Downtown Improvement Program utilizing the April 2002 Design Plan concepts, including its suggested land-use mixes, densities and building height limitations, and to undertake necessary environmental review of the proposed update; and

WHEREAS, the Downtown Improvement Program Update ("the Project") includes an area of approximately 150 acres, bounded generally by the CalTrain tracks/Evelyn Avenue, Bayview Avenue, Carroll Avenue, El Camino Real, and Charles Street. The total project area includes the Downtown Design Plan area, approximately 125 acres bounded by Charles Street, Evelyn Avenue, Carroll Street and Olive Avenue, and three adjacent areas: an approximately 5-acre area north of Evelyn Avenue (between Evelyn Avenue and the CalTrain tracks), an approximately 3-acre area east of Bayview Avenue ("eastern adjacent sites"), and an approximately 15-acre area south of Olive Avenue, as depicted more particularly in the map attached and incorporated as "Exhibit A;" and

WHEREAS, specific Project components include:

- 1) adoption of amendments to the City of Sunnyvale General Plan Land Use and Transportation Element (including the Downtown Specific Plan section) and General Plan Map,
- 2) adoption of amendments to the City's Zoning Code, including the Precise Zoning Plan/Zoning District Map, and chapters 19.28 (Downtown Specific Plan District) and 19.80 (Design Review),
- 3) adoption of amendments to the 1993 Sunnyvale Downtown Specific Plan to incorporate various land use designations, development standard revisions, design guideline revisions, circulation and parking recommendations, and streetscape standard revisions proposed for the Downtown Design Plan area and three adjacent areas, and
- 4) adoption of related amendments to the Sunnyvale Downtown Redevelopment Plan necessary to achieve consistency with the other amendments, extend the redevelopment plan's financial limits, and reestablish the Sunnyvale Redevelopment Agency's eminent domain authority over non-residential property as a means of implementing the overall downtown improvement program; and

WHEREAS, a draft and final Program Environmental Impact Report (jointly "Program EIR") has been prepared to assess the potential environmental impacts of the Project, describe alternatives to the Project proposal and potential mitigation measures; and

WHEREAS, a proposal to amend the General Plan Land Use and Transportation Element ("the General Plan Amendment"), including the General Plan Map, as a first step in approving the Project has been prepared, designating land uses, densities and heights for the Project area, as described and depicted in Exhibit B, attached hereto and incorporated by reference; and

WHEREAS, the Planning Commission has considered the Program EIR and General Plan Amendment at a public hearing held on June 4, 2003, and has recommended the City Council's certification of the Program EIR, adoption of the proposed Mitigation Monitoring and Reporting Program, and adoption of the General Plan Amendment; and

WHEREAS, the City Council held a public hearing on June 17, 2003, and has considered the reports and documents presented by City staff, the Planning Commission's recommendation, and the written and oral comments presented at the public hearing.

NOW, THEREFORE, BE IT RESOLVED, the City Council hereby adopts the following findings and actions:

I. THE DOWNTOWN IMPROVEMENT PROGRAM UPDATE. The Downtown Improvement Program Update is a City-initiated proposal to update its land use and development policies for the City's downtown area. The City seeks to revitalize its downtown area through a variety of planning actions (revisions to General Plan, Downtown Specific Plan, Zoning Code, Design Guidelines, Redevelopment Plan) which could result in a higher density, more urbanized downtown.

The major land use changes proposed include replacing office uses on the west side of Mathilda Avenue with high density residential, creating a new mixed-use district in the Town and Country area that emphasizes residential uses above ground-floor retail, intensifying office uses along the east side of Mathilda Avenue continuing south to El Camino Real, decreasing the allowable residential density in eastern adjacent areas and properties facing Washington and McKinley, and modifying building height limitations in certain subdistricts, for a maximum height range of 30-85 feet. (The April 2002 Design Plan, which served as the Project description in the EIR suggested height ranges from 30-100 feet.) These proposed changes would permit up to 599 additional housing units, 58,891 additional square feet of retail space, and 12,240 additional square feet of public facility space over what is currently permitted under the existing Downtown Specific Plan. There would be an overall decrease of 400 in the number of allowable hotel rooms and a 61,230 square foot reduction in allowable office space.

Further information about the proposed land use and development policies contemplated by the Downtown Improvement Program Update may be found in the staff reports presented to the City Council and in the Program EIR, as well as other documents maintained by City staff.

