



File #: 23-0134, Version: 1

REPORT TO PLANNING COMMISSION

SUBJECT

Proposed Project: Related applications on a 0.93-acre site:

USE PERMIT for a new six-story hotel with 152 rooms, and

VARIANCE to allow 14.5% parking lot shading where a minimum of 50% is required.

Location: 1220 Oakmead Parkway (APN: 216-44-048)

File #: 2022-7080

Zoning: Industrial and Service (M-S)

Applicant / Owner: Arris Studio Architects (applicant) / BPR Properties UCSC LLC (owner)

Environmental Review: The project is consistent with the Land Use and Transportation Element (LUTE) of the City's General Plan and no additional environmental review is required pursuant to CEQA Guidelines Section 15183 and Public Resources Code Section 21083.3.

Project Planner: Kelly Cha, (408) 730-7408, kcha@sunnyvale.ca.gov

REPORT IN BRIEF

General Plan: Industrial

Existing Site Conditions: One-Story Commercial Building (Vacant)

Surrounding Land Uses

North: Three-Story Multi-Family Development

South: One-Story Office

East: Three-Story Office

West: One-Story Office

Issues: Architectural Design and Parking Lot Shading Requirements

Staff Recommendation: Alternative 1: Make the findings required to approve the CEQA determination that the project is consistent with the City's General Plan and no additional environmental review is required as noted in the checklist in Attachment 5, and approve the Use Permit and Variance based on the Recommended findings in Attachment 3, and Recommended Conditions of Approval in Attachment 4.

BACKGROUND

Description of Proposed Project

This project was continued from the December 12th Planning Commission public hearing.

The project site is 0.93 acres in size and is currently developed with a one-story vacant commercial building built in 1978. The project site is located at the corner of Oakmead Parkway and Lakeside Drive.

The proposed project includes the demolition of the existing one-story vacant commercial building

and the construction of a new six-story hotel with 152 rooms. The hotel is proposed to be 91,845 square feet in size, including one below-grade-level parking garage, with a height of 75 feet from the top of the street curb to the top of the tower element.

A Use Permit is required for hotel use in the Industrial and Service (M-S) zoning district. The applicant requests parking adjustments and has submitted a draft parking management plan demonstrating a lower parking ratio than the Sunnyvale Municipal Code (SMC) requires. The project also requests a Variance to allow 14.5% parking lot shading, where a minimum of 50% is required.

See Attachment 1 for a map of the vicinity and mailing area for notices and Attachment 2 for the Data Table of the project.

Previous Actions on the Site

There were several Planning approvals associated with previous uses:

- Miscellaneous Plan Permit (MPP) 1989-0645: Allowed walk-up service windows for a bank.
- MPP 1993-0207: Converted the bank building into a restaurant.
- Variance 1993-0208: Allowed a variance for parking requirements for the proposed restaurant.
- MPP 2012-7871: Allowed beer and wine sale.
- Sign 2012-7913: Two wall signs and one ground sign for the restaurant.
- Use Permit 2015-7044: Allowed general alcoholic sale in addition to beer and wine sale approved previously.

There are no active Neighborhood Preservation cases against the project site.

EXISTING POLICY

General Plan Goals and Policies

Key goals and policies from the General Plan Land Use and Transportation Element and Community Character which pertain to the proposed project are provided in Attachment 3.

Applicable Design Guidelines: The City's design guidelines provide recommendations for site layout, architecture, and design. The project's consistency with Citywide Guidelines are provided in Attachment 3.

ENVIRONMENTAL REVIEW

The project is consistent with the City's General Plan and no additional environmental review is required pursuant to CEQA Guidelines Section 15183 and Public Resources Code Section 21083.3 (see Attachment 5). Under Section 15183 of the CEQA Guidelines, projects that are consistent with the development density established by existing zoning or general plan policies for which an environmental impact report (EIR) was certified do not require additional environmental review, except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or its site. The consistency checklist prepared for the project (Attachment 5) demonstrates that all the project's significant impacts were either studied in the EIR that was adopted for the City's Land Use and Transportation Element (LUTE) or can be substantially mitigated by uniformly applied development policies or standards.

