Joint City Council/LRA Meeting: March 1, 2011

SUBJECT: 2010-7313 Alternative Land Use Options for Onizuka Air Force Station, including Possible Public Benefit Conveyances (PBC)

REPORT IN BRIEF

On October 5, 2010 the Onizuka Local Redevelopment Authority (LRA) provided direction to staff to abandon the auto center concept and Economic Development Conveyance (EDC) and to amend the Redevelopment Plan to pursue alternative land uses for the Onizuka Air Force Station (OAFS) site consistent with the Moffett Park Specific Plan (MPSP) and existing MP-I zoning for the property, with the exception of office uses that generated significant peak hour vehicular trips. The Council asked staff to further evaluate possible PBC uses such as a branch library, education facility, public health care facility, corporation yard, City park or law enforcement/emergency operations center. Further, they asked staff to investigate the feasibility of a data center and possibly adapting the Blue Cube for such a use.

On February 8, 2011 staff provided the LRA with an evaluation of possible PBCs and data center (see Attachment A). Staff provided three options for consideration and recommended Option #3 which included pursuing a PBC for expansion of the Fire Station #5 site and designating the remainder of the surplus property for development consistent with the Moffett Park Specific Plan. Staff also recommended consolidating the housing claims to the southern portion of the site with preference to negotiate with the housing providers to relinquish their claims (see Attachment B). During the study session discussion, the LRA indicated support Option 2 for a fire station PBC and a public park/sports complex PBC. The LRA further expressed support for the staff recommendation that the public park/sports complex should be cost neutral. If Option 2 is selected as the preferred land use plan for the amended Redevelopment Plan, staff would analyze if the public park/sports complex could be cost neutral, or if financial participation from the City would be required to create a financially feasible project.
BACKGROUND

Onizuka Redevelopment Plan

The LRA adopted the Onizuka Redevelopment Plan on December 9, 2008, with a preferred land use plan for an auto center concept. Staff was directed to submit this plan to the Department of the Air Force (AF) and the Department of Housing and Urban Development (HUD). Staff also submitted an accompanying Homeless Assistance Submission (HAS) to HUD in response to the Notices of Interest (NOI) received from two homeless housing providers. The LRA also received a grant from the Office of Economic Adjustment (OEA) to fund the development of a business plan and related studies to support an EDC application.

Following the LRA decision in October 2010, staff submitted an amendment to the current grant to change the scope of work to perform additional analysis and technical studies. The grant modification was approved by OEA on January 12, 2011. The funds can be used to fund LRA staff hours to amend the Redevelopment Plan, HAS and LBA. But OEA has clarified that the grant funds cannot be used for City staff to prepare the PBC applications.

Action on the HAS by HUD is pending a determination on the preferred land use and further discussions between the LRA, AF, and the homeless housing providers on the terms of the Legally Binding Agreement (LBA). Additionally, approval of the Onizuka Redevelopment Plan by the AF is dependent on HUD acceptance of the HAS. The AF is seeking full closure and transfer of the property by September 2011.

The Air Force has indicated concern with the amount of time associated with completing the PBC process by the projected closure date. The AF has requested that the LRA submit PBC application(s) by April 15, 2011 to the appropriate federal sponsoring agency, if that is the LRAs preferred alternative. Based on the support expressed by the LRA for the two PBCs, this would be the Federal Emergency Management Agency (FEMA) for the fire station expansion and the National Park Service (NPS) for the public park/sports complex.

DISCUSSION

The Onizuka Air Force Station Base Realignment and Closure (BRAC) process has included consideration of multiple land use options since the process began in early 2006. Since the decision of the LRA to discontinue the auto center concept in October 2010, staff has been evaluating the feasibility of various PBC opportunities. Qualifying PBC uses are analyzed in Attachment A. Under the BRAC regulations, surplus land could be acquired by a public agency or qualifying non-profit entity for a PBC use at no cost or at a
significantly discounted land cost. The LRA was presented with an analysis of PBC options on February 8, 2011, during which time the LRA indicated support for two City PBCs to acquire additional land for Fire Station #5 and for a public park/sports complex. The following discussion describes the staff work that would be required to implement both PBC options.

**Homeless Housing**

The LRA has received two claims to construct homeless housing at the OAFS site. The first is Charities Housing for 1.9 acres at the northern tip of the site. MidPeninsula Housing has the second claim for 4.2 acres located at the southwest corner of the site. Since the initial submittal, both providers have reduced the amount of land requested for their proposed projects. As of January 2011, the Charities Housing claim is now 1.5 acres to construct 31 housing units and the MidPeninsula Housing claim is now 3.1 acres to construct 63 units. The proposed reductions will require approval by the LRA, modifications to the HAS and LBA and approval by the Department of Housing and Urban Development (HUD).

Staff is working with both providers to verify the financial feasibility of the proposed projects based on the current availability of financing and site constraints (e.g. lack of support services in the area). Depending on the information provided, the LRA may choose to: support both providers; support only one provider; not support any housing at the site; or work with the providers to relinquish their claims at the site. As discussed at the February 8 LRA study session, constructing housing at the site does not conform to the Moffett Park Specific Plan and is problematic due to the lack of convenient services for residents and the isolated location. Staff believes that the preferred solution is working with the providers to relinquish their claims and incorporating the surplus land into the public park PBC to create a larger site for more play fields. Since the LRA indicated support for a public park/sports complex, staff proposes to further negotiate with the homeless housing providers to relinquish their claims at OAFS.

The best solution seems to be to identify an alternative site for the homeless housing providers. Coincidentally, the City-owned Armory site, located on Fair Oaks and Maude, will become available in June 2011. The Armory site is a prime site for affordable housing because it is centrally located with convenient access to community facilities and services. The site is approximately 2.4 acres, which is about half the size of the area requested by both providers. The site is zoned High Density Residential (R-4), which allows up to 36 units/acre, and a density bonus is permissible for affordable housing. Staff has initiated preliminary discussions with the providers on their interest in pursuing a joint housing development on the property.
If the City Council is open to offering the Armory site for housing, the City could continue to offer Housing Mitigation Funds to the providers as an incentive to relinquish their claims at OAFS, similar to the current LBA when the LRA expected to pursue an EDC. One concept is to agree to provide Housing Mitigation Funds to the providers to relinquish their claims and to enter into a concurrent agreement to sell the Armory site to the providers using these same funds. These funds would then be deposited or transferred into the City’s General Fund.

