



**Draft for Planning Commission Review on  
April 27, 2009**

**Council Meeting: May 12, 2009**

**SUBJECT: 2008-0486 Lawrence Station Transit Village (Study Issue)**

**REPORT IN BRIEF**

Lawrence Station Transit Village represents a unique opportunity to plan for the future using “smart growth” concepts by creating a specific plan (a Station Area Plan) to bring higher density residential, employment center and neighborhood commercial uses to an existing multi-modal area. The station’s location gives tremendous opportunity for increased transit use in conjunction with a County Expressway. This opportunity allows the City of Sunnyvale to work closely with the City of Santa Clara in developing a plan that will be regional in scope and provides exciting opportunities for the future of the area.

Staff recommends that a Station Area Plan (SAP) be prepared for the station, along with a Memorandum of Understanding (MOU) with the City of Santa Clara, detailing each other’s role in the preparation of the plan and associated reviews (such as environmental review). Staff further recommends the SAP include the following elements:

- Preserve the existing single-family residential area located near the station,
- Identify opportunities for higher-density residential and office development near the Caltrain station,
- Add neighborhood commercial zoning to the area in order to serve the existing and future residential uses.
- Increase and improve access to the station, including improved signage and access for pedestrians, bicyclists and motorists,
- Include design criteria that would allow the area to be developed with respect to the existing neighborhoods, and to create a unique sense of place for this portion of the City.

The preparation of the SAP and environmental review is expected to cost \$500,000-750,000, which would be shared with the City of Santa Clara, per the MOU. Staff has made application for several grants in order to pay for this work, and has received a grant for \$150,000 from VTA. Staff will continue to pursue funding sources in order to cover the costs of the work.

## **BACKGROUND**

In January 2008, City Council approved a Study Issue to review and analyze current and future development potential in the area around the existing Caltrain Station near Lawrence Expressway (see Attachment A). The need for a study emerged out of concerns regarding low ridership levels at the Lawrence Station and development potential in the surrounding area.

The study issue resulted from concerns raised by the Planning Commission regarding current ridership levels at the Caltrain Station. The City Council identified the following items for further review within the scope of this study:

- Analyze current development potential in Sunnyvale and nearby Santa Clara around the station;
- Co-ordinate with the City of Santa Clara, VTA, Caltrain on projected future use/capacity for the station; and
- Further explore planning concepts including, increasing housing and/or employment opportunities near the station, and creating mixed use zoning opportunities and additional shuttle service options to nearby businesses.

## **EXISTING POLICY**

### ***Land Use and Transportation Element***

*Goal R.1.* - Protect and sustain a high quality of life in Sunnyvale by participating in coordinated land use and transportation planning in the region

*Policy R1.3* - Promote integrated and coordinated local land use and transportation planning

*Policy R1.10* - Support land use planning that complements the regional transportation system.

*Action Statement R1.10.2* - Support alternative transportation services, such as light rail, buses and commuter rail through appropriate land use planning.

*Action Statement R1.10.3* - Encourage mixed uses near transit centers.

## **DISCUSSION**

### **Overview of the study issue**

The main objective of the study is to explore the feasibility of higher-density, transit-oriented development near the Lawrence Caltrain station that would encourage higher ridership at the station. With some exception, the existing land uses surrounding the station area are underutilized from a density and transit supportive perspective, precluding the area from developing into a

vibrant node of employment and residential activity and taking full advantage of transit accessibility. In order for the Lawrence Station area to transition into a successful TOD neighborhood and take full advantage of its unique location, the City of Sunnyvale, working in partnership with the City of Santa Clara, would need to ensure that appropriate land use policies are in place to encourage redevelopment. Coordinated planning efforts between the two cities would be critical to promote land use policies that are consistent with the zoning and General Plans of both cities.

This report presents a feasibility analysis to assess the potential for future growth within the study area both from a land use and economic development perspective. Staff has reviewed and analyzed current conditions and development opportunities within the study area. Staff has met with City of Santa Clara staff several times to jointly address the goals of the study and look at future growth potential of properties within both cities. Two community outreach meetings were held in partnership with City of Santa Clara staff to get feedback from residents and businesses on the study. The findings of the feasibility study are intended for Council to make an informed decision on whether to pursue doing a detailed area specific plan or a "Station Area Plan" (SAP) in partnership with the City of Santa Clara.

For the sake of clarity, this report has been broken down into two sub-sections:

***Section A: Informational items related to the study:*** This section provides an overview of the key conclusions of the feasibility study to set a context for the overall study and includes informational items only.

***Section B: Items for Council direction:*** This section includes items that require Council direction with options for next steps that would guide the study issue process in future.

***Section A: Informational items related to the study***

***1. Transit-oriented Development***

Transit-oriented development (TOD) through coordinated land use and transportation planning has been a successful planning strategy used for creating vibrant, livable communities around transit centers throughout the United States and around the world. Factors driving the growing trend towards TOD include increase in traffic on roadways, increased commute times due to sprawling development patterns, current demographic and real estate trends, the rising price of gas, growing focus on environmental protection and sustainability and a desire for high quality neighborhoods with a sense of place.

Transit-oriented development is often defined as higher-density, mixed-use development within walking distance – or a half mile – of transit stations.<sup>1</sup> A typical TOD has a rail or bus station at its center, surrounded by relatively high-density development, with progressively lower-density development spreading outwards one-quarter to one-half mile, which represents typical walking distances for pedestrians. Several studies indicate that there is a strong correlation between residential/employment density. Also influencing transit ridership are: demographic mix (students, seniors and lower-income people tend to be heavy transit users), transit pricing and rider subsidies, parking availability and pricing, the quality of transit service, walkability, and street design. The key to creating a successful TOD neighborhood is to balance land use, urban design, economic and transit service features within areas that have the core and necessary building blocks to begin with.

## ***2. Lawrence Station Transit Village: Regional location and planning area***

Lawrence Caltrain station is located near the western boundary of the City of Sunnyvale along Lawrence Expressway between Kifer Road to the north and Reed Avenue/Monroe Street to the south. Although the station is located in the City of Sunnyvale, the area borders the City of Santa Clara to the east. A Lawrence Station Transit Village area would include all properties within a half-mile radius of Lawrence Caltrain Station. Properties within the study area lie within the jurisdictions of both the cities of Sunnyvale and Santa Clara (see Attachment A for an aerial map of the study area). Land uses around the station generally consist of older, single-story office/R&D structures to the north and single-family homes and multifamily residential buildings to the south. Retail and light industrial uses are scattered throughout the area.

Maps included in Attachment C show that the Lawrence Station is within easy access to both residential and business uses, and access to various highways, expressways and transit options. The Station is one stop north of the Santa Clara Transit Center and one stop south of the Downtown Sunnyvale Station, which are both “baby bullet” stops. Furthermore, a major effort is currently underway to extend BART from Fremont to Silicon Valley, with the Santa Clara Transit Center forming the terminus of this extension. Thus, due to its proximity to the transit hub in Santa Clara the Lawrence station is likely to experience greater development interest in the future.

Encompassing approximately 430 acres in all, the half-mile radius study area comprises 260 acres in Sunnyvale and 174 acres in Santa Clara, respectively.

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<sup>1</sup> *Reconnecting America*, Center for Transit Oriented Development  
<http://www.reconnectingamerica.org/public/tod>

Attachment C of this report includes maps showing current land uses and zoning designations within the study area.

In Sunnyvale, the predominant land uses within a 1/2 mile radius of Lawrence Station include:

- The predominant uses consist of multi-family (18% of total land use within Sunnyvale) and single-family residential (17% of total land use within Sunnyvale) with residential zoning densities ranging from seven to twenty-four dwelling units per acre. Residential uses can be found in the southeast quadrant of the study area in Sunnyvale.
- Approximately 29 acres to the south of the Caltrain station is part of the *Futures site 4b* – an industrial area re-zoned in 1993 to allow conversion to residential uses. Properties within the area are zoned M3 (Industrial)/ITR (Industrial to Residential)/R-3 (medium-density) to allow for conversion from industrial to medium density residential uses. The largest piece of this ITR area is the 17-acre Calstone/Peninsula Building supply site immediately adjacent to the station. A portion of this ITR area has been developed by KB Homes and Citation Homes with townhome and condominium style units.
- The third largest use consists of R&D office (15.2%) and industrial uses (12.4%) which are located to the north of the station. Specific uses include Intuitive Surgical, Motorola and other smaller single-story, R&D buildings around Sonora Court.
- Other uses in the area include the Costco site located north-east of the Caltrain station, places of assembly (Art Institute) and other smaller commercial uses.
- The 19-acre Corn Palace site, a portion of which is located at the southern periphery of the study area is currently an agricultural use, although it is zoned for single-family residential uses.

### **3. Ridership and density**

Since the overall objective of the study is identifying strategies to increase transit ridership and it has been determined that intensity of development is a key factor affecting ridership, staff conducted a preliminary analysis to assess the relationship between density changes and ridership. Research indicates that density is one of the key factors that positively affect increases in ridership. In addition, the frequency of service, availability of parking, transit pricing and overall connectivity to employment, residential and retail hubs within the area are key factors that help create a vibrant TOD neighborhood. Therefore, a particular density may be inadequate to support increased ridership by itself, but becomes adequate if implemented with a variety of transit service improvement and smart growth strategies.

#### ***4. Co-ordination with the City of Santa Clara***

The study offers unique opportunities for partnership with the City of Santa Clara due to the location of Lawrence Station at the boundary of the cities of Santa Clara and Sunnyvale, and the fact that the study area encompasses properties within the jurisdictions of both cities. Since the study issue was initiated by the Sunnyvale City Council, the feasibility study and grant application efforts were led by City of Sunnyvale staff. Outreach meetings were conducted in partnership with the City of Santa Clara staff to obtain feedback from residents and businesses in both cities.

Findings of the feasibility study are being presented to the Planning Commission and City Councils of both cities at the same time for a decision on next steps. Recommendations include pursuing a joint specific plan for the study area and executing a Memorandum of Understanding (MOU) with the City of Santa Clara to develop the study for future Council consideration. A copy of City of Santa Clara's staff report to Planning Commission for their recommendation is included as Attachment E.

#### ***5. Partnership with VTA, County of Santa Clara and Caltrain***

City of Sunnyvale staff held meetings to present the consultant's findings and get feedback on the feasibility study from County of Santa Clara and Valley Transportation Authority (VTA) staff. These meetings were also attended by City of Santa Clara staff.

VTA is responsible for managing the Caltrain service corridor and transit stations within Santa Clara County and therefore, would play a key role in any future studies conducted for the Lawrence Station area. Also, since Lawrence Expressway is a County right-of-way, roadway and intersection improvements are within the County's jurisdiction and hence the County's feedback and input would be critical to the overall success of the project. Both VTA and the County expressed support for the study findings and recommendations. The agencies also provided input on their future plans for the station, service changes, and plans for roadway improvements. VTA indicated willingness to participate in the study should Council decide to proceed further with a more detailed area specific plan. Staff also obtained data on ridership, parking and plans for future expansion to the Caltrain corridor from Caltrain staff.

#### ***6. Grants and PDA designation***

In September 2008, staff applied for and received "Priority Development Area" (PDA) designation for the Lawrence Station Transit Village study area under the FOCUS program by the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC). FOCUS is a regional effort to identify a regional blueprint for defining future growth in the Bay Area. PDAs are defined as areas that have strong potential of supporting focused growth by having the ability to accommodate growth as mixed use, infill development near

transit and job centers, with an emphasis on housing. Recognition of the Lawrence Station Transit Village study area as a potential PDA is an endorsement of the area's development potential and will make the study area eligible for additional grant opportunities in future.

The PDA designation informs regional agencies and the State where incentives and assistance are needed to support local efforts for focused growth. In addition, VTA had also submitted a separate application under the FOCUS program to designate identified cores, corridors and station areas where future residential and employment growth should be focused within Santa Clara County for PDA designation. The Lawrence Station area is one of the identified "station areas" that was included in the VTA application. The application was subsequently approved. Furthermore, the City of Sunnyvale also received PDA designation for the Downtown Specific Plan (DSP) area and the El Camino Real corridor. In July 2008, Council adopted Resolution 333-08 to apply for and accept PDA designation (Attachment H).

Staff has since submitted three grant applications to generate funding that would go towards developing a Station Area Plan for the Lawrence Station Transit Village study area. In January of this year, staff applied for and was awarded \$150,000 in grant funds from VTA's FY 2008/2009 Community Design and Transportation Grant Program. Lawrence Station Transit Village was ranked the highest among all applications received from cities in Santa Clara County. Staff has recently submitted an application for \$250,000 in grant funds from the Caltrans FY 2009/2010 Community-Based Transportation Planning Grant Program and an application for \$150,000 in grant funds from the Silicon Valley Community Foundation, an organization that seeks to encourage smart-growth and equitable opportunities to improve the quality of life of people in the Silicon Valley and the Peninsula. Both VTA and Caltrans require a local match of 20% of the awarded grant. Silicon Valley Community Foundation does not require a local match.

These grant funds would be used for consultant assistance in plan preparation and required environmental review.

### ***7. Consultant's (EPS and KenKay Associates) findings and Staff conclusions***

To conduct a preliminary assessment of the study area's potential for TOD and lay the groundwork for next steps, the City retained the services of Economic and Planning Systems, Inc. (EPS) in collaboration with KenKay Associates (KKA). The consultant team was charged with the task of considering key land use strategies that would enable market-driven development to transform the area by taking advantage of transit accessibility. The team also assessed the market and financial feasibility of various TOD-compatible product types. The report does not make site-specific land use recommendations which will

require more detailed planning and input from property owners and other key stakeholders. A copy of the consultants' feasibility study report has been included as Attachment C. The report is intended to provide an objective view of the study area's potential and whether there is market for TOD development in the area.

Although the report discusses land use changes for specific properties, this study does not recommend any specific changes. The purpose of these discussions is to determine what type of changes would need to occur in order for the transformation of the Caltrain station area to a transit village to be feasible.

Based on the consultant's findings and staff analysis of the study area, it appears that even though the building blocks for TOD are in place, the Lawrence station area has not been able to take full advantage of its prime location and development potential. The following section discusses the key findings included in the consultant's report as well as staff's conclusions for potential development within the area:

#### Land use types and density

##### *Consultant's findings:*

- There is potential for the Lawrence Station study area to support substantial employment and higher residential densities in the long term.
- Similar to other transit stations, Lawrence Station could be redeveloped with more intensive uses that benefit from transit accessibility.
- Development prototypes that may be feasible for the transit station area include mid- to high-density multifamily housing, ground floor retail, and mid- to high-density office buildings.
- There is inadequate retail serving the area's existing residents.

##### *Staff conclusions:*

- In Sunnyvale, properties immediately adjacent to the Caltrain station (not including existing residential neighborhoods), both to the north and south of the station, have the maximum potential for redevelopment and should be developed at higher densities to support transit.
- Development intensity should taper off away from the transit node in order to create an appropriate transition and interface with the surrounding community.
- The area should be redeveloped with a mix of residential, office, retail and mixed use developments. These types of uses are high pedestrian generators, encourage transit ridership, and provide opportunities for multi-purpose trips.

- A variety of housing types that would be available to a wide range of income groups and ages should be encouraged to implement proposed Housing Element policies.
- Selective properties within the study area should be considered for higher density residential developments ranging from 90-150 d.u./acre.<sup>2</sup> For example, properties along the Sonora Court cul-de-sac as well as portions of the Peninsula Building Supply/Calstone site could be potential candidates for medium/high density residential developments.
- Selective properties within the study area should be considered for mid-rise and high-rise office developments with a combination of structured and underground parking.<sup>3</sup> For example, properties along Kifer Road to the west of Lawrence Expressway could be potential candidates for medium/high density office developments.
- The area lacks amenities such as grocery stores, coffee shops, outdoor cafes and local retail options. The provision of such amenities within walking distance of the station as well as in close proximity to the employment and residential hubs would encourage walking and biking within the area.
- Public open spaces interlinked with landscaped sidewalks should be provided near the station to emphasize the station as a public place, which provides comfortable walking and drop-off areas for transit users and a central gathering point for the local community.

Access/Circulation/Connectivity/Sense of place:

*Consultant's findings:*

- Pedestrian, bicycle, and vehicular access throughout the area is difficult and should be improved.
- Wayfinding and efficient access are currently constrained by the existing configuration of access roads.

*Staff conclusions:*

- Currently, access to the station is severely constrained due to the street layout, lack of signage, lack of a safe pedestrian/bike zone and limited parking opportunities close to the station. At a very minimum, a detailed access and circulation plan should address these issues to enhance the experience of living and working in the area.
- A separate pedestrian zone should be created to protect people from traffic using trees, landscaping, wide sidewalks, and on-street parking.

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<sup>2</sup> For residential developments, this option corresponds to a 5-8 story development (approx. 60-100 ft. tall).

<sup>3</sup> The average floor area ratios (FAR) for these office developments lie within the range of 6-8 stories.

- The pedestrian experience in the area should be enhanced by creating well-lit stations, defining landscape features, and installing convenient and legible signage (e.g. wayfinding systems) to orient people to buildings and activities around the station.
- Urban design strategies such as street furniture, gateways, architectural variety in buildings, buildings oriented towards the street with active ground level uses should be used to create a visually interesting and safer pedestrian environment.
- Additional shuttle service should be provided to improve connections with retail, employment and other transit hubs (for example, VTA station, downtown Sunnyvale) in the area.
- The area should be redeveloped as a destination with a unique mix of uses and buildings designed as landmarks to make the area attractive and more memorable i.e. create a 'sense of place'.
- While higher density development would support transit, the capacity of the existing street system needs to be sufficient to accommodate such growth.

#### Parking:

##### *Consultant's findings:*

- Additional parking opportunities should be identified in close proximity to the station to allow commuters to park in close proximity to the station.

##### *Staff conclusions:*

- Structured parking should be encouraged as it consumes less land and allows for maximum development. Parking facilities should be sized and located to enhance shared-use of the facilities. For example, a portion of the Costco site could be developed with a multi-level parking structure for use by Caltrain riders during weekdays and Costco customers during weekends.
- Ample convenient and secure bicycle parking should be provided at the station, close to the entrance.
- Reduced parking standards with Transportation Demand Management programs (TDM's) for residential and mixed-use development types should be established as an incentive to develop TOD compatible product types near the station and to improve the financial feasibility of such projects.

Market conditions:

*Consultant's findings:*

- In today's market (February 2009) nearly all product types face feasibility challenges because of negative or low returns on residual land value<sup>4</sup>. However, a recovery in market conditions in the future lends support for TOD product types in the station area.
- With the transformation of the Lawrence station area, demand for various product types is likely to increase, thereby improving the overall feasibility of development around the station and within the general study area.

*Staff conclusions:*

- From a market viability standpoint, the economic incentive associated with redeveloping a residentially zoned property increases as the allowable density increases. Therefore, higher than average housing and employment densities should be considered if the objective is to significantly enhance and revitalize the Lawrence station area.
- The current market downturn provides a good opportunity to plan for future growth in the station area. Even though the economic feasibility analysis for different product types under current market conditions does not indicate a high return on investment from a developer or a property owner's standpoint, it is likely that market conditions will improve over time at which point developers would be encouraged to take advantage of higher allowable densities in the area.