DISCUSSION

Use: The project includes the demolition of the existing one-story vacant commercial building and the

construction of a new six-story hotel with 152 rooms. A Use Permit is required for hotel use in the M-S zoning district. The Recommended Findings for the Use Permit are included in Attachment 3.

Site Layout: The project site is located on the southwest corner of Oakmead Parkway and Lakeside Drive. The proposed hotel building is U-shaped, with one level of underground parking with six levels of hotel rooms and amenities. The first floor contains the main lobby, the breakfast area, a 1,700-square-foot meeting room, a market space for customers, and other service and back-end spaces like offices, laundry, and food prep areas for hotel staff. The first floor has an open courtyard with an outdoor pool, patio area with firepits, and bar that can be accessed from the lobby (indoor) and the courtyard (outdoor). The second through sixth floors contain guest rooms, and the second floor contains a fitness center for customers. The second and sixth floors have green roof space with customer access. Vehicular access to the hotel and below-grade-level parking garage is provided on both street frontages. Pedestrian walkways provide direct access from the public sidewalks to the building entries. A trash enclosure and loading space for deliveries and services are located north of the underground garage ramp. New landscaping, including berms along the back of sidewalk, will be installed. Several surface parking spaces are proposed between the building and street frontages.

Architecture: The architectural style is considered contemporary and is distinctive from other buildings in the vicinity. The proposed hotel building would include a curtainwall system with dark bronze aluminum windows and storefront, brick veneer, precast concrete veneer, and opal and vintage wood fiber cement siding, along with different colors of painted stucco. The details and specifications of these materials can be found on Sheet A7 of the project's site and architectural plans in Attachment 7.

The building has a mix of horizontal and vertical rectangular-shaped elements. Each rectangular element has different materials to break the repetitiveness and reduce mass and bulk impact. The facade of the building, especially street-fronting facades, provides articulation that reduces the massing and creates a variety of interesting architectural elements around the building facades. The facade of the building also has multiple horizontal trim bands, which unite different rectangular elements of the building. The curtainwall tower in the northwest corner of the project site emphasizes the main entrance and helps direct vehicular and pedestrian traffic. The tower element has aluminum fins that help manage solar gain by providing shade but also help avoid large glazing.

The west elevation has a vertical element with opal-colored fiber cement panels, with five long and narrow windows where stairs are located. Although it uses fiber cement panels without any texture or design added to this element, this vertical element would look like a tall blank white wall, especially when viewed from a major arterial like Lawrence Expressway. To reduce the flat appearance, the applicant initially proposed a living wall. After receiving a comment from the Planning Commission at the study session in September that the living wall would cause maintenance concerns, the applicant requested to switch the proposed living wall to one with artificial plants. The applicant provided information about the high-quality artificial green wall materials (Attachment 11), but staff was concerned with the weathering of the materials because it is located outside and because of its massive size (five stories in height). Instead, it is recommended that the applicant continue to work with staff on an alternative design element, such as decorative metal wall panels or tile, that would create architectural interest and avoid a blank white wall (Condition PS-1 in Attachment 4).

Bird Safety Design: The project site is located more 300 feet away from the closest body of water and is not adjacent to a landscaped area, open space or park larger than 1 acre in size. As such, the

project adheres to the policies in Option 2, in that the project does not propose large, expansive glass even though there is a curtainwall in the corner. The proposed curtainwall contains smaller, divided glass windows with fins and panels to comply with the Bird Safety Building Design Guidelines that recommends avoiding large, expansive glass. The tower element also includes fins that would help with sunlight through the hotel rooms located in the tower but also help with potential glare as well. As conditioned, site lighting will not produce unwanted glare or light spillage. Light fixtures shall be fully shielded to ensure lighting is cast down.

In addition, the applicant provided the site-specific Avian Collision Risk Assessment report prepared by H.T. Harvey and Associates, prepared on December 22, 2022 (Attachment 10). The report states that the highest collision risk area of the building is at the northeast corner and along a portion of Level 1 of the north façade toward Oakmead Parkway, at the free-standing glass railings surrounding the Level 6 roof terrace, and at the transparent glass corner of the tower element. However, the report affirms staff's analysis by concluding that there will be a low risk of bird collisions due to the location of the project site and design elements of the building.