Department of Veteran Affairs (VA)

The VA originally submitted a claim for an approximately 3.1-acre site in 2006 that included Building 1002, two small supporting buildings and site area for parking. In 2010, they submitted a request to AF for additional land to the north of their original claim. This request increases the total claim to 5.0 acres and will allow for future expansion of the office and additional parking. However, the additional requested area encroaches into the existing Charities Housing claim. The amended claim is subject to review and approval by the LRA and AF. No action has been taken by the AF pending LRA decision on amending the Redevelopment Plan.

Recently, the VA expressed interest for an even larger site totally 7 acres, although a formal request has not been submitted yet. The larger site would accommodate an expanded office facility and possibly utilize an existing parking structure. The additional land would encroach southward into the area proposed for the public park/sports complex PBC. The feasibility of a sports complex depends on maximizing the amount of land available for development of play fields. Whereas the request for additional land to the north is supportable, expanding the VA site to the south would impact the feasibility of a sports complex.

Fire Station Expansion (PBC)

The Department of Public Safety (DPS) has recommended extending the southern property line of the Fire Station #5 site by 150 feet to the south (approximately one acre) to allow for better access, training and staging area, parking and storage. The expanded fire station site would total approximately two acres. The PBC for expanding the fire station site would be sponsored by FEMA and could be acquired as a no-cost conveyance. The associated costs for removal of existing northern property line fencing, grading for access, new southern perimeter fencing, demolition of existing hose drying ramp and construction of new ramp are estimated to be approximately $315,000. A no-cost PBC for expanding the fire station site was supported by the LRA at its February 8 study session. Assuming the property is transferred to the City this year, the above project funds would need to be budgeted in FY 2011-12.
Public Park/Sports Complex (PBC)

The Department of Community Services has indicated that based on existing demand for the City’s existing sports fields there is an increasing need for additional facilities in the community for organized sports. The City is unable to satisfy the service level demand of various youth sports groups involved in soccer and baseball due to the growth in number of children involved, and the desire of those groups to expand their playing seasons. Staff has been unable to meet the demands of adult soccer players for many years as well. In fact, it was unable to meet that demand even before the Santa Clara Unified School District transformed a large number of multi-purpose playing fields into Full Circle Farm. Cricket players have also been very vocal about the need for additional fields in Sunnyvale. Should the City enter into a private-public partnership for the development of a sports complex at the Onizuka site, market demand will play a significant role in the determining the type of fields constructed, since they will be expected to more than offset development and operating costs.

As previously stated, the feasibility of a sports complex on the OAFS site will depend on maximizing the available land. This would require maintaining the current southern boundary of the VA site as shown in Option 2. In addition, if an agreement is reached with the homeless housing providers to relinquish their claims, the resulting site area for a public park/sports complex would be approximately 12.71 acres. This would accommodate a minimum of four multi-use fields, restroom facilities and a concession/maintenance building.

A PBC for a public park/sports complex would be sponsored by the National Park Service (NPS). Staff has initiated discussions with NPS staff in anticipation of moving forward on this PBC application. The PBC regulations allow land to be acquired for a qualifying public park PBC at a reduced cost of at least 50 percent of the assessed value, but many park sites are acquired through a no-cost conveyance. Staff believes a PBC request could be structured to justify a no-cost conveyance, but this will require further discussions with NPS. As part of the PBC process, NPS will require an application that demonstrates: the community need for public park and recreational uses; the City’s operational and financial capability to develop and maintain the park; the suitability of the site for park use; and a description of the proposed park facilities, including a site plan and development schedule. NPS staff will evaluate the PBC request based on the documentation of community need and the feasibility of the financial plan. They indicated that the general expectation is that the City should be capable of completing the park for public use within three years and can consider phased development.
Staff very roughly estimates that the development cost for a public park/sports complex on a 12.71-acre site would be approximately $17 million with annual on-going operational costs of $130,000. These costs would be further analyzed as site plans are developed. In addition, a Phase II environmental assessment (with soil sampling) is recommended to determine the possible need for additional soil remediation. Although a Phase I assessment has been completed by the AF as part of its required compliance with the National Environmental Protection Act (NEPA), the assessment assumed an office or auto center concept, which would not result in “sensitive” user groups. Staff received preliminary estimates ranging between $20,000 and $30,000 for a Phase II assessment (approximately five to six soil samples and associated testing), and is recommending allocating park dedication in-lieu fees for this purpose. The estimated development cost cited above ($17 million) includes a contingency of $1 million for soil remediation.

The development and operations costs for a public park/sports complex may either be funded by the City or the City may work with a private developer/vendor to finance, construct and operate the sports complex. The City Council expressed support for this use if the City would not incur capital and operational costs, i.e. the project would be “cost neutral.” This would necessitate partnering with a developer/vendor, which is a business model other cities has employed for such complexes. If the City Council authorizes pursuing the public park PBC, the financial feasibility of a sports complex at this location on a 12.71-acre site would need to be verified. Staff would assess the interest and financial capability of potential developers/vendors to develop and operate the sports complex and confirm with NPS that a no-cost conveyance is possible. Additional investigative studies are also advised, such as a market and financial feasibility analysis, site plan studies, and a refinement of development and operational costs. Staff recommends allocating up to $100,000 in park dedication in-lieu fee funds to engage a consultant(s) to conduct these studies, which include the estimated cost for the Phase II assessment. These studies will take three to six months to complete.

Extensive upfront funds will be needed for demolition, site preparation, park development and possibly site remediation. Staff expects that the City will have to supplement development costs with park dedication in-lieu fees in order to create a financially feasible project. Allocation of these funds for a sports complex may require deferring or delaying funding of other identified park facility needs. However, the Onizuka Air Force Station presents an opportunity for the City to acquire a substantial site at potentially no cost. Staff will also determine if a viable business plan could be devised such that on-going operating costs could be fully covered by the vendor. This would mean projected operating revenues would cover operations, maintenance, replacement, finance and other reoccurring costs with allowance for a reasonable developer/vendor profit.
If the City concludes the PBC process and acquires the property in the next year, but development of the public park/sports complex or an agreement with a developer/vendor is still pending, then initial funds will need to be allocated for interim caretaker costs. These include costs for security, maintenance, utilities and other incidental items. Staff will estimate these costs during the PBC process, which could be substantial depending on how quickly the project materializes. Discussions with VA could also occur on the possibility of partnering on security and property management.

**General Plan Conformance**

The following goals and policy statements are applicable and support the expansion of fire station and the creation of a park/sports complex.

- **Fire Station:**

  **Policy A.1** - Assure that equipment and facilities are provided and maintained to meet reasonable standards of safety, dependability, and compatibility with fire service operations.