**Section B: Items for Council direction**

**Study goals and principles**

The principles listed below provide a snapshot of goals that a typical Station Area Plan is structured around. Based on the EPS feasibility study, staff recommends a policy framework for the SAP that includes the following:

1. Identify opportunities for higher-density housing near the station;
2. Identify opportunities for higher-density commercial development;
3. Encourage mixed use developments in proximity to transit with opportunities for active ground floor retail uses;
4. Develop reduced parking standards and innovative alternatives for TOD projects;

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<sup>4</sup> Residual land value is defined as the amount a developer could pay to acquire the land parcel and fund additional costs for infrastructure improvements, lease buy-outs, and environmental remediation, as necessary, and receive a sufficient return on those costs. The land value achieved from developing a new building must exceed the value of the property before redevelopment by a sufficient margin for a project to be feasible.

5. Identify infrastructure improvements that would be necessary to support higher-density development including transportation improvements;
6. Create a unique sense of place within the transit village area;
7. Provide seamless connectivity through multi-modal transportation options, parking choices and between transit modes;
8. Encourage development that respects and preserves the existing character of surrounding residential neighborhoods;
9. Improve access, visibility to and from the station through streetscape improvements, better signage, etc; and
10. Strive to make the TOD realistic yet economically viable and valuable from a diversity of perspectives (cities of Sunnyvale and Santa Clara, transit agencies, developers, residents, and employers).

The goals listed above are intended to serve as a general guide for future studies and should be further expanded and/or fine-tuned to be more specific to the study area. These concepts and principles are designed to assist in transforming the station area, broaden and strengthen the range of viable transportation choices, and encourage efficient use of available land and infrastructure. Further discussions involving stakeholders, residents, businesses and decision makers, both in Sunnyvale and Santa Clara would be required before these concepts are distilled into specific goals or guiding principles.

- **Options:**

1. Adopt Goals 1 through 10 to serve as study concepts guiding the development of a Station Area Plan.
2. Modify Goals 1 through 10 to serve as study concepts guiding the development of a Station Area Plan.
3. Do not adopt study goals.

- **Recommendation**

Staff recommends Option 1.

### **Pursue a Station Area Plan**

The feasibility study was intended to provide Council with an initial analysis of development potential within the study area and a framework to make key decisions regarding next steps. Authorization from Council to proceed further with the study would result in staff developing a detailed specific plan or a 'Station Area Plan' (SAP) for the Lawrence Station Transit Village area. For the plan to be a comprehensive document and due to the unique location of the study area at the boundary of two cities, staff recommends that the plan be developed in partnership with the city of Santa Clara.

A 'Station Area Plan' is defined as a focused area plan that lays the framework for future land use, urban design, open space, streets, and other improvements within a defined area through a process guided by participation of community members and decision makers. The plan development process helps identify key opportunities and challenges, a cohesive vision for the future and the means by which to achieve it.<sup>5</sup>

The 'Station Area Plan' would lay the foundation for the development and revitalization of this planning area, helping to create a social and economic environment by cultivating a wide spectrum of uses, including housing, live/work units, shops, mixed use facilities, offices and restaurants. The confluence of these activities in proximity to a user-friendly transit hub would foster a thriving environment for residents and visitors to live, work, play, and travel with ease. Additionally, enhanced transit service and linkages will provide convenient connections to nearby transit hubs, surrounding neighborhoods and key destinations in the area.

The SAP and program EIR would also be a good economic development tool because it would provide property owners, developers and businesses with clear policy direction and expectations.

The SAP will provide direction for land use and densities, urban design, open space, station access, streets, and other improvements in the area through a process guided by participation of community members and decision makers from both Sunnyvale and Santa Clara. The process will help identify key opportunities and challenges, provide a cohesive vision for the future and the means by which to achieve it. Broadly speaking, typical SAP's include the following sub-sections:

1. **Land Use:** The land use sub-section would identify where new housing, office, parks, and other uses and amenities would be located, and the densities at which these would be built.
2. **Circulation and Access:** The circulation and access sub-section would provide details of how access and circulation to and from the station could be improved, transit improvements and new streets to make traffic flow smoothly within the study area. The plan would also provide comprehensive circulation networks for both pedestrian and bicycle movement and the necessary street improvements to accommodate growth.
3. **Parking Management:** The parking sub-section would identify ways to ensure that adequate parking is available at the station to serve the needs of new and existing riders, develop creative parking solutions for

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<sup>5</sup> Excerpt from City of Santa Clara's Station Area Plan document (available online)

new developments built close to transit, and ensure that new development does not impact existing neighborhoods.

4. **Streetscape Plan:** The streetscape plan would develop street cross sections and landscaping standards, designate key pedestrian and bicycle access routes within the planning area, and identify traffic calming strategies and site-specific improvement projects.
5. **Urban Design Plan:** The urban design component would include architectural design guidelines for treatment of building facades, setbacks and building orientation, Discussions with VTA and Caltrain would also occur to develop a well-lit transit station with landscape features, street furniture and design features to create a pleasant and safe pedestrian zone.
6. **Open space Plan:** The open space plan would identify opportunities for additional open space, greenbelts and tree planting along the public rights-of-way within the planning area.
7. **Implementation Strategy:** The implementation strategy would include a framework for regulatory changes that would be required to facilitate redevelopment within the area such as general plan changes, zoning updates within each city as appropriate, as well as an evaluation of potential tools and strategies available for funding infrastructure and capital improvements within the area.
8. **Environmental review:** Broadly speaking, the environmental review component of the study would likely include an Environmental Impact Report (EIR) that would provide a programmatic assessment of potential impacts occurring with the implementation of the Station Area Plan, pursuant to the California Environmental Quality Act (CEQA). The EIR would include details of anticipated potential impacts and policies would be designed to minimize or avoid these impacts. As is typical for most SAP's, the EIR would serve as the basis for subsequent review of individual development projects.

The discussion above provides an overview of the broad structure of a typical SAP. Should Council decide to move forward with the development of a joint SAP in partnership with Santa Clara, staff from both cities would jointly develop a work program and present the same to the respective Councils for further consideration. The work program would include specific details regarding the scope and structure of the SAP, plan organization and details of a community outreach strategy.

**Options:**

1. Direct staff to develop a comprehensive Station Area Plan for the Lawrence Station Transit Village study area
2. Direct staff to work on a Station Area Plan with limited scope
3. Do not develop a Station Area Plan for the Lawrence Station Transit Village study area

- **Recommendations**

Staff recommends Option 1, to develop a comprehensive Station Area Plan for the Lawrence Station Transit Village study area that would include plans for land use, circulation and access, parking management, streetscape design, open space and other relevant elements. This recommendation is contingent on the ability to obtain additional grants to fund the preparation of the SAP.

### **Memorandum of Understanding with the City of Santa Clara**

As discussed in a previous section of the report, the Lawrence Station Transit Village study issue offers unique opportunities for partnership with the City of Santa Clara due to the location of Lawrence Station at the boundary of the cities of Santa Clara and Sunnyvale, and the fact that the study area encompasses properties within the jurisdictions of both cities. The findings of the feasibility study are being presented to the Planning Commissions and Councils of both cities in April/May 2009 for a decision on next steps.

Should both Councils decide to move forward with developing a SAP for the study area in partnership, staff recommends a Memorandum of Understanding (MOU) or similar agreements signed by both cities that would include or commit staff to develop the following:

- Schedule for development of the SAP;
- Preliminary budget;
- Details of monetary and staff time contributions from both cities;
- Details of grant funding and local match from each city;
- Consultants needs and management; and
- Details of joint outreach meetings, study sessions and public hearings

Subsequent to the signing of an MOU, staff from both cities would jointly develop a work program and present the same to the respective Councils for further consideration. The work program would include specific details regarding the scope and structure of the SAP, plan organization and details of a community outreach strategy.

- **Options:**

1. Proceed to negotiate a Memorandum of Understanding (MOU) or similar agreement between the cities of Sunnyvale and Santa Clara to develop a comprehensive and joint Station Area Plan.
2. Do not negotiate a Memorandum of Understanding (MOU) between the cities of Sunnyvale and Santa Clara at this time.

- **Recommendations**

Staff recommends Option 1, to proceed with negotiating a Memorandum of Understanding (MOU) or similar agreement between the cities of Sunnyvale and Santa Clara to develop the study for future Council consideration.

**Adopt Council Resolutions**

Attachments F and G contain two resolutions which, if adopted, authorize the filing of an application and acceptance of grant funding from VTA's Community Design and Transportation Planning Grant Program and Caltrans' Community-Based Transportation Planning Grant Program.

In January 2009, VTA awarded the City of Sunnyvale \$150,000 that could be used for planning efforts towards developing a Station Area Plan for the Lawrence Station Transit Village study area. The VTA grant requires a local match of 20% of the total amount of grant funding, which amounts to \$30,000. The local match may consist of cash and/or funds needed for staff time allocated towards the project. There is no minimum requirement for cash contribution from the City under the VTA grant program.

In April 2009, staff submitted a grant application to Caltrans under the Community-Based Transportation Planning Grant Program for an amount of \$250,000. Caltrans requires a signed resolution describing the City's commitment to the project and willingness to provide a local match of 20% of the grant funding. At least half of the local match must be local funding/cash and the other half may be staff time allocated towards the project. Per staff calculations, under the Caltrans grant program the local match in cash that would be required from the City amounts to \$25,000 and in-kind contributions (such as staff time) from the City amounts to \$25,000 for a total of \$50,000 in local match.

- **Options:**

1. Adopt Resolution to apply for and accept a Caltrans grant of \$250,000 under the FY 2009/2010 Community-based Transportation Planning grant program (Attachment G)
2. Adopt Resolution to accept the VTA grant of \$150,000 under the FY 2008/2009 Community Design and Transportation (CDT) grant program (Attachment F)
3. Do not adopt VTA grant resolution
4. Do not adopt Caltrans grant resolution

- **Recommendations**

Staff recommends Options 1 and 2.

## **FISCAL IMPACT**

To get a preliminary assessment of potential costs associated with developing a comprehensive Station Area Plan including an EIR, staff reviewed SAP's prepared by other cities in the Bay area in recent years. The cost for preparing a comprehensive SAP varies greatly and could range anywhere between \$500,000 to \$750,000 depending on a variety of factors such as scope of study, special studies (e.g. traffic, noise), environmental review, consultant fees, and public outreach process.

Staff has been pursuing grant funding sources and has applied for several grants over the past few months. In January of this year, staff applied for and has been approved by the VTA Scoring Committee for \$150,000 in grant funds from VTA's FY 2008/2009 Community Design and Transportation Grant Program. The City(s) would have to commit to providing a local match of 20% of the grant money (total of \$30,000) awarded by VTA in order to receive the \$150,000 and use it towards developing a Station Area Plan. The local match may consist of cash and/or funds needed for staff time allocated towards the project. There is no minimum requirement for cash contribution from the City under the VTA grant program. Staff hours in the Land use Planning and Transportation operating budget could provide the match for this grant. Approximately 350 staff hours would be needed for this match. Staff estimates at least 500 staff hours would be required for a SAP.

Most grant funding sources would require a local match from the City including both cash and in-kind contributions such as staff time and resources. In accordance with Council direction, staff will continue to pursue grant funding to meet costs associated with the study.

To address concerns regarding budgetary constraints, staff considered a scenario with an assumption that \$150,000 from the VTA grant was all that would be available to the City for the development of a SAP. Staff believes that it may be possible to develop a SAP under such a tight budget, but it would not be a comprehensive document that would address all aspects of land use, circulation, access, parking, streetscape, urban design as well as an environmental review component. Such a document would be limited in scope and would likely focus on one aspect of station area redevelopment; for example, a plan focused on improving access and circulation to and from the station.

Should Council decide to proceed with developing a SAP for the study area, a work program including a schedule and a detailed budget will be prepared for Council review and approval. Council could also decide to not proceed with a SAP at this time given the current economic scenario and budget constraints.

However, the grant funding from VTA would need to authorize the use of the funds for a reduced effort.

## **PUBLIC CONTACT**

Staff conducted the public outreach process with three goals in mind: to provide the community an overview of the feasibility study being conducted for the Lawrence Station area; to gather key concerns from residents and businesses within the area; and, to obtain feedback on whether there is community support for a more detailed study and if so, what should be addressed in the study if the two cities decide to move forward.

Two joint public outreach meetings were held on April 9, 2009 in partnership with the City of Santa Clara. This meeting was advertised in the Sunnyvale Sun newspaper and on the City of Sunnyvale's web site. Written notification was sent to all tenants and residential property owners as well as businesses located within the study area in both cities (approximately 2000 notices were sent in Sunnyvale alone). The sessions were held (one in the morning and evening) to provide adequate opportunities to residents and businesses alike to weigh in on the study. Approximately 30 people attended the outreach meetings. Staff also received several e-mail messages and phone calls requesting information on the study. Comments received from the community included:

- Concerns regarding commuters currently parking in the adjacent residential neighborhoods due to costs associated with parking at the station;
- Lack of adequate bike and pedestrian access the station;
- Lack of adequate signage within the study area directing traffic and pedestrians to the station;
- Lack of alternate modes of transportation including shuttle service to nearby VTA stations, employment and entertainment destinations;
- Concerns regarding possible impacts to existing single-family residential neighborhoods resulting from the study and emphasis on preservation on the character of the existing residential neighborhoods;
- Lack of low-income and senior housing within the study area; and
- Provision of open space and greenbelts around the station area.

Additional information regarding comments received at the outreach meeting is available in Attachment D of this report.

In addition, notification of the public hearings was provided at the outreach meetings as well as through advertisements in the Sunnyvale Sun and the City

website. Separate notices were mailed to individuals who attended the public outreach meeting. The staff report was posted on the City of Sunnyvale's Web site and provided at the Reference Section of the City of Sunnyvale Public Library. Also, the Planning Commission Agenda was posted on the City of Sunnyvale's Web site.

In addition, public contact regarding the hearings was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, in the Council Chambers lobby, in the Office of the City Clerk, at the Library, Senior Center, Community Center and Department of Public Safety; posting the agenda and report on the City's Web site; and making the report available at the Library and the Office of the City Clerk.

### **ALTERNATIVES**

1. Council action on the following:
  - a. Adopt study goals and principles to guide the development of a Station Area Plan.
  - b. Direct staff to develop a comprehensive Station Area Plan for the Lawrence Station Transit Village study area.
  - c. Proceed to negotiate a Memorandum of Understanding (MOU) between the cities of Sunnyvale and Santa Clara to develop a comprehensive and joint Station Area Plan.
  - d. Adopt the Resolutions to apply for and accept the Caltrans grant and accept the VTA grant (Attachments F and G).
  - e. Pursue additional grants opportunities to raise funds for a comprehensive study
2. Return to Council with a work program, including a detailed schedule, budget and MOU, when adequate funding for the study becomes available or in nine months, whichever is sooner.
3. Modify study goals and principles guiding the development of a Station Area Plan.
4. Direct staff to work on a Station Area Plan with limited scope.
5. Do not negotiate a Memorandum of Understanding (MOU) between the cities of Sunnyvale and Santa Clara at this time.
6. Do not adopt the VTA and Caltrans grant resolutions.
7. Do not proceed with a Station Area Plan.

**RECOMMENDATION**

Staff recommends Alternative 1 and 2.

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Hanson Hom, Director of Community Development  
Trudi Ryan, Planning Officer  
Andrew Miner, Principal Planner

Approved by :

Gary Luebbers  
City Manager

**List of Attachments**

- A. Lawrence Station Transit Village Study Issue paper
- B. Aerial Map of the Lawrence Station Transit Village study area
- C. Copy of feasibility study report prepared by EPS Consulting and Kenkay Associates
- D. Copy of comments received from attendees at the outreach meetings held on April 9, 2009
- E. Copy of City of Santa Clara's staff report to Planning Commission regarding the Lawrence Station Transit Village study
- F. Copy of Resolution for the VTA grant
- G. Copy of Resolution for the Caltrans grant
- H. Copy of Council adopted Resolution 333-08 to apply for and accept PDA designation under the FOCUS program

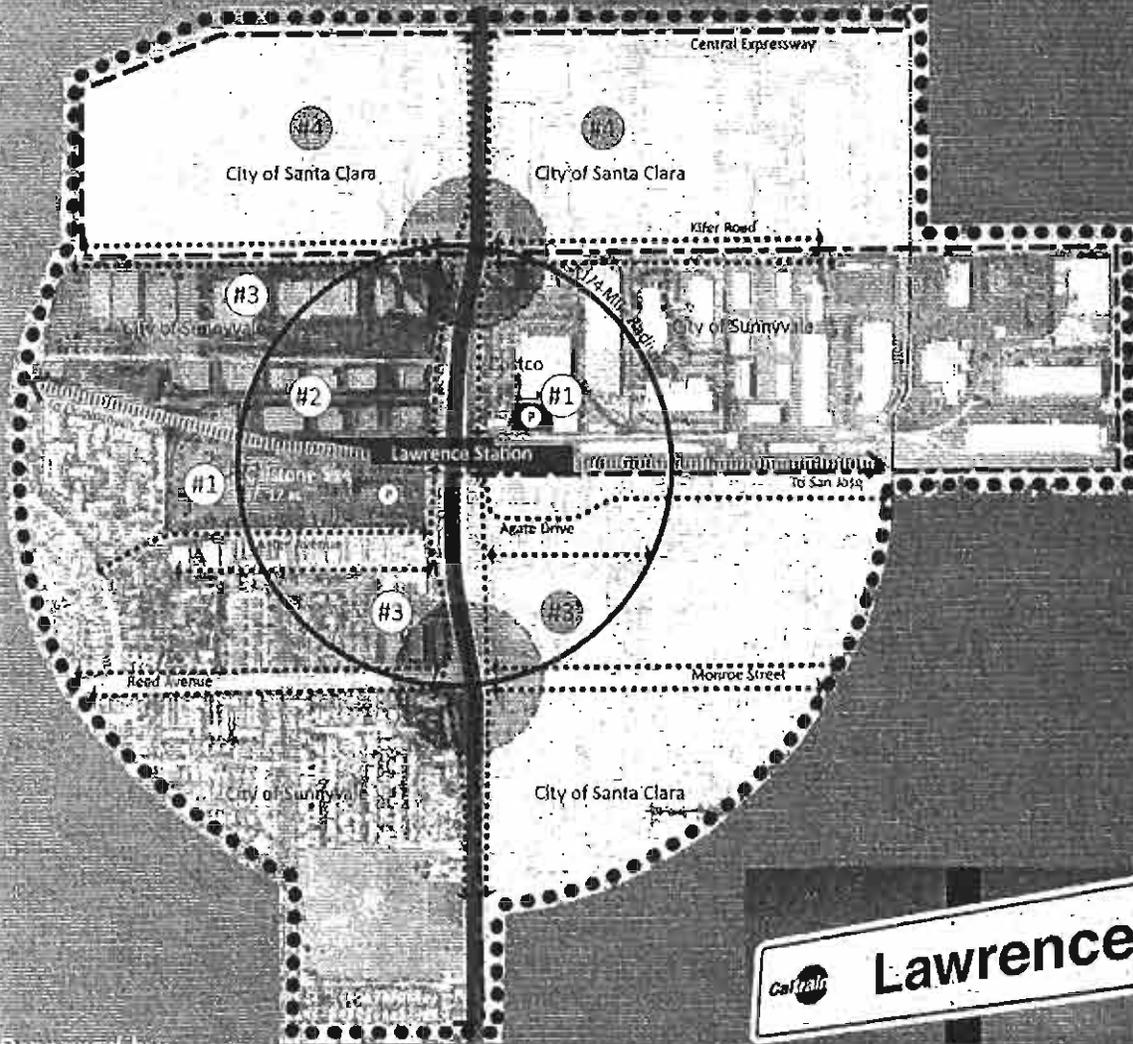
# Lawrence Station Area TOD Study Sunnyvale, California

March 2009

Prepared for:



City of Sunnyvale  
<http://www.sunnyvale.ca.gov>



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## 1. INTRODUCTION

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Lawrence Station is an existing Caltrain Station located along the Lawrence Expressway between Kifer Road to the north and Reed Avenue/Monroe Street to the south. Although the station is located in the City of Sunnyvale, the area borders the City of Santa Clara in an unusual zipper-like pattern. Land uses around the station consist primarily of older, single-story office/R&D structures to the north and single-family homes and multifamily residential buildings to the south. Retail and light industrial uses are scattered throughout the area. With some exception, the existing land uses surrounding the station area are underutilized from a density perspective, precluding the area from developing into a vibrant node of employment and residential activity and taking full advantage of transit accessibility.

