City of Sunnyvale

Agenda Item

14-0195 **Agenda Date:** 2/10/2015

REPORT TO COUNCIL

SUBJECT
FILE #: 2014-8099
Location: 1111 Lockheed Martin Way, Lots 2 and 4 (APN 110-01-036 and 110-01-038)
Proposed Project:

> MOFFETT PARK SPECIFIC PLAN AMENDMENT INITIATION Request to study a land use change in the Moffett Park Specific Plan from Moffett Park General Industrial (MP-I) to Moffett Park Transit Oriented Development (MP-TOD) to increase the allowable development intensity from maximum 60 percent Floor Area Ratio (FAR) to maximum 80 percent FAR with green building incentives.

Applicant/Owner: Jay Paul Company/Lockheed Martin Corporation
Project Planner: Hanson Hom (408) 730-7450, hhom@sunnyvale.ca.gov

BACKGROUND
General Plan Amendment Initiation (GPI) requests are heard on a quarterly basis through a recommendation from the Planning Commission and then action by the City Council. A Specific Plan amendment is processed in the same manner as a General Plan amendment. The process for considering a General Plan or Specific Plan amendment begins with a written request from a property owner or applicant. If the Council approves the GPI, a formal application for a General Plan Amendment (GPA) can be filed by the property owner/applicant. While staff is processing the GPA application, the applicant may also file a project application and related items as applicable for concurrent processing. However, the City Council would need to approve the GPA before the project could be scheduled for a Planning Commission hearing.

Staff received a GPI request from Jay Paul Company (Applicant) on December 18, 2014 (see Attachment 1) to change the Specific Plan designation for two Moffett Park parcels totaling 47.4 acres from Moffett Park General Industrial (MP-I) to Moffett Park Transit Oriented Development (MP-TOD). As noted in Attachment 2, the two parcels currently contain 924,347 square feet of building space, which is a floor area ratio (FAR) of approximately 44.8 percent. Surrounding land uses include Applicant's Moffett Towers project to the west, Applicant's office campus to the south (to be occupied by Google), the Juniper Networks complex to the east, and the Lockheed Martin facility to the north.

Applicant is proposing to demolish the existing buildings and construct a project with approximately 1.65 million square feet of Class 'A' office space. This would result in an FAR of 80 percent, which is the maximum allowed under the proposed MP-TOD district using both the Moffett Park and citywide green building incentives. Under the existing MP-I district, the site could be redeveloped with up to 1.24 million square feet or an FAR of 60 percent including the green building incentives. The incentives apply to both districts in Moffett Park if the project is built to a LEED Gold standard and, subject to City Council approval, incorporates additional green building or other sustainable development features.

Staff and Planning Commission recommend Alternative 1 to initiate a study to amend the Moffett Park Specific Plan to change the land use designation for the subject property from Moffett Park General Industrial (MP-I) to Moffett Park Transit Oriented Development (MP-TOD).

EXISTING POLICY

Sunnyvale General Plan

The General Plan is the primary policy plan that guides the physical development of the City. When used together with a larger body of City Council policies, it provides direction for decision-making on City services and resources. The General Plan contains long-term goals and policies for the next 10-20 years and strategic actions for the next 5-10 years. Primary goals and policies pertaining to office and industrial development that are relevant to the proposed Moffett Park Specific Plan (MPSP) amendment include the following:

Policy LT-4.8: Cluster high intensity industrial uses in areas with easy access to transportation corridors.

Policy LT 4.10: Provide appropriate site access to commercial and office uses while preserving available road capacity.

Goal LT-6: Sustain a strong local economy that contributes fiscal support for desired city services and provides a mix of jobs and commercial opportunities.

Goal LT-7: Endeavor to maintain a balanced economic base that can resist downturns of any one economic sector.

Moffett Park Specific Plan

The MPSP covers approximately 1,156 acres north of State Highway 237 that is predominately developed with office, R&D and industrial uses. The MPSP is the primary policy document that governs development in Moffett Park and includes Guiding Principles and Specific Plan Objectives for the plan area. Principles and objectives that are particularly pertinent to the proposed land use change are as follows:

Guiding Principle 1.0: Positively influence the Sunnyvale business climate and enhance economic vitality by providing comprehensive land use policies and permitting processes that encourage development of additional needed Class ‘A’ office space to diversify the industrial base of Sunnyvale.

Guiding Principle 4.0: Provide opportunity for strategic retention and attraction of business and private investment.

Guiding Principle 5.0: Focus areas of higher intensity development in areas adjacent to public transportation facilities.

Guiding Principle 8.0: Increase utilization of public transit through coordinated land use, transportation, and infrastructure planning.

Plan Objective LU-1: Establish development regulations that provide a framework to allow for higher

intensity development.

Plan Objective LU-4: Establish land use districts that encourage high quality corporate headquarter and Class 'A' office development.

Plan Objective LU-5: Provide for higher intensity development along transportation corridors and within close proximity to rail and transit stations.

Plan Objective LU-6: Provide a development reserve of additional square footage for sites adjacent to public transit facilities as an incentive to developers and to provide flexibility of use for the future needs of the City's residents and business.

ENVIRONMENTAL REVIEW

The decision to initiate a General Plan study does not require environmental review under the California Environmental Quality Act (CEQA). However, the proposed Specific Plan amendment and associated rezoning and project application are subject to the provisions of CEQA. It is expected that an environmental impact report will be required, which will include a traffic analysis and other technical studies.

DISCUSSION

Amendments to the MPSP may be approved upon finding that the amendment:

- Meets the intent of the Specific Plan's adopted goals and objectives; or
- Enhances the Specific Plan's ability to accommodate development needs without compromising its original goals and objectives; or
- Implements the goals and objectives of the Specific Plan or General Plan.