Development Standards

The project complies with the applicable development standards, such as lot coverage, height, setbacks, and landscaping. The Project Data Table in Attachment 2 summarizes the project's compliance with code standards. The proposed project includes a parking adjustment for providing fewer than the minimum required parking spaces, and a Variance for the parking area shading requirement.

Floor Area Ratio and Lot Coverage: The proposed hotel would be 91,845 square feet in total floor area. The City does not apply floor area ratio (FAR) standards to hotels. The lot coverage is 43.5%, which is consistent with the 45% maximum allowed in the M-S zoning district.

Height: The height of the proposed hotel would be 75 feet, measured from the top of the street curb to the top of the tower element. The proposed height is consistent with the standard 75-foot height limit.

Setbacks: The project meets all required setbacks for the M-S zoning district, including the increased front yard setback requirement of 35 feet for any industrial lots that front a public street with a right-of-way width of 86 feet or more. The right-of-way width of Oakmead Parkway is 100 feet.

Parking and Circulation: SMC Section 19.46.100 requires a minimum of 0.8 parking spaces per hotel room, which results in a minimum of 122 required parking spaces. The applicant requests a parking adjustment by providing 93 parking spaces, including 80 parking spaces within the underground parking level and 13 surface parking spaces in front of the building. The applicant submitted a draft Parking Management Plan (Attachment 8), which reviewed similar hotel development in the vicinity and determined that a lower parking rate of 0.6 parking spaces per hotel room would be appropriate for this location. The draft Parking Management Plan also includes a recommendation for self-parking tickets, valet services for customers, and shuttle services.

The draft Parking Management Plan states that the City's minimum parking ratio assumes 100% parking occupancy, whereas the occupancy level for suburban hotels like the proposed project is at 66.2%. The report surveyed 27 similar projects and found the typical parking occupancy was at 84%. The proposed 92 parking spaces would be sufficient for the proposed 152-room hotel as

the minimum parking requirement also does not consider the recent trend of ride-hailing services such as Uber and Lyft, which also reduces parking demand. The Planning Commission previously has approved a similar hotel project with the 0.6 parking ratio at 1296 Lawrence Station Road (Planning Permit #2017-8060), which was approved in August 2020.

The preliminary parking lot striping plan shows compliance with parking lot design requirements. As conditioned, a final parking lot striping plan demonstrating conformance to SMC 19.46 and Citywide Design Guidelines would be reviewed by staff prior to the approval of a building permit.

The project also includes 10 electric vehicle (EV) parking spaces, with four being surface parking spaces and six in the below-grade parking garage. This is double the minimum required for the project. In addition to 10 EV parking spaces, 30% of the total parking provided (approximately 22 parking spaces) would be installed EV-ready.

SMC Section 19.46.150 requires a minimum number of bicycle parking spaces equal to 5% of the number of parking spaces provided or five bicycle spaces for the project. The project exceeds the number of bicycle parking requirements by providing eight Class I and eight Class II bicycle parking spaces.

Landscaping: The applicant has submitted a preliminary landscape plan that complies with the SMC standards for water-efficient landscaping. The Code requires 20% of the lot area or 10% of the total floor area, whichever is more, to be landscaped. For the proposed project, 10% of the total floor area (9,185 square feet) requires more landscaped area than 20% of the lot area (8,063 square feet). The project is designed with 9,264 square feet of landscaped area, which is 10.8% of the total floor area proposed and complies with the minimum landscaping area requirement. In addition to the ground-level landscaped area, the project also includes green roofs on top of the porte cochere and on the second and sixth floors of the hotel. The green roofs on the second and sixth floors are accessible by the guests.

Parking Lot Shading: SMC Section 19.46.120(g) states that at least 50% of the parking area should be shaded by trees within 15 years at its maturity, and up to 25% of the minimum 50% shading requirement may be met with a solar energy system instead of trees if chosen. The parking area shading requirement is to mitigate the heat island effect from conventional asphalt pavement surfaces that absorb the excess heat in the daytime and increase temperatures.