II. PROGRAM EIR CERTIFICATION. The City Council has reviewed the documents comprising the Draft and Final Program EIR for the Downtown Improvement Program Update Project (jointly the "Program EIR") and hereby finds that such Program EIR reflects the independent judgment of the City Council and its staff, and is an adequate and extensive assessment of the environmental impacts of the Project. Accordingly, the City Council hereby certifies such Program EIR as having been prepared in compliance with the requirements of the California Environmental Quality Act ("CEQA"). The City Council also incorporates by this reference the findings contained in the Program EIR as to the environmental effects of the Project, together with the additional findings contained in this Resolution.

III. CONSIDERATION OF PROJECT ALTERNATIVES. The draft Program EIR reviewed six alternatives in addition to the Project, as follows:

- **Alternative 1: No Project (Existing Conditions/1993 Specific Plan)**. This alternative assumes that development would occur as provided for in the current Downtown Specific Plan with no amendments, and compares existing development with development under the current Plan, and under the proposed Program.
- **Alternative 2: Reduced Development Potential and Building Height**. Compared to the proposed Project, this alternative considers reductions in allowable maximum height along Mathilda Avenue and Washington Avenue. These height reductions would result in associated decreases in residential and commercial development potential. Generally, the 100-foot allowable maximum height proposed in the Downtown Design Plan would be reduced to 50-60 feet, and the 30-50 foot allowable maximum heights proposed for the western side of Mathilda would be reduced to a uniform 30 feet. In addition, the underground parking levels recommended under the proposed Project for subdistrict 1a would be reduced or eliminated.
- **Alternative 3: Modified Land Uses and Building Heights**. Compared to the proposed Project, this alternative includes a combination of reduced allowable maximum heights along the eastern side of Mathilda north of Iowa Avenue and in the Town and Country Village block, an increase in allowable in allowable maximum height along the eastern side of Mathilda south of Iowa Avenue (building height limitations on the western side of Mathilda would be the same as the proposed Project – 4 stories), and a modified mix of land uses in these sub-areas, primarily involving a reduction in residential and office development potential. Under this alternative, the area along the eastern side of Mathilda south of Olive Avenue would retain its current zoning, the additional development considered in the Project is deleted.
- **Alternative 4: Multi-Use Alternative**. This alternative represents a downtown development concept suggested by a group of Sunnyvale citizens. It considers a substantial reconfiguration and restructuring of the downtown area to accommodate a theater/performing arts center, and a "multi-use" land use designation whose mix of uses (residential, retail, restaurant, office and other commercial uses) would be governed by future market conditions. The allowable maximum heights would range from 30- 46 feet, except for the stage block portion of the performing arts center, which might be up to 100 feet in height.
- **Alternative 5: Modified Redevelopment Plan Activities (Modified Funding Allocation)**. This alternative represents a variation on the Redevelopment Plan amendments component of the Project, with the same redevelopment project area boundaries, but with a modified allocation of redevelopment-generated tax increment revenues to various alternative redevelopment activities.

- Alternative 6: Modified/Alternate Improvement Program Boundaries/Redevelopment Plan Boundaries. This alternative was considered and rejected because the purpose of the Project is to improve the downtown area; the Project would have no meaning in a location outside the downtown area.

All of the alternatives considered (with the exception of No Project – existing conditions) would result in some significant impacts. Alternative 1, No Project, is not feasible because it assumes no further development of any nature will occur in the downtown area. Build-out under the existing Downtown Specific Plan would also have unavoidable significant impacts. Alternative 4, the Multi-use alternative, is not considered feasible from an economic viability or implementation standpoint; property owners would be unable to justify such private reinvestment, and the City would not have the authority or control over the affected properties to the extent needed to mandate or otherwise carry out such extensive change. Alternative 3, the Modified Land Use Alternative, is the environmentally superior alternative because it would result in the least adverse combination of environmental impacts of the feasible alternatives.

The General Plan Amendment incorporates most of the modifications considered in Alternative 3, thereby reducing some of the impacts identified with the April 2002 Design Plan Project. The General Plan Amendment allows higher buildings in two of the subdistricts (85 feet instead of 50 feet in Block 1a, 75 feet instead of 60 feet in Block 18a) than considered in Alternative 3 in order to further the goals of the project, as described in more detail in the Statement of Overriding Considerations contained in section VI of this Resolution.