In areas where there is potential for transition, like the Lawrence Station area, sites with transit station access are frequently able to support higher density and mixed-use development in what otherwise may be a more traditional suburban setting. This pattern of transit-oriented development (TOD) has the effect of reducing sprawl and providing more choice in housing opportunities and employment access than might otherwise be available.

However, in order for the Lawrence Station area to begin this evolution, the City of Sunnyvale, working in partnership with the City of Santa Clara, will need to ensure that appropriate land use policies are in place to encourage private sector redevelopment efforts. The City was awarded a Community Design and Transportation (CDT) grant, administered by the Santa Clara Valley Transportation Authority (VTA), to study the feasibility of TOD around Lawrence Station. This report represents a preliminary assessment of the area's potential for TOD and lays the groundwork for the next steps. The City Council will review this study and may direct staff to begin intensive collaborations with local stakeholders including not only the City of Santa Clara, but the County, VTA, and SamTrans, as well as area residents and business owners. City staff intends to apply for a MTC grant in the coming year.

### **Purpose of Study**

Economic & Planning Systems, Inc. (EPS) in collaboration with Ken Kay Associates (KKA) has been retained to evaluate the potential of the Lawrence Village transit station area for TOD, suggest key land use strategies that would enable market-driven development to transform the area to support and draw from transit accessibility over time, and assess the financial feasibility of TOD-compatible product types. The purpose of this study is to summarize the findings of the market analysis and to quantify, on a preliminary basis, the comparative feasibility of each product prototype without regard to particular sites, with the objective of assisting the City of Sunnyvale in identifying projects that have the greatest potential for feasibility. Site-specific land use recommendations will require more detailed planning and input from property owners and other key stakeholders.

## Summary of Findings

ATTACHMENT C  
Page 6 of 47

Based on our preliminary analysis, we note the following:

- **There is potential for Caltrain's Lawrence Station to support substantial employment and residential densities in the long run.** The site is well-positioned within the region's extensive roadway and transit network and reflects a mix of residential and employment uses.
- **Future redevelopment should include more intensive uses that benefit from transit accessibility.** With some exception, the existing land uses near Lawrence Station are underutilized from a density standpoint (see **Figure 3**).
- **The Calstone operation in the southwest quadrant is an immediate opportunity site as is at least a portion of the Costco site in the northeast quadrant.** The Calstone site could be redeveloped in phases, permitting the current owner/operator time to reorganize and intensify operations, according to their own business priorities. A portion of the Costco site may be a candidate for shared parking facilities that could serve their customers, as well as transit riders (see **Figures 5 and 6**).
- **Pedestrian, bicycle, and vehicular access throughout the area must be improved.** Improved access to the Caltrain Station could enhance transit ridership and redevelopment opportunities throughout the area, without jeopardizing existing established neighborhoods (see **Figures 5 and 7**). Wayfinding and efficient access is currently constrained by the existing configuration of access roads.
- **There is inadequate retail serving the area's existing residents.** The commercial and service retail at the corner of Reed Avenue and Lawrence Expressway should remain retail so that these parcels can continue to serve the surrounding residential uses, but the site could be redeveloped to better serve residents and may present an opportunity for mixed use. Estimating demand for new retail at this point is outside the scope of this analysis but could be analyzed as part of a Specific Plan work effort.
- **Development prototypes that may be appropriate for the transit station area include mid- to high-density multifamily housing, in-line retail, and mid- to high-density office buildings.** Under normal market conditions, these types of buildings reflect the types of densities desirable in transit-served locations (see **Appendix B**). Lower density product types may be financially feasible but may not meet the density goals of TOD.
- **In today's market (February 2009) nearly all product types face feasibility challenges because of negative or low residual land values.** For sale residential products are the only product analyzed in this study that return positive residual land values under current market conditions. Rental residential product types do not approach feasibility until achievable rents grow beyond 2007 market conditions. Of the office product types evaluated, none achieved positive residual land values under current market conditions, but they approach feasibility under a recovered market scenario. The achievable lease rates for in-line retail developments result in positive residual land values. However, the residual land

values are not positive enough to attract developer interest at current market rates. It may be some time before demand translates into price points that can support the costs of development and overcome the recent fallout in the real estate market (see **Table 1**).

- **With the transformation of the Lawrence Village station area, demand for various product types is likely to increase, thereby improving the overall feasibility of development around the station and within the general study area.** This assumes the recovery of the residential market and continued improvements in the regional office market. It is also assumed that an increase in station area household populations and increased foot traffic created by improved access will strengthen demand for retail in the general study area. This analysis models both a recovery and a growth scenario in addition to today's market scenario.
- **For sites that are large enough to accommodate multiple land uses, it is possible that an overall development program can attract developer interest even if only some of the individual uses generate positive land values.** A site plan that combines a strongly feasible use (such as for-sale residential) with something less feasible (such as retail) might still yield an overall positive feasibility profile. Such site plans may not maximize land value but may result in development that meets other goals, such as increased transit ridership.

## Principles of Transit-Oriented Development

TOD is characterized by high-density, mixed-use development located within walking distance of a transit center. At its best, TOD can have a transforming effect on surrounding neighborhoods and commercial districts. Public transit does not, in and of itself, generate new regional growth but it can focus growth around a planned project area. The creation of and investment in a mixed-use transit area expands employment, residential, and retail options for residents while encouraging alternative modes of transportation. At the same time, the improved access and the concentration of activity at station areas support infill and higher density development that can add to the vitality and sustainability of the urban fabric.

A study conducted by Cervero and Landis in 1992 found that Bay Area Rapid Transit (BART) had a strong influence on the character of development along the Walnut Creek-to-Concord axis namely in "concentrated, mixed use development."<sup>1</sup> Over 4 million square feet of new office space was developed around the Walnut Creek station between 1973 and 1992, and there has been "considerable amount of multifamily residential development within a quarter-mile radius of BART stations."<sup>2</sup>

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<sup>1</sup> Cervero, R. and J. Landis. "Suburbanization of Jobs and the Journey to Work: A Submarket Analysis of Commuting in the San Francisco Bay Area." *Journal of Advanced Transportation*, 26, 3 (1992).

<sup>2</sup> Transit Cooperative research Program. TCRP Report 16, "Transit and Urban Form." (1996).

In Atlanta the presence of MARTA was credited for “making higher densities possible” in North Park.<sup>3</sup> It is also important to note that while higher densities can be supported by mass transit, land-use regulations around the station must allow for this intensification. In the 1970s Boston completed the extension of the subway to Cambridge but did not change the zoning around the stations. This resulted in little commercial or residential development around the station area.<sup>4</sup>

The City’s efforts at redevelopment around a transit station area can serve as a catalyst for revitalization and economic development, attracting capital investment for the redevelopment of older uses to take advantage of improved accessibility. Developers are increasingly looking for proximity to transit in their site selection process. Additionally, studies have found price premiums for almost all land use types around transit stations, particularly office and multifamily uses, which generate the highest and next highest premiums, respectively. In a study done by the University of Texas, property valuation around DART stations increased more quickly than property not located by a transit station. Between 1997 and 2001, office buildings near DART increased in value 53 percent more than comparable properties not near light rail and residential properties increased 39 percent more than properties not served by light rail.<sup>5</sup> The price premiums allow developers to pay more for the underlying land, and/or utilize higher-density and higher-cost construction formats (such as steelframe buildings or structured parking) while maintaining the project’s financial feasibility. As a result, the density of development tends to be higher near transit stations, which also enhances ridership potential.

## Methodology

EPS has collaborated with KKA, to analyze and graphically document current conditions and key opportunity sites around Lawrence Station. While specific development scenarios are beyond the scope of this analysis, EPS developed preliminary static pro formas for several product prototypes that may be appropriate and marketable as market conditions improve (See **Appendix A**). Graphics representing a range of conceptually feasible product prototypes are attached as **Appendix B**. The pro forma analyses provide an estimate of the residual land values associated with each prototype under varying market conditions to assess project feasibility. This analysis is not time-specific, as it is unclear when market conditions will recover enough to justify new development, nor does this analysis compare the residual land values to current land values as detailed appraisal or land valuation analysis is beyond the scope of this study. Further, it would be inappropriate to make such estimates before engaging land owners in the discussion.

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<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

<sup>5</sup> Weinstein, B. and T.L. Clower. *DART Light Rail’s Effect on Taxable Property Valuation and Transit Orient Development*. Dallas Area Rapid Transit (January 2003).

## 2. LAWRENCE STATION AREA LAND USE ANALYSIS

---

### Economic Geography and Existing Conditions of Station Area

As illustrated in **Figure 1**, Caltrain's Lawrence Station is well-positioned within the region's extensive roadway system and transit network. The Station is located along the Lawrence Expressway, south of the Central Expressway and north of 82 (El Camino Real), east of 85, and west of 880 and the San Tomas Expressway. The Station is one stop north of the Santa Clara Transit Center and one stop south of the Downtown Sunnyvale Station, which is also a "baby bullet" stop. The "Airport Flyer" is a VTA-operated shuttle that facilitates travel between the Santa Clara Caltrain Station and the Norman Y. Mineta International Airport. The Airport, in turn, is accessible by Caltrain, Altamont Commuter Express (ACE), and AMTRAK. Additionally, BART's San Jose extension will connect with VTA bus routes. Given this context, the area immediately surrounding Lawrence Station is likely to be able to support substantial employment and residential densities in the long run.

**Figures 2 through 4** illustrate current conditions within an approximate one-half mile radius of the Lawrence Transit Station with extensions to possible adjacent development opportunity sites. The graphics marry data from both the City of Sunnyvale and the City of Santa Clara. However, the City of Santa Clara is in the process of updating its General Plan and the attached figures do not reflect the City's latest planning efforts. **Figure 2** shows the cities' general plan designations in the project area, consisting primarily of mixed-use, employment, and some residential. **Figure 3** maps current uses in the project area, and **Figure 4** reflects the current zoning. **Figures 8 and 9** are site photos, depicting existing conditions at Lawrence Station.

### Transit-Oriented Development Opportunities

Future redevelopment should include more intensive uses that benefit from transit accessibility and should consider mixing commercial and residential uses to help balance origin/destination ridership. **Figure 5** highlights the sites within the project area that represent redevelopment opportunities. A site is deemed a redevelopment opportunity as a result of proximity to the station and/or underutilization from a density perspective. Sites are labeled #1 through #4 reflecting the order in which redevelopment efforts could be prioritized, with sites in Santa Clara assigned higher numbers to reflect the City of Sunnyvale's lack of jurisdiction and the cooperative efforts that will be required.

With some exception, the existing land uses near Lawrence Station are generally underutilized from a density standpoint. The Calstone/Peninsula Building Supply operation in the southwest quadrant is ranked #1 and is an immediate opportunity site. There are two businesses operating at this site, both of which have been in place for some time. At least one of these businesses has no intention of moving in the foreseeable future. However, the City could put in place land use policies that create a potential increase in land values, thus incentivizing consolidation of current activities and more intensive use of portions of the site, making available land for higher density uses, mixed uses and parking close to the station, and setting a framework for eventual

redevelopment to higher intensity, transit-served uses on the remainder of the site, when the property owner(s) is ready to consider such a change. The site is currently zoned to transition from industrial to residential at a density of 24 dwelling units per acre. The density envisioned by EPS and KKA for this site is 60 to 90 dwelling units per acre. Future development at the Calstone site will need to be compatible with the KB Homes project along Aster Avenue at Willow Avenue. KB Homes has developed 25 townhomes, priced starting at approximately \$600,000.

The Costco in the northeast quadrant, also ranked #1, is a very valuable sales tax generator for the City. The use is unlikely to change in the foreseeable future, but a portion of the site may be a candidate for a shared parking facility that can serve Costco's customers, as well as transit riders. Specifically there is space between the gas station and the tire center that is appropriately sized for a shared parking structure. Such a partnership would preserve the retailer's current operation.

The northwestern quadrant of Lawrence Expressway and the Caltrain tracks (ranked #2) is most accessible to the transit station, and has a number of large older office/R&D parcels surrounded by underutilized parking that are candidates for redevelopment. According to industrial lease comps provided by the City, one of the R&D/Flex properties on Sonora Court is available at an asking rent of \$1.40 (NNN). Average R&D/Flex rents within a one mile radius were \$1.53 (2007 Q4 to 2008 Q3).

There is inadequate retail serving the area's existing residents. The commercial and service retail at the corner of Reed Avenue and Lawrence Expressway (ranked #3) should remain retail so that these parcels can continue to serve the surrounding residential uses, but the site could be redeveloped to better serve residents. The site may be large enough to support vertical or horizontal retail/residential mixed use.

Sites located in the City of Santa Clara are labeled #3 and #4 to reflect the City of Sunnyvale's lack of jurisdiction and, consequently, the time that it will take to coordinate redevelopment efforts. As the City of Santa Clara is engaged, many of the Santa Clara sites may be deemed near-term opportunity sites. Meanwhile, the area north of Kifer Road and east of Lawrence appears ripe for redevelopment, but the City of Santa Clara will need to be involved in any policy recommendations for this area. The Southeast quadrant holds little potential for redevelopment. The quadrant is located entirely in the City of Santa Clara and contains primarily established multifamily and single-family residences with some community serving uses (e.g., churches, performing arts center, preschool, school, etc.). South of the tracks and east of Lawrence, there is a medium-density multifamily residential building that appears to be relatively new. At the intersection of Lawrence and Monroe, there is a Shell Service Station, a 7-11, and a medium-density office park. The City of Santa Clara is currently undertaking a comprehensive General Plan and Zoning Code Update, which is anticipated to conclude by the end of 2010. Properties throughout the City, including those within 1/2 mile of Lawrence Station, will be examined for future land uses and development potential over the next 25 years. The City is currently soliciting public input as part of this effort.

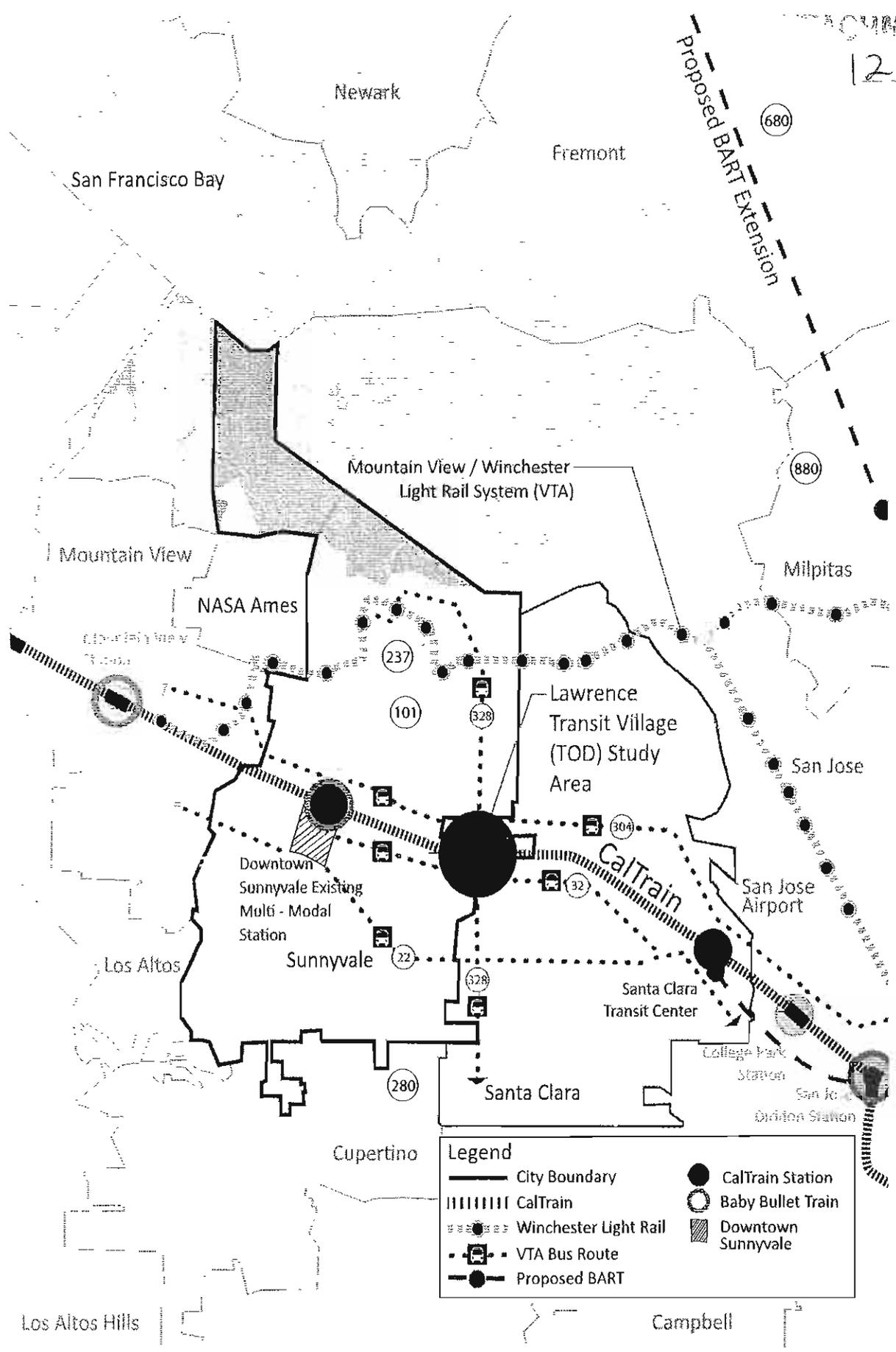
**Figure 6** highlights which of the opportunity sites could be considered catalyst sites (labeled P<sub>1</sub> and C<sub>2</sub>). A site is deemed a catalyst site if there is potential for near-term redevelopment of the site that would signal market opportunity and a direction for new development to developers in the market, setting the stage for private-sector investment. For example, developing a parking

facility at the eastern edge of the Calstone site could catalyze development on the remainder of the site. Likewise, incentivizing redevelopment of the parcels immediately to the northwest of the Station (C<sub>2</sub>) would trigger developer interest in the surrounding parcels (O<sub>2</sub>).