  **A.1e** - Work cooperatively with the appropriate City Departments in issues related to the acquisition, use, maintenance, and modification of facilities.

- **Public Park/Sports Complex:**

  **Goal 2.2A Open Space** - The City strives to provide and maintain adequate and balanced open space and recreation facilities for the benefit of maintaining a healthy community based on community needs and the ability of the city to finance, construct, maintain, and operate these facilities now and in the future. It is the City’s policy, therefore, to:

  **Policy 2.2.A.8** - Support the acquisition or joint use through agreements with partners of suitable sites to enhance Sunnyvale’s open spaces and recreation facilities based on community need and through such strategies as development of easements and right-of-ways for open space use, conversion of sites to open space from developed use of land, and land banking.

  **Policy 2.2.A.9** - Refrain from engaging in the development of open space and/or recreational facilities without prior assurance that ongoing maintenance needs will be addressed.
Goal 2.2.C Regional Approach - The City embraces a regional approach to providing and preserving open space and providing open space and recreational services, facilities and amenities for the broader community.

Policy 2.2.C.2 - Support public and private efforts in and around Sunnyvale to acquire, develop and maintain open space and recreation facilities and services for public use.

Policy 2.2.D.12 - Give priority to acquiring/developing open space and recreational amenities and programs where the needs are greatest and/or which will meet the greatest needs.

OPTION 2 NEXT STEPS

At the LRA study session, support was expressed for Option 2: Fire Station Expansion and Public Park/Sports Complex PBCs. In anticipation of the LRA possibly endorsing this option, staff has outlined the following next steps in the planning process to implement this option, some of which can occur concurrently:

Fire Station Expansion PBC:

- Budget initial project funds for basic site improvements.
- Prepare submittal of PBC application to FEMA with:
  - Financing plan;
  - Needs assessment; and
  - Cost estimate for site improvements

Public Park/Sports Complex PBC:

- Further outreach to developers/vendors to determine interest and financing options.
- Prepare market assessment and financial feasibility analysis.
- Determine interim caretaker costs for security, utilities and other incidental expenses until park development occurs, and budget project funds accordingly.
- Prepare conceptual site plan to refine the park concept and determine the number of fields and other facilities.
- Prepare submittal of PBC application to NPS with:
  - Financing plan;
  - Assessment of community need;
  - Refined cost estimates for development and operations;
  - Environmental clearance: Phase II Study ($20-$30,000); and
  - Other technical studies as may be required by NPS.
Negotiations with Homeless Housing Providers:

- Negotiate an agreement with MidPeninsula Housing and Charities Housing on relinquishing their claims and acquiring an alternative site such as the Armory site.
- Revise Homeless Assistance Submittal (HAS).
- Revise Legally Binding Agreement (LBA).
- Submit revised LBA and HAS to HUD for review and approval.

Revise Redevelopment Plan:

- Amend Redevelopment Plan based on LRA direction.
- Present to LRA for review and approval in May 2011, if possible.
- Submit Amended Redevelopment Plan to the Air Force for a Record of Decision.

FISCAL IMPACT

Pursuing both PBCs for a public park and fire station expansion will require initial costs associated with preparing the PBC applications. As previously mentioned, staff recommends allocating up to $100,000 in park dedication in-lieu fee funds for investigative studies to determine the financial feasibility of a public park/sports complex. These funds would be used to prepare a Phase II environmental site assessment (estimated at $20,000 to $30,000), a market and financial feasibility analysis, conceptual site plans, and a refinement of development and operational costs. The City will also need to budget funds for several short-term items: 1) caretaker costs until a sports complex developer/vendor is identified and contracts/agreements are signed (to be determined during PBC process); and 2) basic site improvement costs associated with the fire station expansion for fencing and site improvements, estimated at $315,000.

At the present time, the remaining balance in the OEA grant is $130,178, $10,000 of which is available for additional studies to finalize the Redevelopment Plan, such as possibly the environmental site assessment (staff verifying with OEA.) Staff would evaluate whether the remaining grant funds are sufficient to complete the Redevelopment Plan and related work. It is possible that OEA might provide additional grant assistance, but further discussions with OEA staff would be necessary to determine this. OEA funds may be used to cover LRA staff costs to prepare the amended Redevelopment Plan, HAS and LBA and related LRA documents and for continuing coordination with the AF, VA and the homeless housing providers. OEA staff
has indicated that grant funds cannot be used to cover City staff costs to prepare the PBC applications.

**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 Web site. Mailed notices were delivered to all property owners and tenants within 300 feet of the subject site. Sunnyvale auto dealers, the members of the LRA's former Citizen's Advisory Committee, the Moffett Park Business and Transportation Association, Juniper Networks and the two homeless housing providers were also notified about the LRA hearing.

**ALTERNATIVES**

- **Option 1: Baseline**

  This option assumes the current status quo for VA claims and homeless housing providers and not pursuing the remaining surplus of 8.6 acres, which will be sold by the Air Force and redeveloped by a private developer consistent with the Moffett Park Specific Plan (see Attachment B, Option 1).

- **Option 2: Fire Station Expansion and Public Park/Sports Complex PBCs**

  This option involves the City pursuing PBCs for the expansion of Fire Station #5 site and the creation of a public park/sports complex and the consolidation of the homeless housing provider claims to the southern portion of the site. This option also supports an enlargement of VA site to approximately four acres. The LRA may choose to recognize the homeless housing claims on the site or negotiate with the providers to relinquish their claims. Staff recommends that the preferred alternative is relinquishment of the housing claims to create a maximum site for the park (see Attachment B, Option 2).

- **Option 3: Fire Station Expansion PBC Only and Preferred Uses Consistent with Moffett Park Specific Plan**

  This option involves the City only pursuing a PBC for the expansion of the Fire Station #5 site and the consolidation of the homeless housing
provider claims to the southern portion of the site. The remainder surplus property would be sold by the Air Force. The LRA may choose to recognize the homeless housing claims on the site or negotiate with the providers to relinquish their claims. The additional area may be folded into the surplus property and developed consistent with the Moffett Park Specific Plan (see Attachment B, Option 3). In addition, the LRA may restrict high traffic generating office uses or conditionally allow office uses with specific requirements to address potential traffic concerns as noted above.

**RECOMMENDATION**

If the City Council/LRA supports Option 2 for Fire Station and Public Park PBCs, then staff recommends authorizing the City Manager to pursue the following actions:

**LRA Actions:**

1. Discuss with the homeless housing providers the feasibility of relinquishing their claims on the Onizuka AFS site, and revise the HAS and LBA accordingly;
2. Amend the Redevelopment Plan for LRA adoption to reflect Option 2.