IV. MITIGATION MEASURES. The City Council also finds that the proposed mitigations incorporated in the Downtown Improvement Program Update Project, and the Mitigation Monitoring and Reporting Program will reduce all of the environmental impacts of the Project to an insignificant level, except those unavoidable impacts hereafter described more specifically. The City Council accordingly approves the Mitigation Monitoring and Reporting Program as conditions of approval of the General Plan Amendment, and requires the development of the Project area and issuance of development approvals which may be issued in the future to incorporate the mitigations set forth in the Mitigation Monitoring and Reporting Program.

V. UNAVOIDABLE SIGNIFICANT ENVIRONMENTAL IMPACTS. The adoption and implementation of the General Plan Amendment may have certain significant and unavoidable environmental effects, which cannot be feasibly mitigated through the imposition of changes or alternatives to the project. These unavoidable impacts are as follows:

A. **AIR QUALITY.** Build-out of the proposal will result in traffic increases and will generate regional emissions increases which would exceed the applicable thresholds of significance for reactive organic gases, nitrous oxide, and particulate matter. Although identified mitigation measures could reduce the amount of contaminant related to vehicular emissions, they would not reduce them below Bay Area Air Quality Management District (BAAQMD) standards, thus resulting in significant, unavoidable impacts.

B. **TRAFFIC/CIRCULATION.**

1. **Impacts on Freeway Segments:** Build-out of the Project will cause the freeway capacity on ten freeway segments to downgrade from a Level of Service ("LOS") E to an LOS F due to additional trips generated by the Project, or, where the freeway segment is already operating at LOS F under current conditions, the traffic volume will increase at greater than 1 percent of design capacity. These impacts may be mitigated when the Santa Clara Valley Transit Authority adopts a Countywide Deficiency Plan, however at this time there is no date certain for adoption of the Plan. Accordingly, these impacts are considered significant and unavoidable.

2. **Impacts on local intersections:** Build-out of the Project would result in a change from LOS D to LOS F at the De Anza Boulevard/Homestead Road intersection. Mitigation is infeasible because the intersection lies outside the City's jurisdiction, within the City of Cupertino. Accordingly, this impact is considered significant and unavoidable.

VI. **STATEMENT OF OVERRIDING CONSIDERATIONS.** As previously indicated, all of the alternatives considered in the Program EIR are either infeasible and/or would result in some significant, unavoidable impacts. The City has modified its General Plan Amendment to be more consistent with the development levels considered in Alternative 3, which is the environmentally superior alternative. Although many of the Project's environmental impacts will be avoided or reduced to insignificant levels by the mitigation measures required by the Mitigation Monitoring and Reporting Program, implementation of the Project will nevertheless result in certain unavoidable significant environmental impacts. On balance, these unavoidable significant effects are deemed to be acceptable in view of the significant economic and social benefits which the approval of the Project proposal will make possible. The principal benefits of Project approval include, but are not limited to, the following:

- A. Implementation of the Project could result in the creation of 599 additional residential units in the City's downtown area. These additional units will result in an improvement to the City's current jobs/household ratio, in support of both regional and local efforts to encourage residents to live close to where they are employed as a means of reducing intra-regional commuting and associated traffic congestion and air quality impacts.
- B. The Project supports both the City's General Plan policies and regional policy to locate higher density housing with easy access to transportation corridors, rail transit stations, bus transit corridor stops, commercial services and jobs.
- C. The Project will increase the number and quality of retail shops and personal services in the downtown area in close proximity to housing, transportation and workplaces, in furtherance of the City's Community Development Element and Housing and Community Revitalization Sub-element.
- D. The Project comports with the principles of "smart growth" and will create beneficial impacts to the local environment. Project facilitated development will occur as central area infill, with no substantial change in established community-wide land use patterns. Development of central area infill will revitalize the City's historic central area, facilitate development where services and infrastructure can be most efficiently provided by promoting higher residential densities near or within an existing shipping, service, employment and public transportation center, and promote compact, transit accessible, pedestrian oriented, mixed use development patterns and land reuse.

VII. GENERAL PLAN AMENDMENT. Based on the foregoing findings, the City Council finds and determines that the General Plan Amendment constitutes a suitable and logical change in the plan for physical development of the City of Sunnyvale, and it is in the public interest to approve the General Plan Amendment, which is next described in more detail.