Accessibility to, from, and around Lawrence Station is difficult for pedestrians, bicyclists, and vehicles. Improved pedestrian and bicycle access to the Caltrain Station could enhance transit ridership and redevelopment opportunities throughout the area, without jeopardizing existing established neighborhoods. Vehicular access and wayfinding can be facilitated through enhanced signage. **Figure 7** indicates that the Lawrence Expressway embankments could be redesigned more efficiently to create space for pedestrian and bicycle improvements. The Expressway is a County road and long term plans for grade separation are in place to address conditions at the intersections of Kifer Road and the Expressway and Reed Avenue/Monroe Street and the Expressway.<sup>6</sup> This work may present an opportunity to develop creative solutions to the Station area's access problems and to facilitate connectivity which is critical for TOD.

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<sup>6</sup> Grade separation is likely to require additional real estate. The effect of this on area-TOD will need to be considered as plans develop.



**Legend**

City Boundary	CalTrain Station
CalTrain	Baby Bullet Train
Winchester Light Rail	Downtown Sunnyvale
VTA Bus Route	
Proposed BART	



Figure 1 - Local Diagram

February 17, 2009



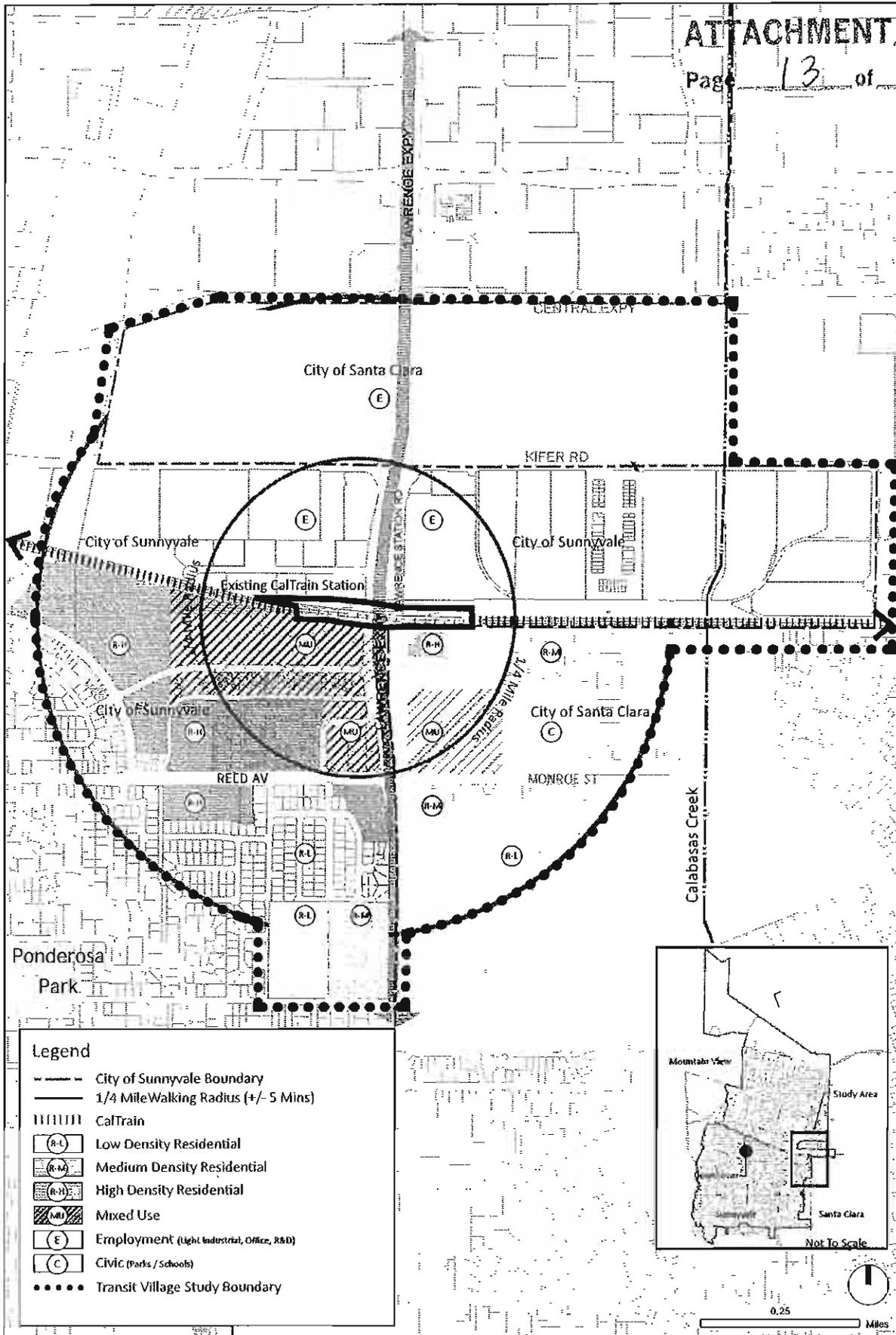
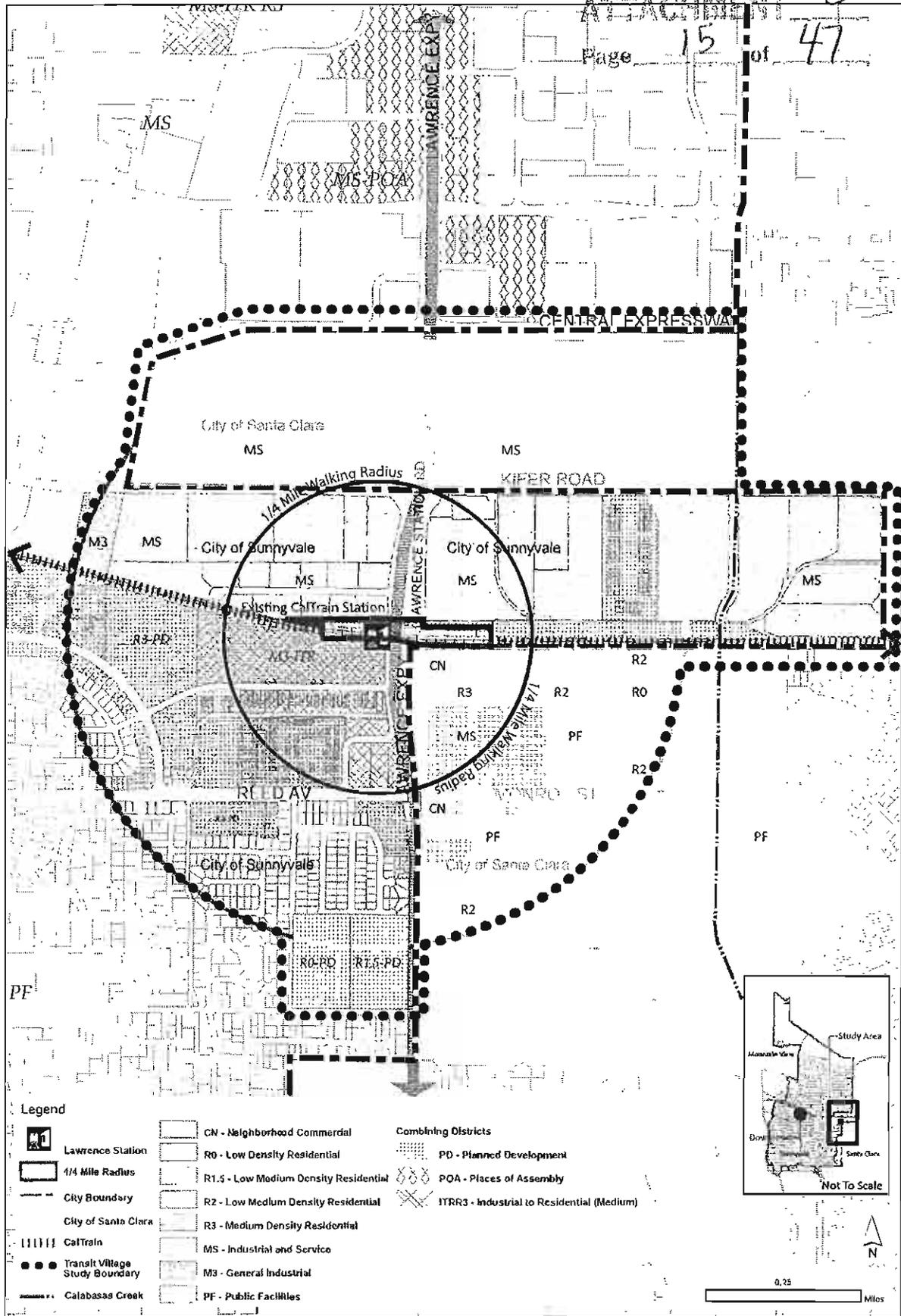


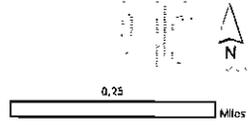
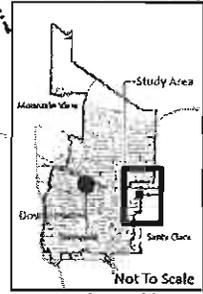
Figure 2 - General Plan Designations with Transit Village Study Area (City of Sunnyvale & City of Santa Clara)







- Legend**
- Lawrence Station
  - 1/4 Mile Radius
  - City Boundary
  - City of Santa Clara
  - City of Sunnyvale
  - CalTrain
  - Transit Village Study Boundary
  - Calababas Creek
  - CN - Neighborhood Commercial
  - R0 - Low Density Residential
  - R1.5 - Low Medium Density Residential
  - R2 - Low Medium Density Residential
  - R3 - Medium Density Residential
  - MS - Industrial and Service
  - M3 - General Industrial
  - PF - Public Facilities
  - Combining Districts
  - PD - Planned Development
  - POA - Places of Assembly
  - ITRR3 - Industrial to Residential (Medium)



August 2008



Figure 4 - Zoning (City of Sunnyvale & City of Santa Clara)

February 17, 2009

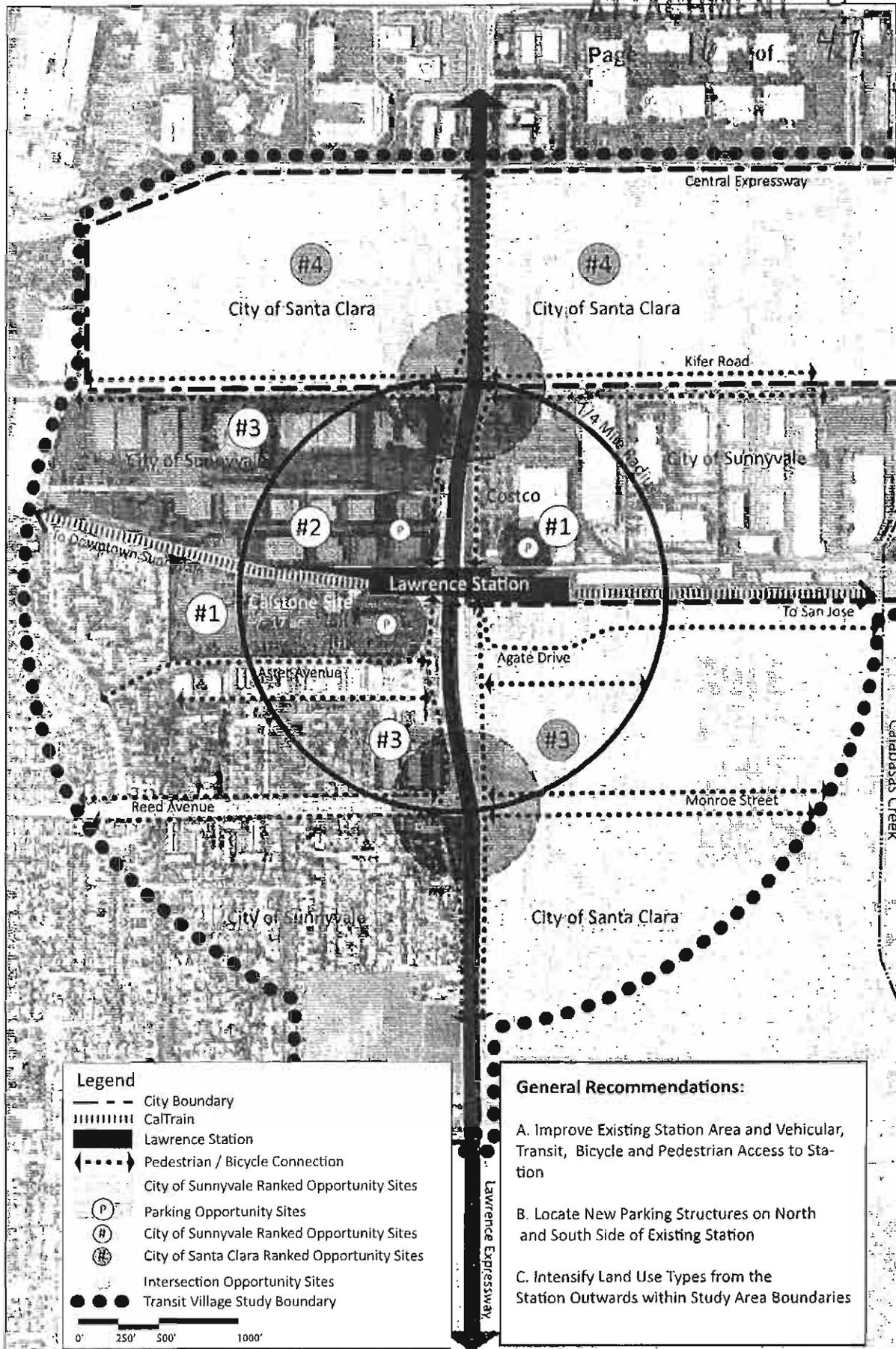
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www.kenkay.com

Lawrence Station Transit Village  
Sunnyvale, California

PRE-DECISIONAL





**Legend**

- City Boundary
- ||||| CalTrain
- Lawrence Station
- ◀---▶ Pedestrian / Bicycle Connection
- City of Sunnyvale Ranked Opportunity Sites
- (P) Parking Opportunity Sites
- (H) City of Sunnyvale Ranked Opportunity Sites
- (H) City of Santa Clara Ranked Opportunity Sites
- Intersection Opportunity Sites
- Transit Village Study Boundary

0' 250' 500' 1000'

**General Recommendations:**

- A. Improve Existing Station Area and Vehicular, Transit, Bicycle and Pedestrian Access to Station
- B. Locate New Parking Structures on North and South Side of Existing Station
- C. Intensify Land Use Types from the Station Outwards within Study Area Boundaries