**City Council Actions:**

1. Initiate discussions with FEMA to submit a PBC request for expanding the Fire Station #5 site, including preparing a needs assessment, financing plan and refined cost estimates;
2. Initiate discussions with NPS and potential sports complex developers/vendors to submit a PBC request for a public park, including preparing a needs assessment, conceptual park plan and financing plan;
3. Allocate up to $100,000 in park-dedication in-lieu fee funds for a Phase II environmental assessment, market and financial feasibility analysis, site plan studies and a refinement of development and operational costs for the public park PBC;
4. Determine options and the fiscal impacts to the City for interim caretaker obligation of the public park PBC site; and
5. Authorize discussions with the two homeless housing providers on the City’s Armory site as a possible alternative site for affordable housing.

With the adoption of the above recommendation, staff anticipates returning to the LRA in May 2011 to adopt the Amended Redevelopment Plan. Staff would also report on the status of discussions with the homeless housing providers and may have a revised HAS and LBA for review and approval. Additionally, staff would report on the status of the investigative studies and discussions
with NPS, Air Force and potential sports complex developers/vendors on the
public park PBC. Finally, depending on the progress of discussions with FEMA
on the fire station PBC, review and approval of a PBC application may occur at
this meeting.

Prepared by:

Hanson Hom
Director of Community Development
Prepared by: Shaunn Mendrin, Senior Planner

Approved by:

Gary M. Luebbers
City Manager

**Attachments**

A. LRA Study Session Report, dated February 8, 2011
B. Onizuka Land Use Options
C. LRA Study Session Summary Minutes, dated February 8, 2011
Attachment A
DATE: February 8, 2011

TO: Onizuka Local Redevelopment Authority (LRA)

FROM: Hanson Hom, Director of Community Development

THROUGH: Gary Luebbers, City Manager

RE: Alternative Land Use Options for Onizuka Air Force Station, including Possible Public Benefit Conveyances (PBC)

PURPOSE
The purpose of this memo and study session item is to present the LRA with possible PBC options of a fire station expansion and/or park for a recreational field facility and to receive feedback regarding the preferred option.

BACKGROUND
On October 5, the LRA provided direction to staff to abandon the auto center concept and Economic Development Conveyance (EDC) and to amend the Redevelopment Plan to pursue alternative land uses for the Onizuka AFS site consistent with the Moffett Park Specific Plan (MPSP) and existing MP-I zoning for the property, with the exception of office uses that generated significant peak hour vehicular trips. They asked staff to further evaluate possible PBC uses such as a branch library, education facility, public health care facility, corporation yard, City park or law enforcement/emergency operations center. Further, they asked staff to investigate the feasibility of a data center and possibly adapting the Blue Cube for such a use.

As the LRA is aware, the Air Force (AF) is scheduled to close the Onizuka site and deliver the respective parties their requested land by September 2011. The Air Force has indicated concern with the amount of time associated with completing the PBC process by the projected closure date. The AF has requested that the LRA submit PBC application(s) by April 15, 2011 to the appropriate federal sponsoring agency, if that is the LRAs preferred alternative. Based on the two options, this would be the Federal Emergency Management Agency (FEMA) for the fire station expansion and the National Park Service for the public park (see discussion below).
DISCUSSION

Homeless Housing
Two homeless housing providers have submitted claims for land at the Onizuka site. The first is Charities Housing which has a claim of 1.9 acres at the northern tip of the site. MidPen Housing Corporation has the second claim for 4.2 acres located at the southwest corner of the site. Since the initial submittal, both providers have reduced the amount of the land requested to fine tune the proposed projects. As of January 2011, the Charities Housing claim is now 1.5 acres and the MidPen Housing claim is now 3.1 acres. The proposed reductions will require approval by the LRA, modifications to the Legally Binding Agreement and approval by the Department of Housing and Urban Development (HUD).

Staff is working with both providers to verify the financial feasibility of the proposed projects based on the current availability of financing and site constraints (lack of support services in the area). Depending on the information provided, the LRA may choose: to support both providers; only support one provider; not support any housing at the site; or work with the providers to relinquish their claims at the site. Staff will provide additional information at the LRA meeting in early March.

The requested reductions and recent direction from the LRA to study alternative land uses provide the opportunity to reevaluate the feasibility of housing at the site. One possibility if the LRA supports the homeless housing claims is to relocate the claims to the southern area of the site to work on a combined project. This combined project at the southern edge of the site would allow for a possible fire station expansion onto the Charities Housing claim (see discussion below). In addition, the LRA may pursue alternative site location(s) for the housing providers in the Legally Binding Agreement (LBA). Based on the claims the providers have (if exercised and approved by HUD), a total of 120 units will need to be provided, unless modified through negotiations between the providers and HUD.

Veteran Administration (VA)
The VA has requested additional land to the north of their original claim. The additional area is approximately 1.9 acres and will allow for future expansion of the office space and additional parking area. The additional area would encroach into the existing Charities Housing claim (unless moved to the southern corner) reducing it below their updated area of 1.5 acres. The additional area is subject to review and approval by the LRA.

Land Use Alternatives
Staff researched the land uses alternatives and PBC Options discussed at the October 5, 2010 LRA meeting. Staff finds that only two of the PBC uses appear to be potentially feasible at the site. Attachment A briefly summarizes the uses that
the LRA requested staff to further evaluate. The following provides further discussion on the potential land use options for two possible PBCs and/or MPSP.

- **Fire Department Expansion (PBC)**
  The Department of Public Safety (DPS) has indicated that the existing Fire Station (#5) needs better access, updating and additional space. DPS has recommended that the Station #5 site extend the southern property line to the south 150 feet to allow for better access, parking and storage and the future ability to construct a new fire station. The PBC for the fire station site expansion would be sponsored by the FEMA and the land could be acquired as a no cost conveyance. The associated costs for a simple land acquisition for better site access, parking and storage is estimated to cost approximately $630,000 for design, demolition and construction of improved access, paving, fencing and landscaping. The estimated costs for a new fire station and expansion would be approximately $7.5 million with annual on-going operational costs of $1.8 million. The funding source for the new station would be the General Fund.

- **Public Park/Sports Complex (PBC)**
  The Department of Community Services has indicated that there is a need for larger recreational fields in the community. Based on the current land configuration, the central portion (8.6 acres) of the Onizuka site could accommodate up to three multi-use fields, bathrooms and a concession/maintenance building. A PBC for a public park would be sponsored by the National Park Service (NPS) and the land acquisition costs would start at a 50% reduction with a possible no-cost conveyance. The costs associated for demolition and site preparation may be credited in the acquisition fee. The estimated costs for a new park facility on the 8.6 acres would be approximately $11 million with annual on-going operational costs of $90,000. The funding source for the new park would be the park dedication in-lieu fees, private financing or a combination of both.