A. Appendix A – Relationship of General Plan Land Use Categories with Zoning Categories of the Land Use and Transportation Element of the City of Sunnyvale General Plan is amended as follows:

- 1. Figure A.1: General Plan and Zoning Categories is revised by adding a new General Plan Category entitled "Downtown Specific Plan" with corresponding zoning categories identified as blocks to read as follows: DSP

1, DSP 1a, DSP 2, DSP 3, DSP 4, DSP 5, DSP 6, DSP 7, DSP 8, DSP 9, DSP 10, DSP 11, DSP 12, DSP 13, DSP 14, DSP 15, DSP 16, DSP 17, DSP 18, and DSP 20.

2. The text of Appendix A is amended by inserting the following at the end of the current text on page A-5:

**Downtown Specific Plan**

The Downtown Specific Plan designation permits a mix of uses in the downtown area, including residential, retail and commercial. This land use category is limited to the downtown area. The corresponding zoning districts with specific allowed uses and densities are described by block number as follows:

<b>Block</b>	<b>Use</b>	<b>Square Footage</b>	<b>Max Height</b>
<b>1</b>	Office	<b>450,000 sq. ft. office 10,000 sq. ft. retail</b>	125 ft.
<b>1a</b>	Very High Density Residential / Retail	<b>450 units 52,500 sq. ft. retail</b>	85 ft.
<b>2</b>	Historic District Restaurant Entertainment	<b>80,000 sq. ft. office 170,891 sq. ft. retail</b>	36 ft.
<b>3</b>	Local Retail	<b>62,000 sq. ft.</b>	50 ft.
<b>4</b>	Mix of Very High and Medium Density Res.	<b>214 units</b>	40 ft.
<b>5</b>	Very High Density Res.	<b>46 units</b>	40 ft.
<b>6</b>	Mix of High and Medium Density Res.	<b>146 units</b>	40 ft.
<b>7</b>	Regional Retail	<b>100 units 50,000 sq. ft. office/retail</b>	50 ft.
<b>8</b>	Mix of Low, Low-Medium and Medium Density Res.	<b>47 units</b>	30 ft.
<b>9</b>	Low and Low-Medium Density Res.	<b>60 units</b>	30 ft.
<b>10</b>	Low-Medium Density Res.	<b>47 units</b>	30 ft.
<b>11</b>	Low-Medium	<b>49 units</b>	30 ft.

<b>Block</b>	<b>Use</b>	<b>Square Footage</b>	<b>Max Height</b>
	Density Res.		
<b>12</b>	Low-Medium Density Res.	<b>51 units</b>	30 ft.
<b>13</b>	Residential/Office	<b>196,141 sq. ft. office Low-Medium Density Residential along Taaffe Street</b>	50 ft. 30 ft. along Taaffe St.
<b>14</b>	Very High Density Residential	<b>173 units</b>	50 ft. along Mathilda 30 ft. along Charles
<b>15</b>	Very High Density Residential	<b>152 units</b>	50 ft. along Mathilda 30 ft. along Charles
<b>16</b>	Very High Density Residential	<b>173 units</b>	50 ft. along Mathilda 30 ft. along Charles
<b>17</b>	Low Medium Density Residential	<b>48 units</b>	30 ft.
<b>18</b>	Regional Retail	<b>1,007,876 sq. ft. retail 200 units 202,000 sq. ft. office</b>	75 ft. for the mall 80 ft. for the theaters
<b>20</b>	High Density Residential/Office	<b>As per current allowance under general plan</b>	40 ft. for residential at north end of block and 30 ft. for office at south end of block

3. The General Plan Map is revised as depicted in Exhibit B to this Resolution to change the land use designations for areas within the downtown to DSP, and to change eastern adjacent sites from High Density Residential to Low Medium Density Residential.

VIII. BE IT RESOLVED FURTHER, that the City Clerk is directed to file a certified copy of the amendment to the 1972 General Plan of the City of Sunnyvale with the Board of Supervisors and the Planning Commission of the County of Santa Clara and the planning agency of each city within the County of Santa Clara. The City Clerk is directed further to file a certified copy of the amendment with the

legislative body of each city, the land of which may be included in the plan. The filing of a certified copy of this resolution constitutes compliance with this section.