Figure 5 - Planning Opportunities and Constraints Diagram

February 17, 2009



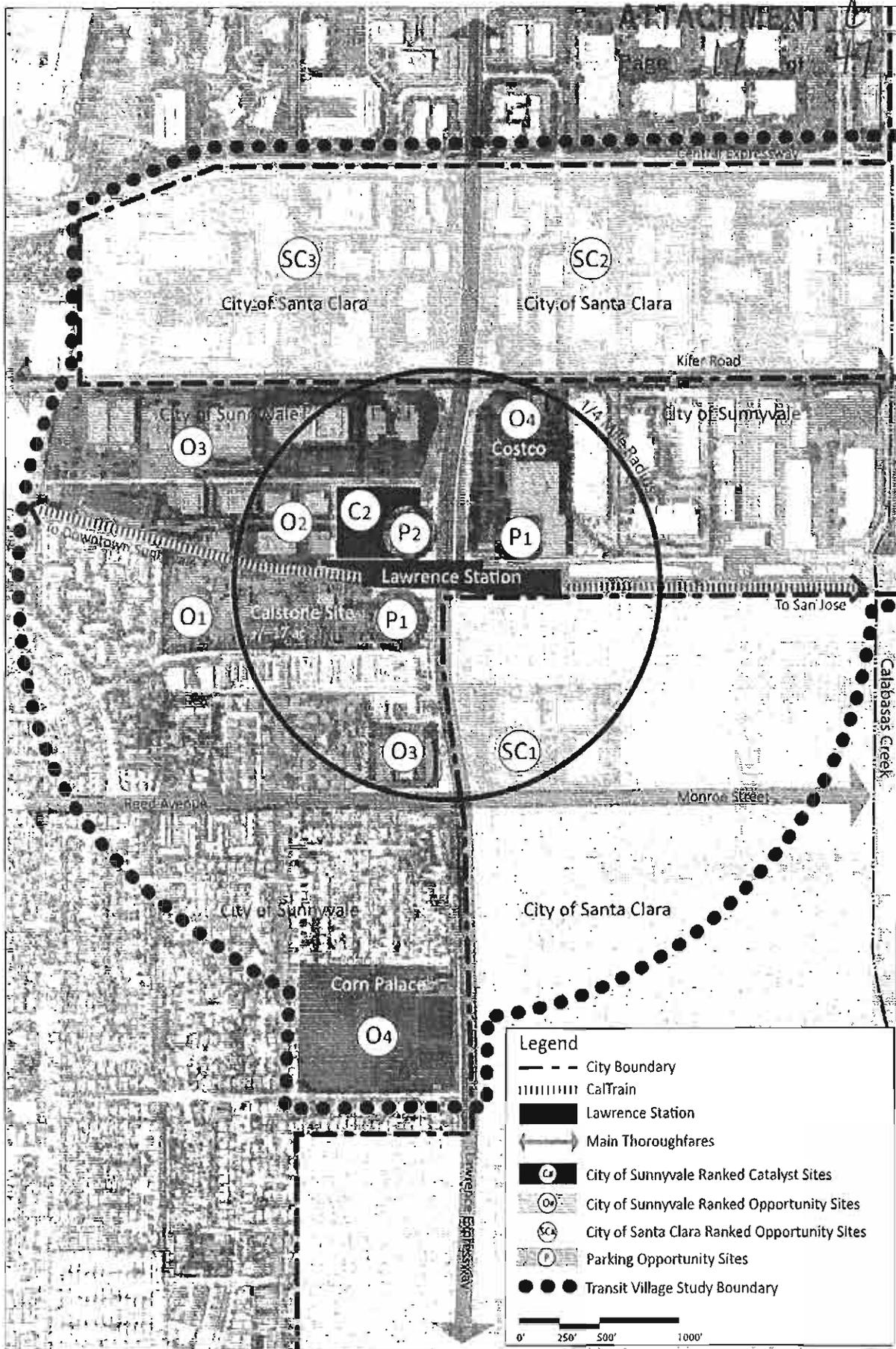


Figure 6 - Catalyst and Opportunity Sites

February 17, 2009



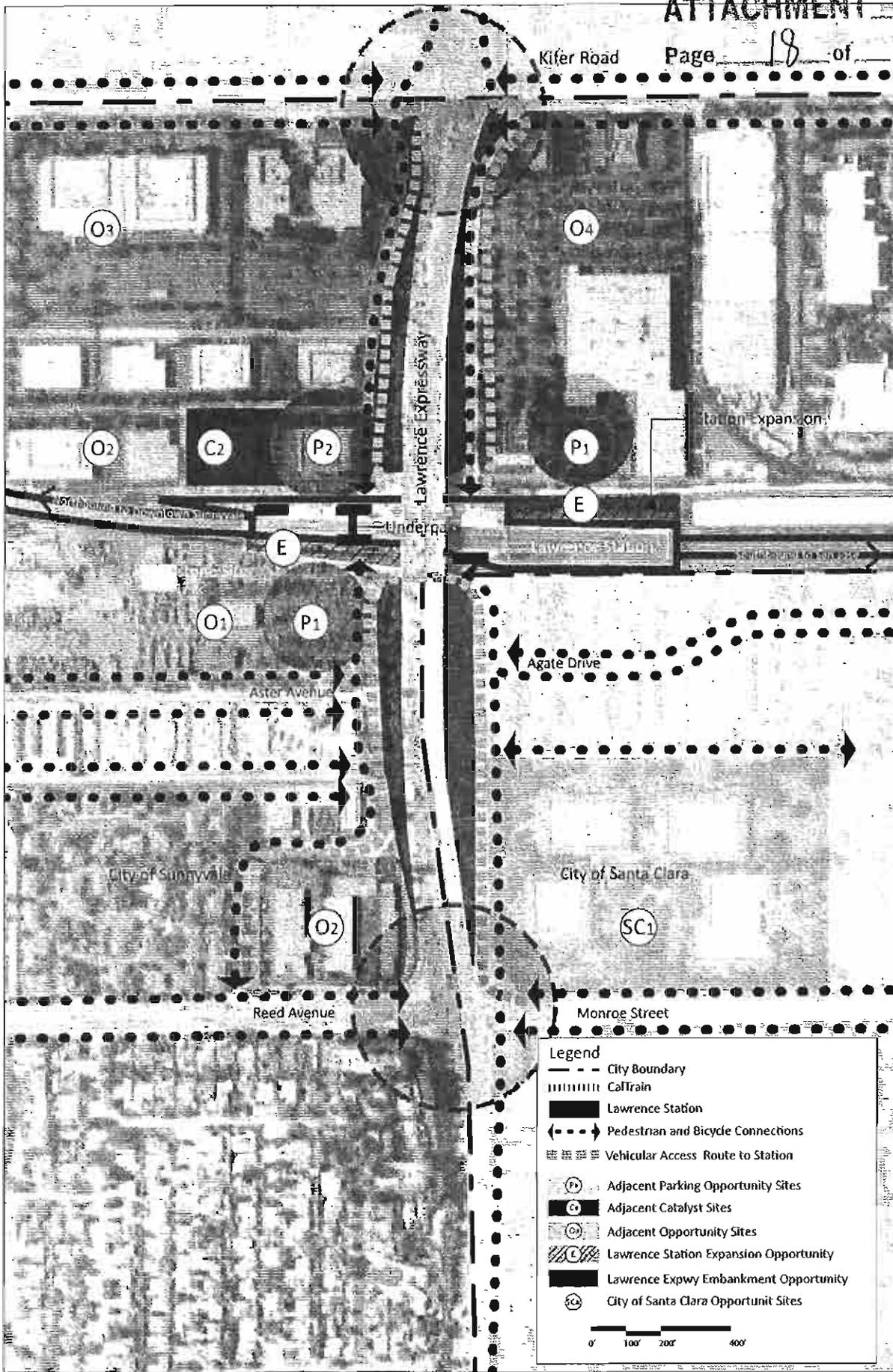
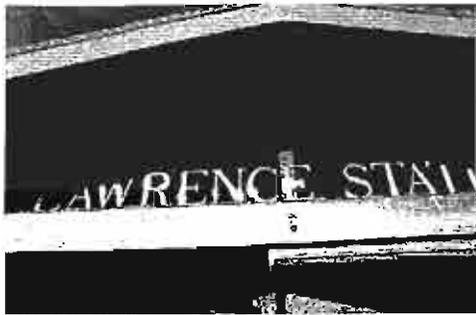
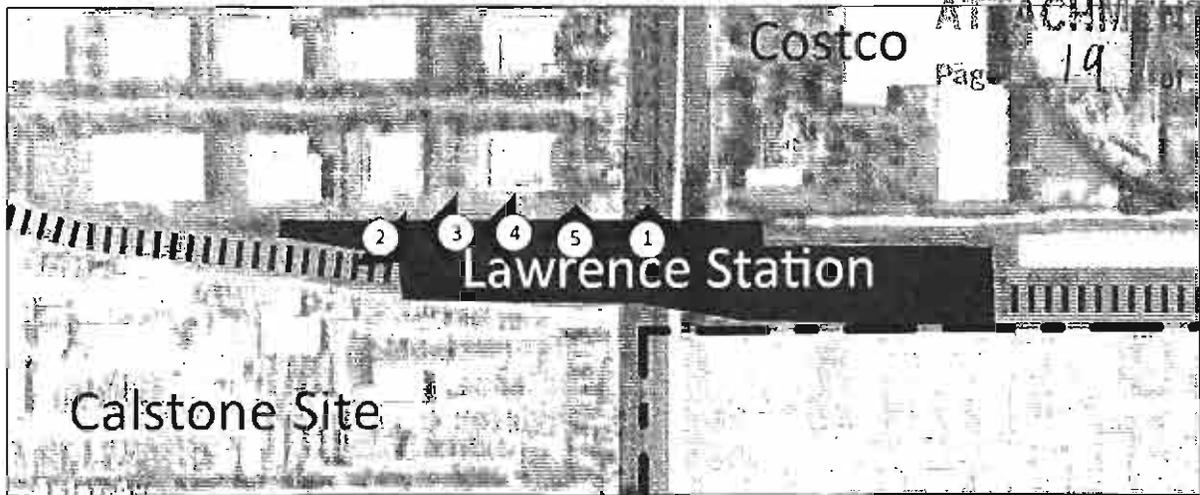


Figure 7 - Lawrence Transit Station Enhancement

February 17, 2009





Lawrence Station



Looking Towards Calstone Site



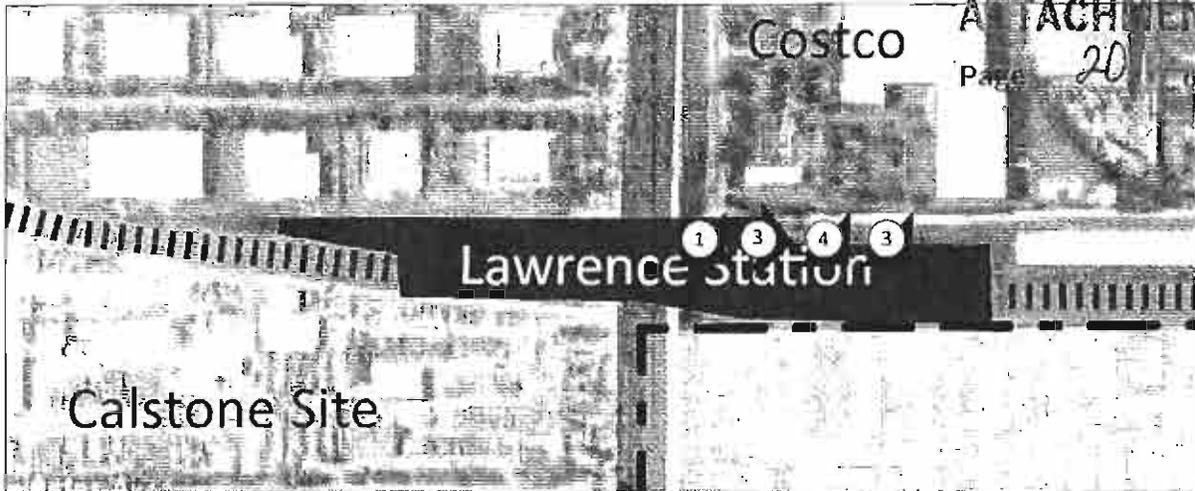
Pedestrian and Bicycle Underpass



Figure 8 - Site Photos (From West Side of Platform Looking Towards Sunnyvale)

February 17, 2009





Looking Towards Station Entrance and Multi Family Housing



Looking Towards Single Family Housing in Santa Clara



Looking Towards Service Commercial



Looking Towards Multi Family Housing in Santa Clara



Figure 9 - Site Photos (From East Side of Platform Looking towards Santa Clara)

February 17, 2009



### 3. MARKET AND FINANCIAL FEASIBILITY

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The primary determinant of the overall feasibility of a project in these analyses is the residual land value—the amount a developer could pay to acquire the land parcel and fund additional costs for infrastructure improvements, lease buy-outs, and environmental remediation, as necessary, and receive a sufficient return on those costs.

The land value achieved from developing a new building must exceed the value of the property before redevelopment by a sufficient margin for a project to be feasible. If the residual land value margin is negligible, a property owner will not have an economic incentive to redevelop the property. **Table 1** summarizes the land residuals likely to be attained by redeveloping uses at various densities under different assumptions about market conditions. While a comparison against existing values of specific parcels is beyond the scope of this study, the land residuals provide an initial indication of the relative feasibility of different types and densities of use.

To begin this analysis, EPS conducted a broad-brush review of market conditions for the various land use types in the greater Silicon Valley area. This review was comprised of a review of TOD projects in the region and observed market values provided by City staff or as published in brokerage or other industry reports. See **Table 2** for the fundamental development cost and revenue assumptions used in this analysis.

EPS and KKA worked to establish appropriate physical parameters for the types of buildings subject to this feasibility analysis. Such parameters include the heights, densities, and parking requirements for each building type. These determinations were made based on a desire to test a range of development options given how costs associated with various types of construction (e.g., woodframe vs. steel) can vary, and appropriateness for a transit-served location. The types of buildings tested include mid-rise and high-rise residential structures, both for sale and for rent, as well as mid-rise and high-rise office structures, and single-story retail. Low-rise residential structures, both for sale and for rent, are analyzed as well, although the relative low density associated with low-rise structures make them less appropriate for TOD.

The feasibility analysis uses financial pro formas to simulate the costs of developing and operating a given building prototype, and the potential revenues and resulting residual land value that can be achieved with each type. The pro forma models developed for these analyses are “static.” They compare the development costs to the future resale value of the building after stabilized operations have been achieved for each of the building prototypes tested. For each of the building prototypes, the feasibility analyses have applied generalized development and operating cost figures. Achievable lease rates and sale prices are estimated by EPS based on market conditions in the Silicon Valley area and assume high-quality, high-amenity, TOD products. The construction and operating cost estimates and the value estimates were all generated by EPS using published materials as well as EPS’s research to ensure that they are consistent with similar recent developments within the region.

Potential feasibility is indicated when the residual land value for a given product type is not only positive but sufficiently positive to incentivize a developer to develop the land. While estimating current land values for specific parcels of land is beyond to scope of this analysis, the land

**Table 1**  
**Prototype Feasibility: Land Value / Density Matrix**  
**Lawrence Station TOD Feasibility Analysis; EPS #18136**

Product Prototype	Residential						Office			Retail
	Low-Rise		Mid-Rise		High-Rise		Low-Rise	Mid-Rise	High-Rise	Single-Story
	3-4 stories; 45' Est. Du/Ac: 40		7-8 stories; 65' Est. Du/Ac: 90		19-20 stories; 200' Est. Du/Ac: 225		3-5 stories Est. FAR: 1.00	6-9 stories Est. FAR: 2.00	19-22 stories Est. FAR: 6.00	Est. FAR: 0.38
	Sale	Rent	Sale	Rent	Sale	Rent				
Current Market: Residual Land Value (per acre)	\$2,934,000	(\$2,189,000)	\$3,113,000	(\$7,494,000)	\$8,742,000	(\$14,425,000)	(\$537,000)	(\$493,000)	(\$7,669,000)	\$95,000
Return to 2007 Market Conditions: Residual Land Value (per acre)	\$4,838,000	(\$292,000)	\$7,612,000	(\$2,885,000)	\$21,596,000	(\$146,000)	\$4,195,000	\$9,932,000	\$26,732,000	\$95,000
Growth beyond 2007 Conditions: Residual Land Value (per acre)	\$6,774,000	\$1,196,000	\$12,187,000	\$732,000	\$34,667,000	\$11,062,000	\$6,080,000	\$14,079,000	\$40,419,000	\$734,000

81 Sources: Economic & Planning Systems, Inc.

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**Table 2**  
**Prototype Matrix and Assumptions for Analysis**  
**Lawrence Station TOD Feasibility Analysis; EPS #18136**

Product Prototype	Construction Type	Est. # of Stories	Range of Du/Ac	Du/Ac to be analyzed	Range of FARs	FAR to be analyzed	Bldg Construction Cost	Lease/Price: Current Market	Lease/Price: Recovered Market	Lease/Price: Growth beyond Recovery
Residential [1] Low-Rise <i>for sale</i> <i>for rent</i>	2007 CBC Type V-A 1 hour "Podium"	3-4	40-70	40	na	na	\$ 225.00	\$ 500,000.00	\$ 554,534.13	\$ 609,987.54
							\$ 202.50	\$ 2.50	\$ 2.87	\$ 3.15
	Mid-Rise <i>for sale</i> <i>for rent</i>	2007 CBC Type I "Mid-Rise" (Non-Life Safety)	5-8	90-150	100	na	na	\$ 250.00	\$ 525,000.00	\$ 582,260.83
							\$ 225.00	\$ 2.70	\$ 3.09	\$ 3.40
High-Rise <i>for sale</i> <i>for rent</i>	2007 CBC Type I "High-Rise" (Full-Life Safety)	19-20	150-350	200	na	na	\$ 275.00	\$ 600,000.00	\$ 665,440.95	\$ 731,985.05
							\$ 247.50	\$ 2.90	\$ 3.32	\$ 3.66
Office [2] Low-Rise Mid-Rise High-Rise	2007 CBC Type I or II "Low-Rise" (Non-Life Safety)	3-5	na	na	0.8-1.2	1.0	\$ 175.00	\$ 3.82	\$ 5.10	\$ 5.61
	2007 CBC Type I "Mid-Rise" (With Life Safety)	6-9	na	na	1.5-2.5	2.0	\$ 190.00	\$ 4.20	\$ 5.61	\$ 6.17
	2007 CBC Type I "High-Rise" (With Life Safety)	19-22	na	na	6-8	6.0	\$ 205.00	\$ 4.62	\$ 6.17	\$ 6.79
Retail [3] Single-Story		1	na	na	0.25-0.5	0.38	\$ 185.00	\$ 3.00	\$ 3.00	\$ 3.30

[1] Current market residential pricing estimates are based on data provided in The Santa Clara County Real Estate Market Trends Report. Within a 2-mile radius of Sonora Court, the average price of attached residences was \$463,287 in 2008. The townhomes available for sale on Aster Avenue at Willow Avenue are priced starting at \$600,000. For-Sale residential values are increased from those shown in the "Current Market Value" column to model values at the peak of the San Jose area for-sale market. The California Building Industry Association has data on median sale prices for new homes from 2005 to 2008. According to this source, new single-family and condominiums have decreased in median sale price by 10.91% since a peak in 2007. Values are increased again by 10% to reflect growth beyond market recovery.

Rental units in the Silicon Valley area averaged \$2,000 per month in early 2001 (according to RealFacts). Data reported for the third quarter 2008 indicates that the average has fallen to \$1,708. This translates into a total decrease since the peak in 2001 of 14.6%. This percent is applied to increase the rental values from the "Current Market Value" column.

[2] Rents reflect full-service leases. Office lease rates are based on the Grubb & Ellis, Office Market Trends Third Quarter 2008 report. Sunnyvale Class A Asking Rent is \$3.82. Rent is adjusted up by 10% to reflect high-amenity, new TOD construction. Low-rise is assumed to be 10% less and high-rise is assumed to be 10% more. Office rates in the San Jose market area increased in 1998 from \$23.87/sq.ft./year (full service) to \$54.00 in mid-2001. Office rates in 2008 in the region now average about \$36.00. This represents a decrease of about 33.51%. Values shown in the "Recovered Market" column for office uses are increased by this amount.

[3] Retail rents reflect NNN leases.

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residuals do provide an indication of the relative feasibility of the various product types. While some prototypes appear feasible under current market conditions, future feasibility will depend on improved market conditions or premiums that derive from successful TOD in the area.

## **Prototype Feasibility Analysis: Land Value/Density**

The pro forma analyses (included in **Appendix A**) provide an estimate of the residual land values associated with each product prototype under three different market conditions—current market conditions, recovery market conditions that assume a return to 2007 values, and growth beyond recovery conditions that represent a 10 percent increase beyond 2007 levels. Presenting these various market conditions indicate that product prototypes that are not currently feasible may become feasible as market conditions improve. Actual feasibility will depend on current land values, demolition required, site and infrastructure improvements required, and developer interest.

### **Findings**

#### ***Residential***

As indicated on **Table 1**, under current market conditions, for-sale low-rise, mid-rise and high-rise residential product types are feasible development prototypes in that they return positive land residuals. As market conditions improve, these product types generate even higher residual land values.

Rental residential product types do not approach feasibility until achievable rents grow beyond 2007 market conditions.

#### ***Office***

Of the office product types evaluated, none achieved positive residual land values under current market conditions, but they approach feasibility under a recovered market scenario. High development costs assume that each of the office developments would require structured or underground parking. Surface parking would yield improved financial feasibility results but would not be consistent with the density goals of TOD.

#### ***Retail***

The achievable lease rates for in-line retail developments result in positive residual land values. However, the residual land values are not positive enough to attract developer interest at current market rates. It must be noted that EPS has not evaluated the feasibility of a structure or podium parking format for single-story, in-line retail because that combination is rarely utilized.

#### ***Mixed-Use***

The feasibility of mixed-use projects is dependent upon the proportions of housing, retail, and office land uses that are included in the development, as well as the parking format utilized. Because there are several variables in the ability of a project to achieve the price points necessary for feasibility, it is often most appropriate to address mixed-use projects' feasibility on a case-by-case basis, a task not permitted by the scope of this analysis.

## APPENDIX A

### Development Prototype Pro Formas and Description of Technical Approach



## ASSUMPTIONS AND CALCULATIONS

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### Development Costs

It is necessary to estimate the costs of development for various building prototypes to conduct feasibility analyses. Development costs typically include "direct costs" and "indirect costs."

#### Direct Costs

"Direct" costs include the materials and labor for the construction of the buildings and the finishing of the interiors, otherwise known as "tenant improvements," as well as the construction costs for the necessary site improvements and parking spaces. EPS initially referenced data from R.S. Means, *Square Foot Costs 2007*, in order to derive direct cost estimates. This publication provides general costs for construction of several types of development projects nationally and provides adjustment factors to account for differences in costs among metropolitan areas. Following this initial inquiry, EPS then sought confirmation of these direct cost assumptions from companies active in development in the Silicon Valley area. Based on the feedback received, adjustments have been made to the cost estimates, where necessary, to achieve confidence in the development program assumptions.

It is important to note that there are significant "breaks" in construction costs, because of the development of structured or underground parking or the use of concrete or steel building materials. Construction costs therefore are significantly higher for high-rise residential units than for mid-rise residential units. In some cases, these increases in construction costs may not be overcome by increases in achievable values as products become more dense, in which case the residual land values are actually lower for higher density projects, until they are sufficiently high density to recoup higher per square foot construction costs and improve residual land values:

#### Indirect Costs

The "indirect costs" of a project include a variety of charges beyond the labor and materials for construction that are components of the development process. Examples include:

- Architectural and engineering services
- Impact fees and costs to secure development entitlements
- Project management and general overhead, such as employee salaries
- Construction financing

Indirect costs are typically integrated as percentages of direct costs. Such relationships are fairly standard in the development industry, and EPS has used general industry standards for these indirect costs, with vetting again provided by locally active developers.