  In addition, if the Homeless Housing providers are combined to the southern corner of the site and then relocated, this additional area may be added to the park area. It may accommodate additional recreational fields, parking and passive space as determined by the Community Services Department. The additional area may increase the total park development cost to approximately $17 million and $130,000 for on-going operational costs.

  A Phase II study (soil sampling) will need to be completed to verify if any soil contamination exists. Although a Phase I study has been completed by the AF as part of its required compliance with the National Environmental Protection Act (NEPA), the completed Phase I assumed an office or auto center concept, which would not result in “sensitive” user groups. Staff received preliminary estimates ranging between $20,000 and $30,000 for
approximately five to six soil samples and associated testing. The estimated development costs cited above ($11 million) include approximately $1 million for soil remediation.

If the sports complex is constructed and operated by the City, then all costs (construction and operation) would be burdened by the City. Funding would come from the Park Dedication In-lieu Fund or General Fund and funding may need to be pulled from existing projects in order to comply with NPS timelines (as established through negotiations). An alternative is working with a private company to construct and operate the sports complex. This would require a long term lease with the provider and a management plan that complies with NPS requirements to achieve a no-cost PBC.

**Moffett Park Specific Plan (No PBC)**

The Moffett Park Specific Plan (MPSP) is designed to support a mix of development geared towards Class A office and Research and Development (R&D) uses. These uses could be appropriate for the site due to the proximity of light rail and availability of alternative means of transportation to accommodate the traffic associated with these uses. In addition, the site is located at a gateway into the Moffett Park area, as designated in the Community Design Sub-Element.

The site is zoned MP-I which allows a variety of uses ranging from Class Office to R&D uses. MP-I limits development to a 0.35 FAR with the ability to increase to 0.50 FAR. However, the MPSP currently limits the Onizuka site to 0.35 FAR with no ability to exceed this limit. Therefore, redevelopment of the surplus area (assuming the homeless housing claims are relinquished) is capped at approximately 193,000 square feet of commercial and industrial space.

The LRA has indicated concerns regarding office uses at the site due to the potential congestion on Mathilda between State Highway 101 and Innovation Way. To address these concerns, the LRA has possible options for alleviating congestion, which include the following:

a) Require a Traffic Impact Analysis (TIA) for any new or redevelopment of the site and identifying possible traffic mitigation measures through this analysis.

b) Require a Transportation Demand Management (TDM) program with a higher traffic reduction goal than specified in the MPSP (currently 20%).

c) Modify the MPSP and Zoning Code to allow development consistent with the MP-I Zoning (maximum FAR of 0.50 or up to 260,000 square feet), and reduce the available Moffett Park Development Reserve (currently 3.4 million square feet) equal to the amount of new development.

d) Maintain the current 0.35 FAR (193,000 square feet) and reduce the Moffett Park Development Reserve by this amount.
As noted above, the subject property is a gateway parcel into the Moffett Park area and it provides the opportunity for a project that will serve as a defining entry feature into the area. The above traffic options could alleviate traffic congestion.

**PBC PROCESS**

As part of the PBC process, the sponsoring agency will require a deed restriction limiting the use of the land and establish timelines for improvements of the property to achieve the specified use. The PBC for the expansion of the fire station may be developed in several ways ranging from the need for land to allow clear and safe access to the site to the full demolition and construction for a new fire station. If the LRA chooses to move forward with this option, staff will provide alternatives and implications for the fire station property expansions. A PBC for a park will require actions (studies, demolition and or construction) to occur within three years of the transfer of the property or otherwise agreed upon with the sponsoring agency. A PBC application will typically require a financing plan, environmental determination, and public benefit documentation (need assessment). As noted above a Phase II will be required as part of the PBC application for submittal to the NPS. The LRA may establish action timelines with the NPS as part of the park PBC.

**OPTIONS**

The following options are available for LRA consideration based on the October 5, 2010 direction:

- **Option 1: Baseline**
  This option assumes the current status quo for VA claims and homeless housing providers and not pursuing the remaining surplus of 8.6 acres, which will be sold by the Air Force and redeveloped by a private developer consistent with the Moffett Park Specific Plan (see Attachment B, Option 1).

- **Option 2: Fire and Park PBCs**
  This option would involve the City pursuing PBCs for the expansion of Fire Station #5 site and the creation of a public park/sports complex and the consolidation of the homeless housing provider claims to the southern portion of the site. The LRA may choose to recognize the homeless housing claims on the site or the LRA may negotiate with the providers to relinquish their claims. If relinquished, the additional area may be folded into the park area (see Attachment B, Option 2):

- **Option 3: Fire PBC**
  This option would involve the City only pursuing a PBC for the expansion of the Fire Station #5 site and the consolidation of the homeless housing provider claims to the southern portion of the site. The remainder surplus property would be sold by the Air Force. The LRA may choose to recognize the homeless housing claims on the site or the LRA may negotiate with the
providers to relinquish their claims. The additional area may be folded into the surplus property and developed consistent with the Moffett Park Specific Plan (see Attachment B, Option 3). In addition, the LRA may restrict high traffic generating office uses or conditionally allow office uses with specific requirements to address potential traffic concerns as noted above.

NEXT STEPS
A public hearing is scheduled for March 1, 2011 and it is anticipated that the LRA will take action on the preferred land use and PBC options. The following actions will be requested at the March 1, 2011 meeting:
1. Decision on preferred land use(s);
2. Direct staff to submit a PBC request for City PBC(s) with Department of Defense (DoD), AF and federal sponsoring agencies, if directed by LRA;
3. Direct staff to begin preparing an amended Redevelopment Plan based on the preferred land use(s);
4. Direct staff to begin preparing amendments to the Homeless Assistance Submission (HAS) and Legally Binding Agreement (LBA); and
5. Direct staff to initiate preparation of supplemental technical studies as applicable.

The amended Redevelopment Plan and HAS will be presented to the LRA for action in May 2011.

RECOMMENDATION
The subject site is located in an identified gateway area (Community Design Sub-Element) and redevelopment of the site is prime for Class “A” corporate office or a commercial use and could set a strong entry statement that complements the Moffett Park area. The site is highly visible and is a key gateway feature into Moffett Park.