Adopted by the City Council at a regular meeting held on June 17, 2003 by the following vote:

AYES: VALERIO, VORREITER, RISCH, WALKER, HOWE, MILLER  
NOES: FOWLER  
ABSENT: NONE

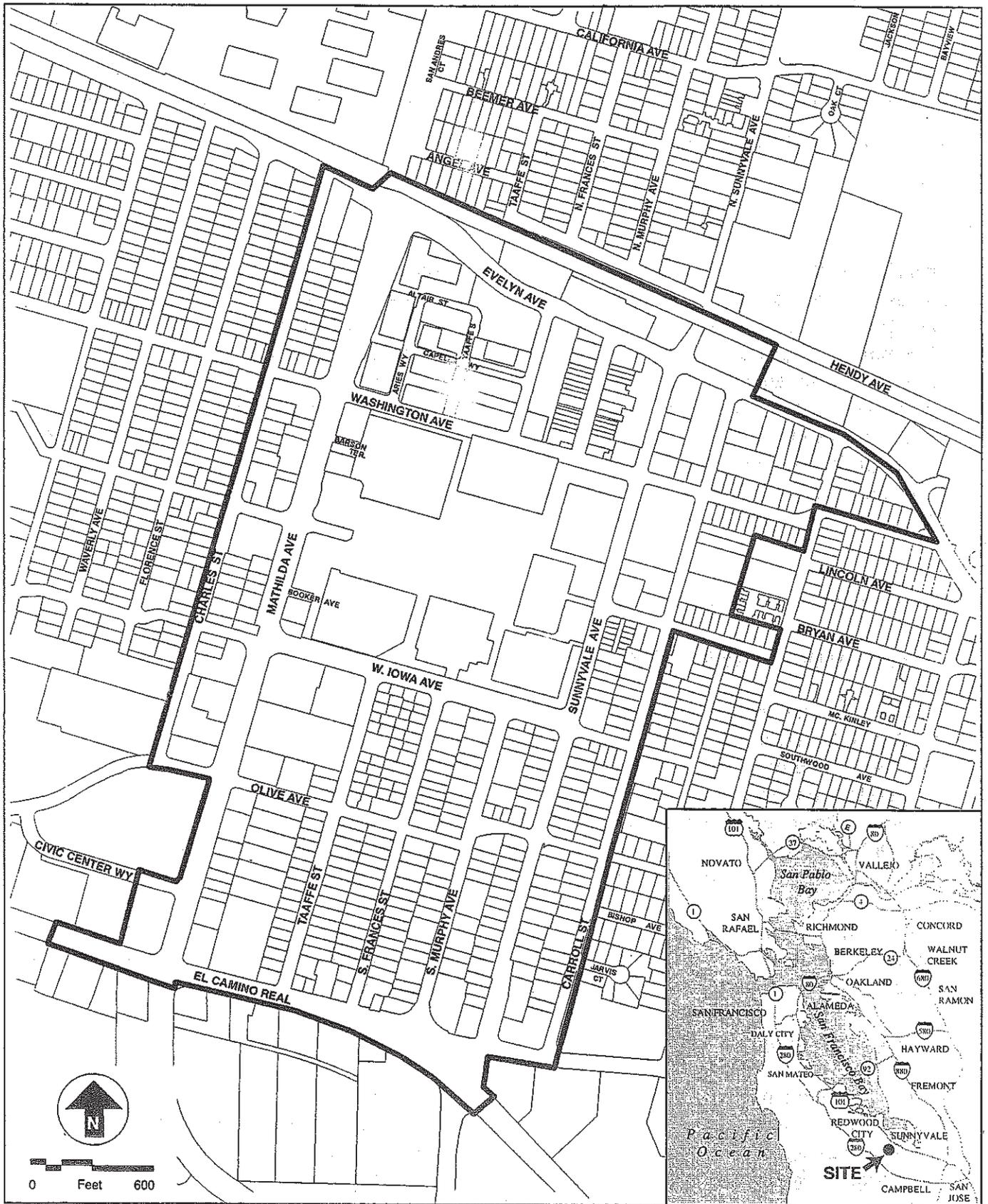
ATTEST:

APPROVED:

  
\_\_\_\_\_  
City Clerk  
(SEAL)

  
\_\_\_\_\_  
Mayor





SOURCE: City of Sunnyvale

Figure 3.1

## REGIONAL LOCATION MAP AND PROJECT AREA

Wagstaff and Associates • Urban and Environmental Planners      Downtown Improvement Program Update EIR • City of Sunnyvale, CA