## **Total Development Costs**

The total development cost of each of the proposed land uses is the sum of the direct and indirect costs, plus a "contingency" factor to cover unanticipated cost overruns. EPS has applied a 10 percent contingency in the pro formas to account for unknown factors.

## **Building Values**

The building values of for-sale properties are straightforward—the price the buyer pays for the building. In order to estimate the building value for income properties (residential and commercial), the net operating income (operating revenues less costs in a stabilized year) is capitalized. Static pro formas for each land use have been assembled to accommodate a variety of approaches to revenue estimation.

## **Sale/Lease and Operating Revenues**

Different land uses may use different means of projecting revenues. For instance, a for-sale home simply generates its sale value, while a rental residential unit's revenue is generated on a monthly basis, and annual net revenue is capitalized to determine a full value of the property.

The operating revenue and cost assumptions in this feasibility analysis assume generally accepted lease terms for various building types. The lease rates applied in these analyses are consistent with the following guidelines:

- Residential Apartments (rental) — tenant pays rent and utilities; management pays taxes, insurance, and maintenance
- Retail Use — "triple-net" leases; tenants pay rent, utilities, taxes, insurance, and maintenance
- Office Use — "full service" leases; property managers pay maintenance, utilities, taxes, and insurance

## **Operating Costs**

The majority of income properties (i.e., buildings leased rather than sold) experience standard relationships between achievable revenues and operating costs. Typical operating costs include utilities and common area maintenance. These costs may potentially be inherited by tenants through the lease terms in "triple net" retail leases, but are more likely to be absorbed by the property managers and not redirected to tenants in "full service" office leases or rental apartments. Operating costs are often applied in one of two ways: they are estimated as a percentage of total achievable revenues, or as a given amount per leasable building square foot.

Buildings will typically experience some vacancy through tenant turnover, which represents revenues unachieved. EPS has used standard vacancy assumptions for each of the income property prototypes.

"Replacement reserves" are an additional element of the total operating costs associated with income properties. Typically, a certain amount of annual revenues is withheld for purposes of providing revenues to fund necessary repairs as the building ages. These "replacement reserves" are a small fraction of overall achievable revenues, and EPS has used an industry standard of 3 percent.

### **Total Building Value**

The building values of for-sale properties are straightforward—the price the buyer pays for the building. For-sale properties do not maintain annual net operating incomes; therefore the capitalization rate is shown as 100 percent. This means that there is no multiplier to derive the total building value, and the total building value of for-sale properties is simply derived by multiplying the sales rate per building square foot by the net building area. For income properties, a "capitalization rate" is applied to reflect the value of a constant annual revenue stream. EPS has assumed capitalization rates for each of the building prototypes, using information from Value Monitor's published data, loopnet.com, and nreonline.com as a starting point and adjusting for current shifts in the residential, retail, and office markets.

The sale of a building typically includes marketing costs and commissions associated with that service. For-sale housing projects are assumed to bear those costs as part of their indirect costs, but for all rental residential and commercial building prototypes, EPS has assumed that these marketing and commission costs are 6 percent of the total building value. This amount is subtracted from the capitalized value to derive the net revenue from the building's sale.

"Income" properties such as apartments, retail, or office, typically assume that developer profits are captured in the operating income over time, as well as in the future sale value of the building. However, for for-sale housing the profit margin must be captured in the initial sale of the units. Because of this, developers typically assume that sale prices will be at least 10 percent higher than the total costs of development.

**Appendix A**  
**Low-Rise Residential Residual Land Value (For-Sale)**  
**Lawrence Station TOD Feasibility Analysis; EPS #18136**

Item	Assumption	Per Unit	Per Acre
<b>DEVELOPMENT PROGRAM</b>			
Land Area (acres)			1.0 acre
Units [1]	40.0 du/acre		40.0
Gross Area	1,053 sq.ft. per unit		42,105 sq.ft.
Efficiency Ratio	95%		
Net Area	1,000 sq.ft. per unit		40,000 sq.ft.
Parking Spaces	1.5 spaces per unit		60
<b>REVENUE ASSUMPTIONS</b>			
Base Price [2]	\$500,000 /unit	\$500,000	\$20,000,000
(less) Cost of Sale	3.0%	(\$15,000)	(\$600,000)
<b>Total Revenues</b>		<b>\$485,000</b>	<b>\$19,400,000</b>
<b>DEVELOPMENT COSTS</b>			
<b>Direct Costs</b>			
Building Construction Cost [3]	\$225.00 /sq. ft.	\$236,842	\$9,473,684
Parking Cost [4]	\$25,000 /space	\$37,500	\$1,500,000
Total Direct Costs		\$274,342	\$10,973,684
<b>Indirect Costs</b>	25.0% of direct costs (excluding pa	\$68,586	\$2,368,421
<b>Subtotal, Direct and Indirect Costs</b>		<b>\$342,928</b>	<b>\$13,342,105</b>
Contingency (% of direct and indirect costs, excludes parking)	10.0%	\$29,605	\$1,184,211
Profit Margin (% of sales revenue)	10.0%	\$48,500	\$1,940,000
<b>Total Costs</b>		<b>\$421,033</b>	<b>\$16,466,316</b>
<b>RESIDUAL LAND VALUE (rounded)</b>		<b>\$73,400</b>	<b>\$2,934,000</b>

[1] Density of 40 units per acre is assumed based on low end of feasible range for 2007 CBC Type V-A 1 hour "Podium" Construction Type.

[2] Sales price / lease rates based on comps in Sunnyvale and greater Silicon Valley area under normal market conditions. Office lease rates reflect full-service leases and are adjusted to reflect new construction. Retail lease rate reflects NNN lease.

[3] Based on SF Bay Area data from Marshall Swift and modified based on interviews with area developers.

[4] Parking costs shown reflect the application of surface, structured, or underground parking solutions with all-in cost estimates per space for these solutions, estimated respectively at: \$4,000, \$30,000, and \$50,000.

Sources: Marshall Swift; Grubb & Ellis, Office Market Snapshot Silicon Valley Third Quarter 2008; Terranomics, Retail Shopping Centers Report Santa Clara County Mid-Year 2008; Economic & Planning Systems, Inc.

**Appendix A  
Mid-Rise Residential Residual Land Value (For-Sale)  
Lawrence Station TOD Feasibility Analysis; EPS #18136**

Item	Assumption	Per Unit	Per Acre
<b>DEVELOPMENT PROGRAM</b>			
Land Area (acres)			1.0 acre
Units [1]	90.0 du/acre		90.0
Gross Area	1,124 sq.ft. per unit		101,124 sq.ft.
Efficiency Ratio	89%		
Net Area	1,000 sq.ft. per unit		90,000 sq.ft.
Parking Spaces	1.5 spaces per unit		135
<b>REVENUE ASSUMPTIONS</b>			
Base Price [2]	\$525,000 /unit	\$525,000	\$47,250,000
(less) Cost of Sale	3.0%	(\$15,750)	(\$1,417,500)
<b>Total Revenues</b>		<b>\$509,250</b>	<b>\$45,832,500</b>
<b>DEVELOPMENT COSTS</b>			
<b>Direct Costs</b>			
Building Construction Cost [3]	\$250.00 /sq. ft.	\$280,899	\$25,280,899
Parking Cost [4]	\$25,000 /space	\$37,500	\$3,375,000
Total Direct Costs		\$318,399	\$28,655,899
<b>Indirect Costs</b>	25.0% of direct costs (excluding parking)	\$79,600	\$6,320,225
<b>Subtotal, Direct and Indirect Costs</b>		<b>\$397,999</b>	<b>\$34,976,124</b>
Contingency (% of direct and indirect costs, excludes parking)	10.0%	\$35,112	\$3,160,112
Profit Margin (% of sales revenue)	10.0%	\$50,925	\$4,583,250
<b>Total Costs</b>		<b>\$484,036</b>	<b>\$42,719,486</b>
<b>RESIDUAL LAND VALUE (rounded)</b>		<b>\$34,600</b>	<b>\$3,113,000</b>

[1] Density of 90 units per acre is assumed based on low end of feasible range for 2007 CBC Type I "Mid-Rise" Construction Type (Non-Life Safety).

[2] Sales price / lease rates based on comps in Sunnyvale and greater Silicon Valley area under normal market conditions. Office lease rates reflect full-service leases and are adjusted to reflect new construction. Retail lease rate reflects NNN lease.

[3] Based on SF Bay Area data from Marshall Swift and modified based on interviews with area developers.

[4] Parking costs shown reflect the application of surface, structured, or underground parking solutions with all-in cost estimates per space for these solutions, estimated respectively at: \$4,000, \$30,000, and \$50,000.

Sources: Marshall Swift; Grubb & Ellis, Office Market Snapshot Silicon Valley Third Quarter 2008; Terranomics, Retail Shopping Centers Report Santa Clara County Mid-Year 2008; Economic & Planning Systems, Inc.

**Appendix A  
High-Rise Residential Residual Land Value (For-Sale)  
Lawrence Station TOD Feasibility Analysis; EPS #18136**

Item	Assumption	Per Unit	Per Acre
<b>DEVELOPMENT PROGRAM</b>			
Land Area (acres)			1.0 acre
Units [1]	225.0 du/acre		225.0
Gross Area	1,124 sq.ft. per unit		252,809 sq.ft.
Efficiency Ratio	89%		
Net Area	1,000 sq.ft. per unit		225,000 sq.ft.
Parking Spaces	1.5 spaces per unit		338
<b>REVENUE ASSUMPTIONS</b>			
Base Price [2]	\$600,000 /unit	\$600,000	\$135,000,000
(less) Cost of Sale	3.0%	<del>(\$18,000)</del>	<del>(\$4,050,000)</del>
<b>Total Revenues</b>		<b>\$582,000</b>	<b>\$130,950,000</b>
<b>DEVELOPMENT COSTS</b>			
<b>Direct Costs</b>			
Building Construction Cost [3]	\$275.00 /sq. ft.	\$308,989	\$69,522,472
Parking Cost [4]	\$40,000 /space	<del>\$60,089</del>	<del>\$13,520,000</del>
Total Direct Costs		\$369,078	\$83,042,472
<b>Indirect Costs</b>	25.0% of direct costs (excluding parking)	\$92,269	\$17,380,618
<b>Subtotal, Direct and Indirect Costs</b>		<b>\$461,347</b>	<b>\$100,423,090</b>
Contingency (% of direct and indirect costs, excludes parking)	10.0%	\$38,624	\$8,690,309
Profit Margin (% of sales revenue)	10.0%	\$58,200	\$13,095,000
<b>Total Costs</b>		<b>\$558,171</b>	<b>\$122,208,399</b>
<b>RESIDUAL LAND VALUE (rounded)</b>		<b>\$38,900</b>	<b>\$8,742,000</b>

[1] Density of 225 units per acre is assumed based on mid-point of feasible range for 2007 CBC Type I "High-Rise" Construction Type (Full Life Safety).

[2] Sales price / lease rates based on comps in Sunnyvale and greater Silicon Valley area under normal market conditions. Office lease rates reflect full-service leases and are adjusted to reflect new construction. Retail lease rate reflects NNN lease.

[3] Based on SF Bay Area data from Marshall Swift and modified based on interviews with area developers.

[4] Parking costs shown reflect the application of surface, structured, or underground parking solutions with all-in cost estimates per space for these solutions, estimated respectively at: \$4,000, \$30,000, and \$50,000.

Sources: Marshall Swift; Grubb & Ellis, Office Market Snapshot Silicon Valley Third Quarter 2008; Terranomics, Retail Shopping Centers Report Santa Clara County Mid-Year 2008; Economic & Planning Systems, Inc.

**Appendix A**  
**Low-Rise Residential Residual Land Value (Rental)**  
**Lawrence Station TOD Feasibility Analysis; EPS #18136**

Item	Assumption	Per Unit	Per Acre
<b>DEVELOPMENT PROGRAM</b>			
Land Area (acres)			1.0 acre
Units [1]	40.0 du/acre		40.0
Gross Area	1,053 sq.ft. per unit		42,105 sq.ft.
Efficiency Ratio	95%		
Net Area	1,000 sq.ft. per unit		40,000 sq.ft.
Parking Spaces	1.5 spaces per unit		60
<b>REVENUE ASSUMPTIONS</b>			
Gross Revenue [2]	\$2.50 /net sq.ft./month	\$30,000	\$1,200,000
Other Operating Revenue (beyond leases)	5.0%	\$1,500	\$60,000
(less) Vacancy Rate	3.0%	(\$900)	(\$36,000)
(less) Operating Expenses	\$4,200 per unit	(\$4,200)	(\$168,000)
(less) Replacement Reserve	3.0%	(\$900)	(\$36,000)
(less) Marketing and Commission Expenses	6.0%	<u>(\$1,800)</u>	<u>(\$72,000)</u>
Subtotal, Annual Net Operating Income		\$23,700	\$948,000
Capitalized Value	7.5% cap rate	\$306,520	\$12,260,800
<b>Total Revenues</b>		<b>\$306,520</b>	<b>\$12,260,800</b>
<b>DEVELOPMENT COSTS</b>			
<b>Direct Costs</b>			
Building Construction Cost [3]	\$203 /sq. ft.	\$213,158	\$8,526,316
Parking Cost [4]	\$25,000 /space	<u>\$37,500</u>	<u>\$1,500,000</u>
Total Direct Costs		\$250,658	\$10,026,316
<b>Indirect Costs</b>	25.0% of direct costs (excluding par	\$62,664	\$2,131,579
<b>Subtotal, Direct and Indirect Costs</b>		<b>\$303,947</b>	<b>\$12,157,895</b>
Contingency (% of direct and indirect costs, excludes parking)	10.0%	\$1,065,789	\$1,065,789
Profit Margin (% of capitalized value)	10.0%	<u>\$30,652</u>	<u>\$1,226,080</u>
<b>Total Costs</b>		<b>\$361,244</b>	<b>\$14,449,764</b>
<b>RESIDUAL LAND VALUE (rounded)</b>		<b>(\$54,700)</b>	<b>(\$2,189,000)</b>

[1] Density of 40 units per acre is assumed based on low end of feasible range for 2007 CBC Type V-A 1 hour "Podium" Construction Type.

[2] Sales price / lease rates based on comps in Sunnyvale and greater Silicon Valley area under normal market conditions. Office lease rates reflect full-service leases and are adjusted to reflect new construction. Retail lease rate reflects NNN lease.

[3] Based on SF Bay Area data from Marshall Swift and modified based on interviews with area developers.

[4] Parking costs shown reflect the application of surface, structured, or underground parking solutions with all-in cost estimates per space for these solutions,

Sources: Marshall Swift; Grubb & Ellis, Office Market Snapshot Silicon Valley Third Quarter 2008; Terranomics, Retail Shopping Centers Report Santa Clara County Mid-Year 2008; Economic & Planning Systems, Inc.

**Appendix A**  
**Mid-Rise Residential Residual Land Value (Rental)**  
**Lawrence Station TOD Feasibility Analysis; EPS #18136**

Item	Assumption	Per Unit	Per Acre
<b>DEVELOPMENT PROGRAM</b>			
Land Area (acres)			1.0 acre
Units [1]	90.0 du/acre		90.0
Gross Area	1,124 sq.ft. per unit		101,124 sq.ft.
Efficiency Ratio	89%		
Net Area	1,000 sq.ft. per unit		90,000 sq.ft.
Parking Spaces	1.5 spaces per unit		135
<b>REVENUE ASSUMPTIONS</b>			
Gross Revenue [2]	\$2.70 /net sq.ft./month	\$32,400	\$2,916,000
Other Operating Revenue (beyond leases)	5.0%	\$1,620	\$145,800
(less) Vacancy Rate	3.0%	(\$972)	(\$87,480)
(less) Operating Expenses	\$4,200 per unit	(\$4,200)	(\$378,000)
(less) Replacement Reserve	3.0%	(\$972)	(\$87,480)
(less) Marketing and Commission Expenses	6.0%	(\$1,944)	(\$174,960)
Subtotal, Annual Net Operating Income		\$25,932	\$2,333,880
Capitalized Value	7.5% cap rate	\$335,387	\$30,184,848
<b>Total Revenues</b>		<b>\$335,387</b>	<b>\$30,184,848</b>
<b>DEVELOPMENT COSTS</b>			
<b>Direct Costs</b>			
Building Construction Cost [3]	\$225 /sq. ft.	\$252,809	\$22,752,809
Parking Cost [4]	\$25,000 /space	\$37,500	\$3,375,000
Total Direct Costs		\$290,309	\$26,127,809
<b>Indirect Costs</b>	25.0% of direct costs (excluding par	\$72,577	\$5,688,202
<b>Subtotal, Direct and Indirect Costs</b>		<b>\$353,511</b>	<b>\$31,816,011</b>
Contingency (% of direct and indirect costs, excludes parking)	10.0%	\$2,844,101	\$2,844,101
Profit Margin (% of capitalized value)	10.0%	\$33,539	\$3,018,485
<b>Total Costs</b>		<b>\$418,651</b>	<b>\$37,678,597</b>
<b>RESIDUAL LAND VALUE (rounded)</b>		<b>(\$83,300)</b>	<b>(\$7,494,000)</b>

[1] Density of 90 units per acre is assumed based on low end of feasible range for 2007 CBC Type I "Mid-Rise" Construction Type (Non-Life Safety).

[2] Sales price / lease rates based on comps in Sunnyvale and greater Silicon Valley area under normal market conditions. Office lease rates reflect full-service leases and are adjusted to reflect new construction. Retail lease rate reflects NNN lease.

[3] Based on SF Bay Area data from Marshall Swift and modified based on interviews with area developers.

[4] Parking costs shown reflect the application of surface, structured, or underground parking solutions with all-in cost estimates per space for these

Sources: Marshall Swift; Grubb & Ellis, Office Market Snapshot Silicon Valley Third Quarter 2008; Terranomics, Retail Shopping Centers Report Santa Clara County Mid-Year 2008; Economic & Planning Systems, Inc.