The funding required for the Fire Station PBC may be minimal depending on how the project is proposed to FEMA. Given budget constraints, the sports/recreation field complex would only be feasible if it is financed, constructed and managed by a private entity through an agreement with the City at minimal or no-cost to the City.

Consistent with the intent of the Moffett Park Specific Plan and the Community Design Guidelines and because minimal funding is needed for the Fire Station PBC, staff recommends the LRA consider Option 3: Fire PBC and MPSP uses and to recommend that staff identify tools to address traffic concerns.

Further, staff recommends continuing discussions with the homeless housing providers regarding possible incentives to relinquish their Onizuka claims and identify a more suitable alternative site in Sunnyvale. Staff recommends adopting a Redevelopment Plan without homeless housing if possible. This would likely
require using housing mitigation funds to relocate the homeless housing providers from the Onizuka site. Alternatively, the LRA could choose to not recognize either claim or only one of the homeless housing claims without assistance.
BRANCH LIBRARY

Facility Needs
A branch library is a smaller service outlet, strategically located in the community. Branches tend to have less in-depth print reference material, small collections and limited programs in general when compared to a main library. As neighborhood-oriented facilities, they usually focus on children, formal learning support for students and adult popular materials. Other features seen locally in branch libraries are information and reader's advisory services, teen collections, magazines and newspapers, public Internet access, self-checkout machines and delivery of reserved items from the main Library. Branch libraries augment main Library services by duplicating the most highly used materials and services. The December 9, 2008 Branch Library Study Issue indicated that the North Sunnyvale area needed a branch library facility, which would serve the residential population.

Siting Criteria
Minimum facility siting requirements for the successful operation of a branch library include:
- The building location is not isolated and there is foot traffic, including on evenings and weekends.
- The building is visible from the street.
- Locate the branch library at a reasonable distance from the main library
- Target areas with significantly high or low numbers of users. Areas with high numbers of users could be targeted to ensure that branch library services would be utilized, and areas of low numbers of users could be targeted to provide services to residents who had not previously utilized library services.
- Establish the branch library in an area of anticipated population growth.

Fiscal Impact
The Branch Library Study provided cost estimates for branch libraries ranging in size from 10,000, 15,000 to 20,000 square feet. The following table indicates the estimated construction/startup costs and ongoing/operation costs. These calculations were based on 2008 indexes and would need to be updated to 2011 indexes and the cost of demolition would also need to be factored in.

<table>
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<tr>
<th>Square Footage</th>
<th>Construction &amp; Startup Costs</th>
<th>On-Going Costs</th>
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<tr>
<td>10,000</td>
<td>$3.9 Million</td>
<td>$1.3 Million</td>
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</tr>
<tr>
<td>20,000</td>
<td>$7.3 Million</td>
<td>$2.3 Million</td>
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Staff Conclusion
The Onizuka site is not appropriate for a branch library. Although the 2009 Branch Library Study Issue indicated that North Sunnyvale area is in need of a branch library, this site is isolated from the community that it would serve due to the Route 237 and it is located on the western edge of the City. This is location is contrary to the intent of a branch library, which should be located in the community that it is serving.
EDUCATION AND MEDICAL FACILITIES

Background
During the initial BRAC process in 2006, the LRA contacted several educational and medical facilities and providers and posted a notice in local papers requesting a Notice of Interest (NOI) from interested parties. At the time, the LRA received NOIs from two homeless housing providers and was contacted by a representative of the Cogswell Polytechnic College. The homeless housing providers filed the NOIs with the sponsoring federal agency (HUD) and Cogswell never filed a NOI.

- Educational Contacts
  Staff contacted the Department of Education in Washington DC to confirm if they had been contacted by any other educational providers in 2006. Mr. Jack Burrows at the Department of Education indicated that they had only been contacted by the Cogswell Polytechnic College. Mr. Burrows provided the name of the college’s contact. Staff spoke with Bonnie Phelps of Cogswell College and she indicated that they were interested in the office building that the Veterans Administration received. Ms. Phelps was informed that the LRA was potentially considering opening the PBC process again; however, she indicated that there were no other buildings on the site that would serve the needs of the college. Staff also contacted representatives at San Jose State University and the Art Institute and they indicated that there was no interest.

- Medical Facilities
  Staff also contacted representatives from Kaiser Permanente, Palo Alto Medical Foundation and Health Med Realty (provider of healthcare real estate services). The representatives indicated that they were not interested in locating a health care facility at this site.

Staff Conclusion
Although the site is located in an area with easy access via light rail and major transportation routes, the extensive demolition and site preparation costs appear to be a deterrent in current economic times. Additionally, Kaiser and PAMF have developed regional plans for strategically locating hospitals and support health care facilities, and the Onizuka site does not fit into their overall plans.
Facility Needs
The Open Space and Recreation Sub-Element and Parks of the Future Study (POTF) have cited a need for additional sports fields in Sunnyvale. One of the ways to meet that need would be to develop a grouping of fields in one location. This sports field complex would include lit synthetic soccer, softball multi-use fields, parking lot, restroom, concession building, landscaping, pathways and lighting. It would serve both the Sunnyvale community and regional area.

Siting Criteria
It is beneficial for sports complexes to be located in areas with easy access and areas that would not be as impacted by the intensity of the use. The Onizuka site would be preferable for the following reasons:
- Onizuka is near a major transportation hub of the 85, 237, and 101 freeways. In addition, the newly completed Bay Trail and Stevens Creek Trail are nearby.
- North of Highway 101 in Sunnyvale has been designated by two different reports as lacking in open space.
- The lack of housing in the immediate area allows for nighttime noise and lighting without disturbing residents. In addition, the increase of traffic will not upset or impact any neighborhood.
- This 8.66 acre parcel (center “surplus” parcel) in Sunnyvale which is considered built-out may be one of the last large parcels to become available for some time.

Fiscal Impact
City-Financed: If used for a public sports complex, it is possible that the City could acquire this property from the Federal Government at no cost. The cost to then construct an 8.66 acre park with sports fields and a restroom/concession building is roughly estimated at $11,050,621. These numbers are contingent on amenities constructed and possible hazardous materials remediation. Annual additional operating costs are estimated at $10,000 per acre or $86,600. The 20-year cost increase to the General Fund would be $1,732,700 without inflation.