In December 2013, the City Council revised the MPSP to allow consideration of increasing the development capacity or changing the land use designation from MP-I to MP-TOD for parcels that meet the following criteria:

- Parcels zoned MP-I and located within one-quarter mile of a current light rail station, as measured from an averaged center point of the station; or a property that is designed as a cohesive office/R&D campus with property that has direct access to the light rail station and provides on-site amenities that serve the entire campus proposal, including pedestrian features that overcome any physical barrier and help to reduce dependence on automobiles.

- Parcel boundaries that are legally recorded, tentative map application has been received, or for which a lot line adjustment application has been submitted to the City of Sunnyvale. The City may consider separate parcels if they are part of a comprehensive campus development. The City may impose additional conditions to ensure the campus development remains intact through the life of the project.

Parcels eligible for a MP-TOD designation are shown on Attachment 3 (MPSP, Exhibit 2-6: Transit Core Radius Map.) The subject property with a comprehensive development plan potentially meets the above criteria. The purpose of the MP-TOD district is to "encourage higher intensity uses that can best take advantage of locations in close proximity to the Tasman Light Rail Corridor, such as Class A office, R&D and Corporate Headquarters." Lot 2 (16.64-acre southern parcel) is partially within one

-quarter mile of the Moffett Field Light Rail Station with access via a public access walkway through Applicant's property to the south. Lot 4 (30.36-acre northern parcel) is just outside of one-quarter mile of the Lockheed Martin Light Rail Station with access via Fifth Avenue (private street). Both lots are proposed to be developed through approval of a comprehensive campus master plan.

Applicant is proposing to tap into the Moffett Park Development Reserve which would apply to any building area exceeding the existing square footage on the subject parcels since the FAR is already over the MP-I standard of 35 percent. The current balance in the Development Reserve is 1.51 million square feet, which includes buildings that have been approved but not built yet. Additionally, two applications are pending and, if approved, the Development Reserve would be further reduced to 1.24 million square feet. Under the current MP-I district, the property could potentially access 314,499 square feet of the development reserve. Under the proposed MP-TOD district, the property could potentially access 727,448 square feet of the Development Reserve. The proposed study does not include consideration to increase the Development Reserve.

If the GPI request is approved, Applicant will also file applications for a rezoning of the property and a Special Development Permit for project approval. Both applications will require City Council action. The project as currently envisioned will be required to be LEED Gold to reach a FAR of 70 percent, and an additional FAR of 10 percent is available upon Council approval if the project incorporates additional green building or other sustainability features. Street improvement plans would be required to clarify vehicular, bicycle and pedestrian access to the property. A development agreement is not currently anticipated but could be considered to address community benefits. An environmental impact report will likely be required for the project, which would include analysis of potential impacts such as: traffic, air quality, greenhouse gas emissions, biological resources, geology, aesthetics and public services and infrastructure. Review by the Federal Aviation Administration (FAA) will also be required.

FISCAL IMPACT

There are no fiscal impacts associated with initiating a General Plan or Specific Plan Amendment study. All development processing and CEQA costs will be covered by the applicant.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website. Notices were sent to all property owners within 2,000 feet of the site (168 owners); an email message with the notice was sent to the Morse Park, S.N.A.I.L. and Stowell-Orchard neighborhood associations and the Moffett Park Business Group.

The Planning Commission considered the GPI request on January 26, 2015, and recommended initiating the study on a vote of 6-0 (one commissioner absent). They requested that the study evaluate the potential to reduce vehicle trips at several levels beyond the requirements of the MPSP, including a net-zero increase in vehicle trips from the site. See Attachment 5 for minutes of the Planning Commission meeting.

ALTERNATIVES

1. Initiate a study to amend the Moffett Park Specific Plan to change the land use designation for a 47.4-acre site at 1111 Lockheed Martin Way, Lots 2 and 4, from Moffett Park General Industrial

(MP-I) to Moffett Park Transit Oriented Development (MP-TOD). Evaluate reduction of vehicle trips at several transportation demand management (TDM) levels, including a net zero increase in vehicle trips.

2. Initiate a study to amend the Moffett Park Specific Plan for the subject property with a modified scope.

3. Do not initiate a study to amend the Moffett Park Specific Plan.

STAFF/PLANNING COMMISSION RECOMMENDATION

Alternative 1: Initiate a study to amend the Moffett Park Specific Plan to change the land use designation for a 47.4-acre site at 1111 Lockheed Martin Way, Lots 2 and 4, from Moffett Park General Industrial (MP-I) to Moffett Park Transit Oriented Development (MP-TOD). Evaluate reduction of vehicle trips at several transportation demand management (TDM) levels, including a net zero increase in vehicle trips.

Staff finds that the GPI study is appropriate because the subject site is surrounded on three sides by properties already designated MP-TOD and the site is within close proximity to two light rail stations with direct access to these stations. The project is anticipated to be developed as a master planned office campus through approval of a comprehensive development plan. The proposal to establish a higher intensity Class ‘A’ office development on the property is potentially consistent with the Guiding Principles and Land Use Objectives in the MPSP, and the requested land use change falls within the adopted criteria for considering an expansion of the MP-TOD district.

Prepared by: Hanson Hom, Director of Community Development
Reviewed by: Robert A. Walker, Assistant City Manager
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Applicant’s Request Letter, dated December 18, 2014
2. Summary of Property Development Potential
3. Property Location and Transit Core Radius Map
4. Vicinity Map with 2000-foot mailing radius
5. Draft Planning Commission Minutes, January 26, 2015