**Appendix A  
High-Rise Residential Residual Land Value (Rental)  
Lawrence Station TOD Feasibility Analysis; EPS #18136**

Item	Assumption	Per Unit	Per Acre
<b>DEVELOPMENT PROGRAM</b>			
Land Area (acres)			1.0 acre
Units [1]	225.0 du/acre		225.0
Gross Area	1,124 sq.ft. per unit		252,809 sq.ft.
Efficiency Ratio	89%		
Net Area	1,000 sq.ft. per unit		225,000 sq.ft.
Parking Spaces	1.5 spaces per unit		338
<b>REVENUE ASSUMPTIONS</b>			
Gross Revenue [2]	\$2.90 /net sq.ft./month	\$34,800	\$7,830,000
Other Operating Revenue (beyond leases)	5.0%	\$1,740	\$391,500
(less) Vacancy Rate	3.0%	(\$1,044)	(\$234,900)
(less) Operating Expenses	\$4,200 per unit	(\$4,200)	(\$945,000)
(less) Replacement Reserve	3.0%	(\$1,044)	(\$234,900)
(less) Marketing and Commission Expenses	6.0%	<u>(\$2,088)</u>	<u>(\$469,800)</u>
Subtotal, Annual Net Operating Income		\$28,164	\$6,336,900
Capitalized Value	6.5% cap rate	\$420,294	\$94,566,046
<b>Total Revenues</b>		<b>\$420,294</b>	<b>\$94,566,046</b>
<b>DEVELOPMENT COSTS</b>			
<b>Direct Costs</b>			
Building Construction Cost [3]	\$248 /sq. ft.	\$278,090	\$62,570,225
Parking Cost [4]	\$40,000 /space	<u>\$60,000</u>	<u>\$13,500,000</u>
Total Direct Costs		\$338,090	\$76,070,225
<b>Indirect Costs</b>	25.0% of direct costs (excluding parking)	\$84,522	\$15,642,556
<b>Subtotal, Direct and Indirect Costs</b>		<b>\$407,612</b>	<b>\$91,712,781</b>
Contingency (% of direct and indirect costs, excludes parking)	10.0%	\$7,821,278	\$7,821,278
Profit Margin (% of capitalized value)	10.0%	<u>\$42,029</u>	<u>\$9,456,605</u>
<b>Total Costs</b>		<b>\$484,403</b>	<b>\$108,990,664</b>
<b>RESIDUAL LAND VALUE (rounded)</b>		<b>(\$64,100)</b>	<b>(\$14,425,000)</b>

- [1] Density of 225 units per acre is assumed based on mid-point of feasible range for 2007 CBC Type I "High-Rise" Construction Type (Full Life Safety).  
 [2] Sales price / lease rates based on comps in Sunnyvale and greater Silicon Valley area under normal market conditions. Office lease rates reflect full-service leases and are adjusted to reflect new construction. Retail lease rate reflects NNN lease.  
 [3] Based on SF Bay Area data from Marshall Swift and modified based on interviews with area developers.  
 [4] Parking costs shown reflect the application of surface, structured, or underground parking solutions with all-in cost estimates per space for these solutions.

Sources: Marshall Swift; Grubb & Ellis, Office Market Snapshot Silicon Valley Third Quarter 2008; Terranomics, Retail Shopping Centers Report Santa Clara County Mid-Year 2008; Economic & Planning Systems, Inc.

**Appendix A**  
**Single-Story Retail Residual Land Value (0.38 FAR)**  
**Lawrence Station TOD Feasibility Analysis; EPS #18136**

Item	Assumption	Per Sq.Ft.	Per Acre
<b>DEVELOPMENT PROGRAM</b>			
Land Area (acres)			1.0 acre
Gross Area	0.38 F.A.R.		16,553 sq.ft.
Efficiency Ratio	100%		
Net Area			16,553 sq.ft.
Parking Spaces	250 net sq.ft. of bldg. per space		66 spaces
<b>REVENUE ASSUMPTIONS</b>			
Gross Revenue (NNN) [1]	\$3.00 /net sq.ft./month	\$36.00	\$595,901
Other Operating Revenue (beyond leases)	5.0%	\$1.80	\$29,795
(less) Vacancy Rate	5.0%	(\$1.80)	(\$29,795)
(less) Operating Expenses	5.0%	(\$1.80)	(\$29,795)
(less) Replacement Reserve	3.0%	(\$1.08)	(\$17,877)
(less) Marketing and Commission Expenses	6.0%	(\$2.16)	(\$35,754)
Subtotal, Annual Net Operating Income		\$30.96	\$512,475
Capitalized Value	7.0% cap rate	\$429.02	\$7,101,435
<b>Total Revenues</b>		<b>\$429.02</b>	<b>\$7,101,435</b>
<b>DEVELOPMENT COSTS</b>			
<b>Direct Costs</b>			
Building Construction Cost [2]	\$185 /sq. ft.	\$185.00	\$3,062,268
Parking Cost [3]	\$4,000 /space	\$16.00	\$264,845
Total Direct Costs		\$201.00	\$3,327,113
<b>Indirect Costs</b>			
Indirect Costs	25.0% of direct costs (excluding par	\$46.25	\$765,567
Tenant Improvement Allowance	\$100 /net sq. ft.	\$100.00	\$1,655,280
Total Indirect Costs		\$146.25	\$2,420,847
<b>Subtotal, Direct and Indirect Costs</b>		<b>\$347.25</b>	<b>\$5,747,960</b>
Contingency (% of direct and indirect costs, excludes parking)	10.0%	\$548,312	\$548,312
Profit Margin (% of capitalized value)	10.0%	\$42.90	\$710,143
<b>Total Costs</b>		<b>\$423.28</b>	<b>\$7,006,415</b>
<b>RESIDUAL LAND VALUE (rounded)</b>		<b>\$6.00</b>	<b>\$95,000</b>

[1] Sales price / lease rates based on comps in Sunnyvale and greater Silicon Valley area under normal market conditions. Office lease rates reflect full-service leases and are adjusted to reflect new construction. Retail lease rate reflects NNN lease.

[2] Based on SF Bay Area data from Marshall Swift and modified based on interviews with area developers.

[3] Parking costs shown reflect the application of surface, structured, or underground parking solutions with all-in cost estimates per space for these solutions, estimated respectively at: \$4,000, \$25,000, and \$40,000.

Sources: Marshall Swift; Grubb & Ellis, Office Market Snapshot Silicon Valley Third Quarter 2008; Terranomics, Retail Shopping Centers Report Santa Clara County Mid-Year 2008; Economic & Planning Systems, Inc.

**Appendix A  
Low-Rise Office Residual Land Value  
Lawrence Station TOD Feasibility Analysis; EPS #18136**

Item	Assumption	Per Sq.Ft.	Per Acre
<b>DEVELOPMENT PROGRAM</b>			
Land Area (acres)			1.0 acre
Gross Area	1.00 F.A.R.		43,560 sq.ft.
Efficiency Ratio	90%		
Net Area			39,204 sq.ft.
Parking Spaces	400 net sq.ft. of bldg. per space		98 spaces
<b>REVENUE ASSUMPTIONS</b>			
Gross Revenue (Full-Service) [1]	\$3.82 /net sq.ft./month	\$41.26	\$1,797,111
Other Operating Revenue (beyond leases)	5.0%	\$2.06	\$89,856
(less) Vacancy Rate	3.0%	(\$1.24)	(\$53,913)
(less) Operating Expenses	30.0%	(\$12.38)	(\$539,133)
(less) Replacement Reserve	3.0%	(\$1.24)	(\$53,913)
(less) Marketing and Commission Expenses	6.0%	(\$2.48)	(\$107,827)
Subtotal, Annual Net Operating Income		\$25.99	\$1,132,180
Capitalized Value	7.0% cap rate	\$360.16	\$15,688,782
<b>Total Revenues</b>		<b>\$360.16</b>	<b>\$15,688,782</b>
<b>DEVELOPMENT COSTS</b>			
<b>Direct Costs</b>			
Building Construction Cost [2]	\$175 /sq. ft.	\$175.00	\$7,623,000
Parking Cost [3]	\$25,000 /space	\$56.25	\$2,450,250
Total Direct Costs		\$231.25	\$10,073,250
<b>Indirect Costs</b>			
Indirect Costs	25.0% of direct costs (excluding par	\$43.75	\$1,905,750
Tenant Improvement Allowance	\$40 /net sq. ft.	\$36.00	\$1,568,160
Total Indirect Costs		\$79.75	\$3,473,910
<b>Subtotal, Direct and Indirect Costs</b>		<b>\$311.00</b>	<b>\$13,547,160</b>
Contingency (% of direct and indirect costs, excludes parking)	10.0%	\$1,109,691	\$1,109,691
Profit Margin (% of capitalized value)	10.0%	\$36.02	\$1,568,878
<b>Total Costs</b>		<b>\$372.49</b>	<b>\$16,225,729</b>
<b>RESIDUAL LAND VALUE (rounded)</b>		<b>(\$12.00)</b>	<b>(\$537,000)</b>

[1] Sales price / lease rates based on comps in Sunnyvale and greater Silicon Valley area under normal market conditions. Office lease rates reflect full-service leases and are adjusted to reflect new construction. Retail lease rate reflects NNN lease.

[2] Based on SF Bay Area data from Marshall Swift and modified based on interviews with area developers.

[3] Parking costs shown reflect the application of surface, structured, or underground parking solutions with all-in cost estimates per space for these solutions, estimated respectively at: \$4,000, \$25,000, and \$40,000.

Sources: Marshall Swift; Grubb & Ellis, Office Market Snapshot Silicon Valley Third Quarter 2008; Terranomics, Retail Shopping Centers Report Santa Clara County Mid-Year 2008; Economic & Planning Systems, Inc.

**Appendix A  
Mid-Rise Office Residual Land Value  
Lawrence Station TOD Feasibility Analysis; EPS #18136**

Item	Assumption	Per Sq.Ft.	Per Acre
<b>DEVELOPMENT PROGRAM</b>			
Land Area (acres)			1.0 acre
Gross Area	2.00 F.A.R.		87,120 sq.ft.
Efficiency Ratio	90%		
Net Area			78,408 sq.ft.
Parking Spaces	400 net sq.ft. of bldg. per space		196 spaces
<b>REVENUE ASSUMPTIONS</b>			
Gross Revenue (Full-Service) [1]	\$4.20 /net sq.ft./month	\$45.36	\$3,951,763
Other Operating Revenue (beyond leases)	5.0%	\$2.27	\$197,588
(less) Vacancy Rate	3.0%	(\$1.36)	(\$118,553)
(less) Operating Expenses	30.0%	(\$13.61)	(\$1,185,529)
(less) Replacement Reserve	3.0%	(\$1.36)	(\$118,553)
(less) Marketing and Commission Expenses	6.0%	(\$2.72)	(\$237,106)
Subtotal, Annual Net Operating Income		\$28.58	\$2,489,611
Capitalized Value	7.0% cap rate	\$395.99	\$34,498,893
<b>Total Revenues</b>		<b>\$395.99</b>	<b>\$34,498,893</b>
<b>DEVELOPMENT COSTS</b>			
<b>Direct Costs</b>			
Building Construction Cost [2]	\$190 /sq. ft.	\$190.00	\$16,552,800
Parking Cost [3]	\$25,000 /space	\$56.25	\$4,900,500
Total Direct Costs		\$246.25	\$21,453,300
<b>Indirect Costs</b>			
Indirect Costs	25.0% of direct costs (excluding par	\$47.50	\$4,138,200
Tenant Improvement Allowance	\$45 /net sq. ft.	\$40.50	\$3,528,360
Total Indirect Costs		\$88.00	\$7,666,560
<b>Subtotal, Direct and Indirect Costs</b>		<b>\$334.25</b>	<b>\$29,119,860</b>
Contingency (% of direct and indirect costs, excluc	10.0%	\$2,421,936	\$2,421,936
Profit Margin (% of capitalized value)	10.0%	\$39.60	\$3,449,889
<b>Total Costs</b>		<b>\$401.65</b>	<b>\$34,991,685</b>
<b>RESIDUAL LAND VALUE (rounded)</b>		<b>(\$6.00)</b>	<b>(\$493,000)</b>

[1] Sales price / lease rates based on comps in Sunnyvale and greater Silicon Valley area under normal market conditions. Office lease rates reflect full-service leases and are adjusted to reflect new construction. Retail lease rate reflects NNN lease.

[2] Based on SF Bay Area data from Marshall Swift and modified based on interviews with area developers.

[3] Parking costs shown reflect the application of surface, structured, or underground parking solutions with all-in cost estimates per space for these solutions, estimated respectively at: \$4,000, \$25,000, and \$40,000.

Sources: Marshall Swift; Grubb & Ellis, Office Market Snapshot Silicon Valley Third Quarter 2008; Terranomics, Retail Shopping Centers Report Santa Clara County Mid-Year 2008; Economic & Planning Systems, Inc.

**Appendix A  
High-Rise Office Residual Land Value  
Lawrence Station TOD Feasibility Analysis; EPS #18136**

Item	Assumption	Per Sq.Ft.	Per Acre
<b>DEVELOPMENT PROGRAM</b>			
Land Area (acres)			1.0 acre
Gross Area	6.00 F.A.R.		261,360 sq.ft.
Efficiency Ratio	90%		
Net Area			235,224 sq.ft.
Parking Spaces	400 net sq.ft. of bldg. per space		588 spaces
<b>REVENUE ASSUMPTIONS</b>			
Gross Revenue (Full-Service) [1]	\$4.62 /net sq.ft./month	\$49.90	\$13,040,819
Other Operating Revenue (beyond leases)	5.0%	\$2.49	\$652,041
(less) Vacancy Rate	3.0%	(\$1.50)	(\$391,225)
(less) Operating Expenses	30.0%	(\$14.97)	(\$3,912,246)
(less) Replacement Reserve	3.0%	(\$1.50)	(\$391,225)
(less) Marketing and Commission Expenses	6.0%	(\$2.99)	(\$782,449)
Subtotal, Annual Net Operating Income		\$31.43	\$8,215,716
Capitalized Value	7.0% cap rate	\$435.59	\$113,846,346
<b>Total Revenues</b>		<b>\$435.59</b>	<b>\$113,846,346</b>
<b>DEVELOPMENT COSTS</b>			
<b>Direct Costs</b>			
Building Construction Cost [2]	\$205 /sq. ft.	\$205.00	\$53,578,800
Parking Cost [3]	\$40,000 /space	\$90.00	\$23,522,400
Total Direct Costs		\$295.00	\$77,101,200
<b>Indirect Costs</b>			
Indirect Costs	25.0% of direct costs (excluding parking)	\$51.25	\$13,394,700
Tenant Improvement Allowance	\$50 /net sq. ft.	\$45.00	\$11,761,200
Total Indirect Costs		\$96.25	\$25,155,900
<b>Subtotal, Direct and Indirect Costs</b>		<b>\$391.25</b>	<b>\$102,257,100</b>
Contingency (% of direct and indirect costs, excludes parking)	10.0%	\$7,873,470	\$7,873,470
Profit Margin (% of capitalized value)	10.0%	\$43.56	\$11,384,635
<b>Total Costs</b>		<b>\$464.93</b>	<b>\$121,515,205</b>
<b>RESIDUAL LAND VALUE (rounded)</b>		<b>(\$29.00)</b>	<b>(\$7,669,000)</b>

[1] Sales price / lease rates based on comps in Sunnyvale and greater Silicon Valley area under normal market conditions. Office lease rates reflect full-service leases and are adjusted to reflect new construction. Retail lease rate reflects NNN lease.

[2] Based on SF Bay Area data from Marshall Swift and modified based on interviews with area developers.

[3] Parking costs shown reflect the application of surface, structured, or underground parking solutions with all-in cost estimates per space for these solutions, estimated respectively at: \$4,000, \$25,000, and \$40,000.

Sources: Marshall Swift; Grubb & Ellis, Office Market Snapshot Silicon Valley Third Quarter 2008; Terranomics, Retail Shopping Centers Report Santa Clara County Mid-Year 2008; Economic & Planning Systems, Inc.

APPENDIX B  
Samples of Product Prototypes





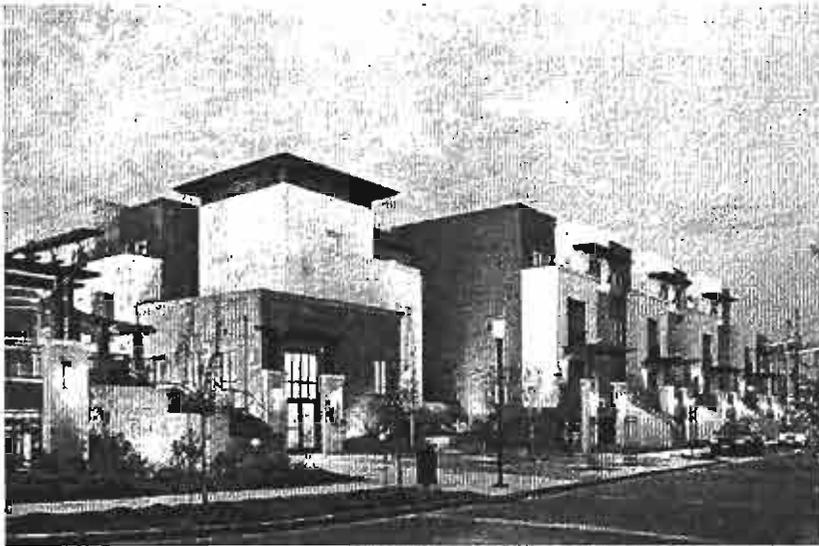
## 2007 CBC TYPE V-A 1 hour “TOWNHOMES” CONSTRUCTION TYPE

- Wood construction – 1 hour fire rating with limited floor area. (Typically with sprinklers system)
- Maximum 40' building height. (Typically 35' building height)
- Approximate density range from 18 to 25 du/ac
- Maximum of 3 to 4 story on-grade wood frame construction.
- Maximum of 4 story tall with attached ground floor garage
- Dedicated parking provided for individual unit, range from 1 car/du to 2 car/du.

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## 2007 CBC TYPE V-A 1 hour "PODIUM" CONSTRUCTION TYPE

- Wood construction – 1 hour fire rating with limited floor area. (Typically with sprinklers system)
- Maximum 60' building height.
- Approximate density range from 40 to 70 du/ac
- Maximum of Type VA 4 story wood frame construction over one story of Type I concrete garage, retail, office or lobby at grade. (allows only one level of parking above grade)
- Maximum of 5 story tall including ground floor retail uses.
- Parking provided range from 1 car/du to 2 car/du in a common garage – parking ratio increases with subterranean level parking structure.



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Economic &  
Planning Systems

### Building Typologies

Prepared by KenKay Associates

KenKay Associates

[www.kenkaysf.com](http://www.kenkaysf.com)





## 2007 CBC TYPE III – A “PODIUM” CONSTRUCTION TYPE

- Fire treated wood construction – 2 hour fire rating with limited floor area. (Typically with sprinklers system)
- Maximum 80' building height. (Typically 75') (with sprinklers system only)
- Approximate density range from 75 to 90 du/ac
- Maximum of Type III-A 5 story wood frame construction over one story of Type I concrete garage, retail, office or lobby at grade.
- Maximum of 6 story tall including potential ground floor retail uses.
- Parking provided range from 1 car/du to 2 car/du in common garage – parking ratio increases with subterranean level(s) parking structure.

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Economic  
Planning Systems

### Building Typologies

Prepared by KenKay Associates

KenKay Associates

www.kenkays.com





## 2007 CBC TYPE I "MID-RISE" CONSTRUCTION TYPE (Non-Life Safety)

- Concrete/steel non-combustible construction with unlimited floor area.
- Typically 85' to 90' building height. (Maximum 75' to the highest occupied floor)
- Approximate density range from 90 to 150 du/ac
- Maximum of eight story of Type I concrete or steel construction with mixed use residential, retail, office or parking garage.
- Multiple levels of garage levels above grade is allowed in Type I building.
- Parking provided range from 1 car/du to 2 car/du + parking ratio increases with subterranean level parking structure.

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## 2007 CBC TYPE I “HIGH-RISE” CONSTRUCTION TYPE ( Full Life Safety)

- Concrete/steel non-combustible construction with unlimited floor area.
- Unlimited building height.
- Typical density range from 150 to 350 du/ac
- Virtually no limitation on the mix of uses – residential, commercial, hospitality, retail and parking, etc.
- Multiple levels of garage levels above grade is allowed in Type I building.
- Parking provided range from 1 car/du to 2 car/du flexible parking ratio and arrangements due to unlimited height and unlimited building area.