Privately-financed: There are firms that help cities create sports facilities that eventually pay for themselves. Under this option, the city would again acquire the property at no cost. A private firm would then finance the development and operation of the sports complex in return for a long-term lease arrangement. Further analysis would need to be conducted if this option were attractive to City Council. Staff would engage with interested private firms to see if the numbers might “pencil out”. Arrangements of this nature typically provide for some “below-market” play during non prime-time hours (e.g., youth groups or drop-in play), but require that users pay market rates during evenings and weekends.
**Staff Conclusion**

All factors considered, this represents the most attractive PBC option, assuming the land could be acquired through a no-cost conveyance and a private firm was willing to develop and operate the site at no cost to the City (i.e., in return for a long-term lease arrangement). In this manner, the City would provide additional sports fields to the community at no cost to the City. The site is a good one based on community need, location, limited availability of land and the type of intended facility. The demolition and site preparation work may be cost prohibitive estimated at $2.5 million. In addition, further studies, such as a Phase II (soil sampling) will need to be conducted to verify that no further soil remediation will be required (study estimated between $20,000 to $30,000). If soil remediation is required this could cost an addition $1.5 to $2 million.

Staff does not recommend further pursuit of an option that would entail the City financing the development and operation of a sports complex.
LAW ENFORCEMENT/EMERGENCY OPERATIONS

Facility Needs
Sunnyvale's training facility and fire stations, while well maintained and strategically located, are in need of redesign to reflect the changing activities of the fire service and the needs of the community due to redevelopment, intensification and height of structures.

The City of Sunnyvale currently has six fire stations located within the City, with Fire Station 5 located adjacent to Onizuka. Generally speaking, all six fire stations have the same basic design except for fire stations 1 and 2 which have three bays for fire apparatus; the remaining stations each have two bays. At this time all bays are being utilized by the 12 first line fire apparatus and two reserve apparatus. There is no capacity for housing additional fire apparatus.

Facility age is a critical influencing factor as it has a significant relationship to the functionality of the facility. As the facilities grow older, they tend to also exceed their intended use. All six fire stations are at least 40 years old. When planned and constructed, they were designed to house two pieces of fire apparatus and a mission primarily focused on firefighting. Contemporary additional operational, training and education needs include hazardous materials, advanced and basic life support, and community education.

Siting Criteria
Regardless of the methodology employed, it is important to recognize that fire station location is a significant resource commitment. Generally speaking, fire stations and other fire protection facilities such as the training center, are placed in the community on the basis of risk analysis and response time requirements. Choosing the location of a fire protection facility involves several years of planning. A considerable amount of coordination is required between the Fire Services Division and other City Departments having responsibility and authority to deal with the community's development. Zoning and land use have a real effect on fire station location and utilization.

Fire Station 5 is sited on a relatively small plot which requires the reverse-backing of a fire apparatus to park inside the bay. The exterior land space is constricted such that common and required life-safety training with hose lines and other equipment are not practical and require the crew to drive to another location in the city to train. The ability to move the southern fence line 150' will greatly increase the useable space for this facility allowing better access and the ability to expand the facility in the future to meet the changing needs of the Moffett Park area.
**Fiscal Impact**
The fiscal impact will vary depending on the project proposed as part of the PBC. A simple expansion of property line 150 feet to the south to accommodate better clearance and access would cost approximately $630,000 for design, demolition and construction for paving, site access modifications, fencing and landscaping. Current costs for a new fire station would be approximately $500,000 for demolition and temporary structures and $7 million to construct a new two story three bay fire station with $1.8 million per year for on-going operational costs.

**Staff Conclusion**
This location is the current site for Fire Station 5 and is appropriate for emergency and non-emergency response needs. The current parcel of land however, is too small for the contemporary needs related to training, equipment, apparatus size, and station size based on the growing needs of the Moffett Park area. The ability to expand the plot size by 150’ on the southern boundary will provide the opportunity to improve site access, additional parking and storage area. In addition, the additional land provides the exceptional opportunity for development of a new station when funding is available.
CITY CORPORATION YARD

Facility Needs
The current Corporation Yard is located in a primarily industrial area on Commercial Street near Central Expressway. The Corporation Yard occupies 10 acres and contains over 48,000 s.f. of building structures. In 2000, the City purchased an adjacent parcel of land for future expansion of the Yard. Most of the larger buildings were built in the 1950’s and will need renovation or replacement, estimated at $10 million.

A new City corporation yard at the Onizuka site would require the construction of office, storage, workshop, and fleet maintenance buildings, refueling stations, paved vehicle parking areas, and appropriate communications, lighting, utilities and security improvements. Any building, soil or groundwater contamination would need to be addressed prior to occupancy. The facility would serve the entire Sunnyvale Community. The estimate to bring this site into service is over $35 million.

Siting Criteria
If the City were to move the Corporation Yard to the Onizuka site, it would lose 1.3 acres, or over 56,000 s.f. of land available for vehicle parking and storage. Moving Field Services and Parks operations to the Onizuka site may also present a conflict with the surrounding high technology and R&D companies. The designated City parcel at Onizuka is surrounded by roadways, the V.A., and homeless housing developments, limiting the possibility for future expansion.

Fiscal Impact
The current market value for the existing City Corporation Yard is $26 million. The estimated costs to create a new facility on the 8.6 acre parcel at Onizuka are approximately $44 million including $17.2 million for site acquisition. A Corporation Yard will not qualify for a Public Benefit Conveyance; however, site acquisition costs may be off-set through the associated demolition costs and a negotiated sale with the AF.

Staff Conclusion
Relocating the Public Works and Parks Corporation Yard to the Onizuka site would be problematic due to the high costs that would be required to purchase and setup the site, the loss of 56,200 s.f. of parking or storage space, the inability to expand, traffic issues with the nearby Highway 237 / Mathilda interchange, the compatibility of this industrial use with the surrounding Class A office uses in the immediate area and a poor use of an gateway parcel in Moffett Park.
DATA CENTER

Facility Needs and Financial Impact
A data center is a facility used to house computer systems and associated components, such as telecommunications and storage systems. Data centers generally require large amounts power, redundant data communications connections, environmental controls (e.g., air conditioning, fire suppression) and security devices.

A data center can occupy one room of a building, one or more floors, or an entire building. Most of the equipment is often in the form of servers mounted in rack cabinets, which are usually placed in single rows forming corridors (so-called aisles) between them.

Based on preliminary discussions with several data center developers, the conclusion is that the reuse of the “blue cube” as a data center is not financially feasible. Data centers need “hardened” facilities. They need structures that will be operational after a natural disaster. Some data center developers typically reinforce their buildings for an “importance factor” of 1.5 above the current seismic code. This means that a data center is 50 percent stronger than code requires in order for the building to remain operational without significant damage.

The other major obstacle is the cost and availability of power. PG&E’s power is more expensive that Santa Clara and PG&E’s infrastructure is older and more limited in capacity.