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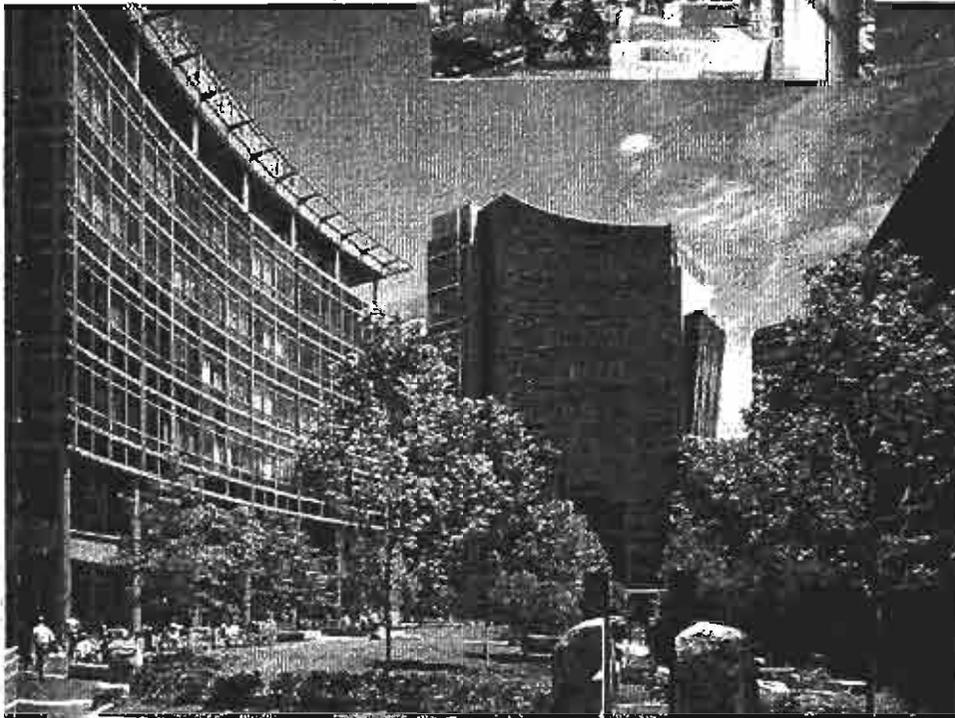
## 2007 CBC TYPE I or II “LOW-RISE” OFFICE CONSTRUCTION TYPE (Non - Life safety)

- Concrete/steel non-combustible construction with typically 28,000 to 35,000 SF. floor plate. (Tilt-up concrete construction possible up to three story)
- Typically three to five story with 13.5' to 15' floor to floor height. (Maximum 75' to the highest occupied floor)
- Approximately .80 to 1.20 Floor Area Ratio (FAR) generally located in a R&D campus or relatively suburban town center setting.
- Single or multiple tenants occupancies for speculative office or lab uses.
- Typically requires separate multiple level on-grade garage structure to accommodate parking.

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## 2007 CBC TYPE I "MID-RISE" OFFICE CONSTRUCTION TYPE ( with Life safety)

- Concrete/steel non-combustible construction with typically 25,000 to 35,000 SF. floor plate with unlimited area.
- Typically six to nine story with 13.5' to 15' floor to floor height. (Above 75' to the highest occupied floor requires full life-safety measure)
- Approximately 1.5 to 2.5 Floor Area Ratio (FAR) generally in a pedestrian friendly campus like environment in a semi-urban environment.
- Single or multiple tenants occupancies typically for speculative office uses or possibly mix of uses
- Typically requires separate multiple level on-grade garage structure , or office built over garage structure to accommodate parking demand.

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## 2007 CBC TYPE I “HIGH-RISE” OFFICE CONSTRUCTION TYPE ( with Life safety)

- Concrete/steel non-combustible construction with typically 25,000 to 35,000 SF. floor plate with unlimited area. (Generally diminishing floor plates at upper floors)
- Typically 19 to 22 story with 13.5’ to 15’ floor to floor height. (Additional structural complexity and cost over 240’ tall)
- Approximately 6 to 8 Floor Area Ratio (FAR) usually in urban core with limited development area and high land value.
- Single or multiple tenants occupancies typically for speculative office uses with potential mix of uses such as retail or hospitality.
- Typically requires separate multiple level on-grade garage structure or office built over garage structure to accommodate parking demand.

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February 25, 2009



April 9, 2009

**Lawrence Station Transit Village  
Outreach Meeting Concerns and Comments  
10 a.m. – 11:15 a.m.  
6:30 p.m. -7:45 p.m.**

Parking

- Where are people going to park?
- Will my house be taken away to provide parking, and why didn't "they" think about parking and all this when they built the station?
- Maybe the parking lot is not being used because it is in Sunnyvale
- Santa Clara residential streets adjacent to the station are most impacted; Santa Clara residents have already been negatively affected by the Balmoral project adjacent to the station. What was done with the money that the Balmoral developer paid towards providing additional parking near the Caltrain station?
- How would you prevent overflow parking and protect residential streets should it occur?
- Put parking on the embankment of Lawrence
- Parking will be bad whatever you do
- Why does Caltrain charge for parking?

Access, Health, Safety and Sense of Place

- Access is definitely an issue as people don't even see the station or know that it's even there
- Access is like a maze, especially from the Santa Clara side
- At a very minimum, access and circulation to and from the station should be improved
- Access to the station is a dumping ground
- Cars drive through the "horseshoe" access roads to the station too fast, when it is supposed to be the pedestrian/bicycle access
- Current access is not safe and not pleasant and there is no sense of community in the area
- Reed and Monroe is a key area to focus on in creating a sense of place, increasing safety and amenities, and providing some green space

Feasibility

- Planning for more development and more retail may not be a good idea as businesses are already going out of business
- Not too many people use the station
- Look at existing ridership at Lawrence Station and see who the biggest bulk of the riders are; station is used most during the morning
- Ridership is low because Lawrence Station is in a different "Zone" and most people would just drive up to the Downtown Sunnyvale station as it is \$1.50 cheaper and more parking is available

Trust

- Promises have been broken before and residents of the single-family home neighborhood adjacent to the station are wary of what this project may bring
- Protect the residential neighborhoods as well as industrial uses



**CITY OF SANTA CLARA  
PLANNING COMMISSION  
STAFF REPORT**



**Agenda Item #**  
**Date: April 22, 2009**

**ATTACHMENT E**  
**Page 1 of 2**

**PROJECT NAME:** Lawrence Station Transit Village Study

**PROPOSAL:** To authorize staff to work with the City of Sunnyvale to develop a Transit Village Study for the Lawrence Station Area. The City of Sunnyvale would act as the lead agency for this project.

**RECOMMENDATION:** That the Planning Commission recommend that the City Council:

1. Allocate staff resources to partner with City of Sunnyvale in securing grant monies to fully fund a Transit Village Study for the Lawrence Station Area;
2. Negotiate a Memorandum of Understanding between City of Santa Clara and City of Sunnyvale to develop the study for future City Council consideration; and
3. Authorize staff to begin working on the Study in cooperation with the City of Sunnyvale.

**EXECUTIVE SUMMARY:**

In November 2008, City of Santa Clara planning staff was approached by City of Sunnyvale staff to pursue a partnership in preparing a Lawrence Station Area Transit Study, as an effort to boost transit ridership. Since then, the City of Sunnyvale hired consultants to do a feasibility analysis to determine whether or not additional planning for this area is warranted. The attached Lawrence Station Area Transit Feasibility Study is the result of that effort. The main goal of the feasibility study was to suggest key land use strategies and to identify opportunity sites within the cities of Santa Clara and Sunnyvale to assess the financial feasibility of transit oriented development-compatible product types. This feasibility analysis concluded that there would be benefits for both cities to examine potential future land uses and develop opportunities in this area.

Earlier this year, the City of Sunnyvale secured a FY 2008-2009 Community Design & Transportation (CDT) Planning Grant Program from Valley Transportation Authority in the amount of \$150,000 to pursue planning and design work for the transit station area plan. The monies secured by City of Sunnyvale from this CDT are expected to cover a portion of the proposed study. Also, the City of Sunnyvale has applied for a \$250,000 grant from Caltrans. Even if the Caltrans grant is awarded, additional monies would be necessary to fully fund the Lawrence Station Transit Village Study project. At this time the City of Santa Clara has not committed any matching funds to the City of Sunnyvale.

City of Santa Clara staff has only agreed to participate in the jointly organized community outreach meeting scheduled for April 9, 2009 to get input from businesses and property owners

located within a half mile radius around the existing Lawrence Station, pending further direction from the City Council.

## **PUBLIC NOTICES AND COMMENTS**

A ten day notice of Lawrence Station Transit Village Study Joint Community Workshop was sent to property owners and tenants for both City of Santa Clara and City of Sunnyvale within a half mile radius of the Lawrence Station on March 27, 2009.

At the Community Workshop, City of Santa Clara and City of Sunnyvale staff jointly presented current land uses in the "study area", concepts and components for a transit oriented development, market and financial issues identified in the financial feasibility study, and next steps in the process of developing a multi-jurisdictional plan. Maps from the attached feasibility study were displayed at the meeting. Comments received from the community included:

- Concerns about transit commuters parking in the single family neighborhoods adjacent to the train station making on street parking unavailable;
- Lack of adequate bike and pedestrian access to the Station;
- Lack of adequate signage within the study area identifying the location of the station;
- Lack of easy accessibility to the station from City of Santa Clara;
- Lack of alternate modes of transportation like buses to transport people from the station to neighboring employment and entertainment destinations;
- Lack of sufficient senior and low income housing in the area;
- Preservation of existing single family residential neighborhoods;
- Provision of additional parking in the area around the station;
- Exploration of possibly working with Caltrain to increase the frequency of trains at the Lawrence Station;
- Provision of open spaces and green belts around the station; and
- Provision of amenities like eating establishments, coffee shops, and some retail, to serve people using the train.

The community members expressed their support for the idea of pursuing an in-depth study that would help address some of the concerns discussed above.

## **ATTACHMENTS RELATED TO THIS REPORT**

1. Lawrence Station Area Transit Oriented Development Study, City of Sunnyvale, March 2009.

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RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUNNYVALE AUTHORIZING THE FILING OF AN APPLICATION AND ACCEPTANCE OF FUNDING UNDER THE SANTA CLARA VALLEY TRANSPORTATION AUTHORITY (VTA) FISCAL YEAR 2008/2009 COMMUNITY DESIGN AND TRANSPORTATION (CDT) PLANNING GRANT PROGRAM FOR LAWRENCE STATION TRANSIT VILLAGE (PROJECT), AND COMMITTING THE NECESSARY LOCAL MATCH AND STATING ASSURANCE TO COMPLETE THE PROJECT.**

WHEREAS, the Santa Clara Valley Transportation Authority (VTA) has issued its General Call for Projects inviting applications for Fiscal Year 2008/2009 Community Design and Transportation (CDT) Planning Grant Program and the City of Sunnyvale (Applicant) has submitted an application to VTA for \$150,000 in funding for planning efforts towards Lawrence Station Transit Village (Project);

WHEREAS, the purpose of the grant program is to assist VTA Member Agencies, the cities, towns and county of Santa Clara, develop, refine and build on promising ideas and prepare those plans, projects, and policies for implementation or adoption;

WHEREAS, VTA awards grant funds to those projects that are creative, employ innovative and high-quality design, improve the pedestrian environment, enhance connections with transit facilities, make better use of land, infrastructure, and resources, and/or improve community mobility, livability, sustainability and sense-of-place;

WHEREAS, the Project pertains to a major transportation corridor, core area, or station area as defined in VTA's *CDT Manual of Best Practices for Integrating Transportation and Land Use*;

WHEREAS, the Applicant must clearly demonstrate how the Project supports and promotes the concepts and principles of VTA's Community Design and Transportation Program; and

WHEREAS, VTA requires a local match equal to 20 percent of the grant total and may consist of cash and/or Member Agency funds needed for staff time to perform the tasks of the Project and manage its development.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE THAT:

1. The City approves the filing of the application for up to \$150,000 in grant funds from VTA, contingent upon grant funds being available, and participation therein, consistent with constitutional and local law requirements and this resolution;

2. The City has reviewed, understands and to the extent consistent with all constitutional and local law requirements and this resolution agrees to the provisions contained in the application and program guidelines, documents and agreements;

3. The City of Sunnyvale appoints and authorizes the City Manager and his designee(s), and each of them as agent(s) of the City of Sunnyvale, to conduct all negotiations, execute and submit documents including, but not limited to, the standard agreement, applications, amendments, memoranda of understanding, payment requests and so on, which may be necessary for participation in and completion of the aforementioned Project, including any extensions or amendments thereof, subject to prior approval as to form by the City Attorney's Office;

4. The City of Sunnyvale has or will have available funds to provide a local match of 20 percent of the grant total, and to operate and maintain the project following its implementation; and

5. A signed copy of this resolution is transmitted to VTA in conjunction with the filing of the application.

Adopted by the City Council at a regular meeting held on \_\_\_\_\_, 2009, by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

ATTEST:

APPROVED:

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

\_\_\_\_\_  
Mayor

APPROVED AS TO FORM AND LEGALITY:

\_\_\_\_\_  
David Kahn, City Attorney

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUNNYVALE AUTHORIZING THE FILING OF AN APPLICATION AND ACCEPTANCE OF FUNDING UNDER THE CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS) FISCAL YEAR 2009/2010 COMMUNITY-BASED TRANSPORTATION PLANNING GRANT FOR LAWRENCE STATION TRANSIT VILLAGE (PROJECT), AND COMMITTING THE NECESSARY LOCAL MATCH AND STATING ASSURANCE TO COMPLETE THE PROJECT.**

WHEREAS, the California Department of Transportation (CALTRANS) has issued its Notice of Funding inviting applications for Fiscal Year 2009/2010 Community-Based Transportation Planning Grant Program and the City of Sunnyvale (Applicant) has submitted an application to CALTRANS for \$250,000 in funding for planning efforts for Lawrence Station Transit Village (Project);

WHEREAS, the purpose of the grant program is to fund planning projects statewide that support “livable” community concepts, coordinate land-use and transportation planning to improve mobility, access and safety, and promote community involvement;

WHEREAS, the Applicant must clearly demonstrate how the Project promotes federal and/or state transportation planning goals; and

WHEREAS, CALTRANS requires a local match equal to 20 percent of the grant total (of which one-half may be in-kind and one-half must be local funding), and local match funds cannot be State or federal, or money that has already been earmarked for other programs or projects.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE THAT:

1. The City approves the filing of the application for up to \$250,000 in grant funds from CALTRANS, contingent upon grant funds being available, and participation therein, consistent with constitutional and local law requirements and this resolution;

2. The City has reviewed, understands and to the extent consistent with all constitutional and local law requirements and this resolution agrees to the provisions contained in the application and program guidelines, documents and agreements;

3. The City of Sunnyvale appoints and authorizes the City Manager and his designee(s), and each of them as agent(s) of the City of Sunnyvale, to conduct all negotiations, execute and submit documents including, but not limited to, the standard agreement, applications, amendments, memoranda of understanding, payment requests and so on, which may be necessary for participation in and completion of the aforementioned Project, including

any extensions or amendments thereof, subject to prior approval as to form by the City Attorney's Office;

4. The City of Sunnyvale has or will have available funds to provide a local match of 20 percent of the grant total, and to operate and maintain the project following its implementation; and

5. A signed copy of this resolution is transmitted to CALTRANS in conjunction with the filing of the application.

Adopted by the City Council at a regular meeting held on \_\_\_\_\_, 2009, by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

ATTEST:

APPROVED:

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

\_\_\_\_\_  
Mayor

APPROVED AS TO FORM AND LEGALITY:

\_\_\_\_\_  
David Kahn, City Attorney

**RESOLUTION NO. 333-08**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
SUNNYVALE AUTHORIZING THE FILING OF AN APPLICATION  
FOR PRIORITY DEVELOPMENT AREA DESIGNATION UNDER  
THE FOCUS PROGRAM**

WHEREAS, the Association of Bay Area Governments and the Metropolitan Transportation Commission in coordination with the Bay Area Air Quality Management District and Bay Conservation and Development Commission (collectively, the "regional agencies") are undertaking a regional planning initiative called FOCUS; and

WHEREAS, FOCUS program goals support a future regional development pattern that is compact and connected; and

WHEREAS, the regional agencies seek local government partners to create a specific and share concept of where growth can be accommodated (priority development area) and what areas need protection (priority conservation area) in the region; and

WHEREAS, a priority development area must meet all of the following criteria: (a) within an existing community; (b) near existing or planned fixed transit (or served by comparable bus service); and (c) is planned, or is planning, for more housing; and

WHEREAS, local governments in the nine-county San Francisco Bay Area are eligible to apply for designation of an area within their community as a priority development area; and

WHEREAS, the regional agencies are committed to securing incentives and providing technical assistance to designated priority development areas so that positive change can be achieved in communities working to advance focused growth.

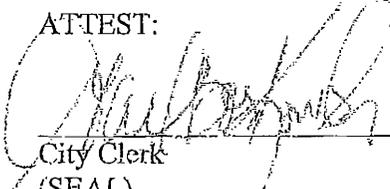
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE THAT:

1. The City Council supports the City's involvement in the FOCUS process and authorizes the execution and filing of an application for Priority Development Area Designation with FOCUS.
2. The City Council authorizes submitting an application to designate those areas within the City of Sunnyvale identified in Exhibit A attached hereto as priority development areas.
3. A copy of this resolution will be transmitted to FOCUS in conjunction with the filing of the application.

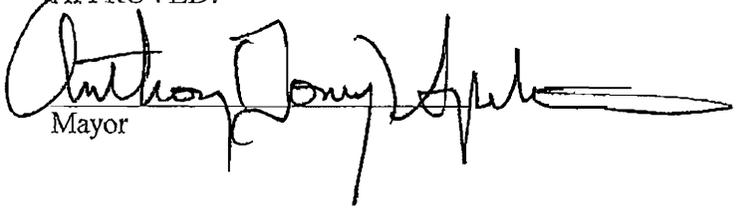
Adopted by the City Council at a regular meeting held on July 22, 2008, by the following vote:

AYES: SPITALERI, HAMILTON, HOWE, LEE, SWEGLES, MOYLAN, WHITTUM  
NOES: NONE  
ABSTAIN: NONE  
ABSENT: NONE

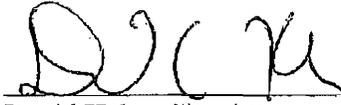
ATTEST:

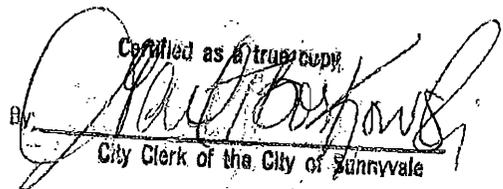
  
\_\_\_\_\_  
City Clerk  
(SEAL)

APPROVED:

  
\_\_\_\_\_  
Mayor

APPROVED AS TO FORM AND LEGALITY:

  
\_\_\_\_\_  
David Kahn, City Attorney

*Certified as a true copy*  
By   
\_\_\_\_\_  
City Clerk of the City of Sunnyvale