A typical data center needs about five to ten acres to site a new data center. The large space is needed for generators, cooling equipment, and parking spaces.

The data center would need about $25 million to retrofit the blue cube to minimum seismic standards.

Staff Conclusion
The “blue cube” building in the Onizuka site cannot be converted to a data center without a substantial financial investment. However, there may be future interest for a new building for a data center if the amended Redevelopment Plan and preferred land use option were to allow uses consistent with the Moffett Park Specific Plan.
Attachment B
### Reference Table

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</table>

### Option 1: Baseline

No PBC, Recognize Charities & MidPen Housing claims and Surplus area designated as Moffett Park Specific Plan (MPSP) Zoning
**OPTION 2: DPS AND PARK PBCs**

*Fire and Park PBCs, VA Expansion, and Combined Homeless Housing Site*  
*(If claims relinquished, park site could be expanded)*
**Option 3: DPS PBC and Surplus as MPSP**

Fire PBC, VA Expansion, Surplus Area designated Moffett Park Specific Plan zoning, and Combined Homeless Housing Site

*(If claims relinquished, MPSP area could be expanded)*

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The Local Redevelopment Authority (LRA) met in study session at City Hall in the West Conference Room, Sunnyvale, California on February 8, 2011 at 6:00 p.m., with LRA Chair Ron Swegles presiding.

Onizuka LRA Authority Members Present:
Authority Chair Ron Swegles
Authority Vice Chair Otto Lee
Authority Member Melinda Hamilton
Authority Member Christopher Moylan
Authority Member Anthony Spitaleri
Authority Member Jim Griffith
Authority Member David Whittum

Onizuka LRA Authority Members Absent:
None

City Staff Present:
Authority Executive Gary Luebbers
Authority Counsel David Kahn
Assistant City Manager Robert Walker
Director of Community Development Hanson Hom
Director of Finance Grace Leung
Director of Public Works Marvin Rose
Director of Libraries Lisa Rosenblum
Director of Public Safety Don Johnson
Assistant City Attorney Robert Boco
Economic Development Manager Connie Verceles
City Property Manager Mike Chan
Deputy Chief James Bouziane
Senior Management Analyst-Finance Brice McQueen
Affordable Housing Manager Ernie De Frenchi
Senior Planner Shaunn Mendrin

Visitors/Guests Present:
Flaherty Wright, Charities Housing
Jan Lindenthal, MidPen Housing
Kerry Haywood, Director of the Moffett Park Business Association
Robert Hertzfeld, Department of Defense, Office of Economic Adjustment
Call to Order:
Authority Chair Swegles called the meeting to order at 6:10 p.m.

Study Session Summary:
Hanson Hom presented a power point presentation discussing the alternative land use options for Onizuka Air Force Station, including Possible Public Benefit Conveyances.

An authority member inquired about relocation of the homeless housing providers and possibility of moving the existing fire station to the southerner corner for better access. Staff clarified that it could be considered; however, it would require the construction of a new fire station.

An authority member clarified that a PBC for a park would require reprioritizing fund in the General Fund. Staff clarified that costs for the park would be both initial and ongoing (operational).

An authority member inquired about alternative site locations for the homeless housing providers and if the Armory site was feasible. Staff clarified that the City has been in discussions with the providers and the site is a possible option.

An authority member stated that the City could consider using more passive options for the park PBC (options that would be less expensive).

An authority member inquired about the use of Ellis Street at NASA Ames as a possible means to address traffic congestion. Staff clarified that it is not located within the City’s jurisdiction and traffic would be evaluated based on the project proposed.

An authority member clarified that the the initial costs for the fire station PBC would be approximately $630,000 for the land acquisition and associated minor improvements. The $7 million would be needed for the construction of a new facility.

An authority member stated that the park PBC was appealing and inquired how the private operator would fit into the equation. Staff clarified that the National Park Service would work with the LRA to establish a timeline.

An authority member inquired about the development approved in the Moffett Park area. Staff clarified that the Moffett Park Specific Plan projected development up to 24 million square feet with an additional
5.44 million available for Transit Oriented Development on a first come first serve basis. Currently, 3.4 million square feet is available in the Development Reserve.

An authority member inquired about number of recreational fields that could be accommodated at the site. Staff clarified that three to six fields could be accommodated depending if we acquire the homeless housing claim area.

An authority member inquired about the ability to consolidate other public safety uses on the proposed fire station PBC. Staff clarified that the site could be used for a joint centralized call center in future.

An authority member inquired if staff knew when the Veterans Administration (VA) was going to finalize the amount of land that amount of land that need. Staff clarified that the VA has indicated that they would like to accommodate additional uses at the site; however the location is dependent on the LRAs decision.

An authority member inquired about the location of housing on the site and proximity to the existing freeways (237 and 101). Staff stated that the site is not appropriate for housing and the LRA has several options moving forward (as indicated in tonight’s memo).

An authority member inquired about the Armory site and when the lease was set to expire. Staff clarified that it is set to expire in June 2011.

An authority member inquired about the existing power supply and plant at the site. Staff clarified that the energy costs are high and significant infrastructure improvements will be required (substation). Alternative sites may be more appropriate due to the costs. Staff noted that the MPSP zoning does not preclude a datacenter from locating at the site.

Authority Chair Swegles opened the Study Session to the public.

A member of the public stated that she would like to see the site developed with office space since it is a gateway and she supports the expansion of the fire station.

A member of the public inquired about the level of clean up that will be required at the site. Staff clarified that the current environmental review was completed based on the auto center concept; however, a park use will require additional review.
A member of the public inquired if a financial analysis had been completed based on the proposed uses in the Redevelopment Plan. Staff clarified that they were done for the original Redevelopment Plan.

Robert Hertzfeld, Department of Defense, Office of Economic Adjustment stated that as part of the PBC the LRA would need to provide financial information to demonstrate that the park can be constructed as proposed.

A member of the public stated that there is a need for a recreational sport facility in the area and that he supports such a facility at the site.

An authority member inquired if staff had reached out to sport facility providers. Staff clarified that the City has not formally since there are so many variables especially size of the area.

An authority member asked for a show of hands in favor of a park at the site. Four authority members indicated support.

An authority member stated his understanding of why the site had a .35 FAR, which was a means to address traffic. In addition, recent development in the Moffett Park Area has been greater than anticipated and that Ellis Street could not be a golden ticket to address the issue. He could not support this issue.

**Adjournment:**
Authority Chair Swegles adjourned the meeting at 7:00 p.m.

Respectfully submitted,
Shaunn Mendrin, Senior Planner