The proposed project provides 14.5% shading of the surface parking area. The site is a corner lot with landscaping berms fronting Oakmead Parkway and Lakeside Drive. The landscaped berms are 15 feet deep along Oakmead Parkway and almost 20 feet deep along Lakeside Drive, totaling approximately 4,593 square feet. The landscaped berms cover over 11% of the project site and further reduce the developable area for the project site. All landscaped berms are restricted from any new structures or trees because of the Public Utilities Easements (PUEs) covering them. Because of the restrictions imposed by PUEs, no new trees can be planted to increase the parking area shading, and no replacement trees with a larger canopy can be made on the landscaped berms to provide more shading for the site. The applicant would have to provide a substantial area to be landscaped to support planting new larger canopy trees to meet the minimum shading requirement, and it would make the development of the proposed project infeasible because the available land area for the hotel building would be significantly reduced. Additionally, almost 86% of the provided parking area is in the below-grade-level parking garage, and the parking area on the surface is limited.

The applicant proposes using a cool pavement seal coat product called CoolSeal for the entire surface area of the project site, including the parking area and drive aisle, to mitigate the heat island effect. CoolSeal is a high-performance asphalt-based seal coat designed to achieve low surface temperatures through its lighter color and reflectivity. It may reduce surface temperature by 10 to 25 degrees Fahrenheit, and the EPA specifies that reflective pavements can help mitigate the heat island effect. It also meets LEED and EPA requirements of 33% reflectivity and does not produce glare for drivers or pedestrians. In addition, it is a sustainable option because it could also reduce the temperature of stormwater runoff, improve water quality, increase nighttime visibility, and provide energy savings. The proposed project can earn up to three LEED points by installing this cool pavement seal coat. The entire parking area surface will be applied with the cool pavement seal coat. Application of the cool pavement seal coat would achieve the goal of the parking area shading requirement and reduce the temperature of conventional asphalt pavement. More information on the proposed CoolSeal product can be found in Attachment 9.

Because of the location and size of the PUEs on the project site that prohibit planting new trees or replacing existing trees with larger canopies, staff finds that the strict application of the parking lot area shading requirement would deprive the property owner of privileges enjoyed by other properties in the vicinity and within the same zoning district. The applicant proposes the cool pavement technology be applied on the entire surface area of the proposed project, which would achieve the intent and purpose of the parking area shading requirements by reducing the temperature and not be materially detrimental to the public welfare or injurious to the property, improvements, or uses in the vicinity and within the same zoning district. In addition, a similar deviation was approved with the cool pavement material previously at 1390 Borregas Avenue (Planning Permit #2019-7071).

Tree Preservation: An arborist report was prepared by WLCA, dated October 12, 2021 (Attachment 12). It surveyed a total of 20 on- and off-site trees, of which 10 are located on the project site. Of the 10 trees on the project site, two trees are considered protected under SMC Chapter 19.94. A protected tree is defined as having a trunk size of at least 38 inches in circumference, as measured 4.5 feet from the ground. The arborist report identified that the two protected trees on the project site will be removed due to declining health from damaged root system damage (Tree #56, *Magnolia grandiflora*) and conflict with the proposed building location (Tree #57, *Pyrus kawakamii*). Along with the two protected trees, three non-protected trees and one street tree will be removed as part of this project. The project proposes to plant four 36-inch box trees and one 15-gallon tree as replacement trees for the removed protected trees.

Stormwater Management: The Municipal Permit for stormwater discharge requires all treatment be achieved through Low Impact Development (LID) measures such as infiltration, harvesting use and biofiltration and limits the use of mechanical treatment. A preliminary Stormwater Management Plan (SWMP) has been provided, which demonstrates compliance with LID requirements by incorporating infiltration basin into the landscaped area. A third-party certification of a final SWMP is required prior to issuance of building permits.

FISCAL IMPACT

The proposed project is anticipated to have a positive fiscal impact on the City in the long term. The estimated transient occupancy tax is projected to generate \$1,521,900 for the proposed hotel based on the anticipated nightly rate of \$285.00.

The transportation impact fee for this project is estimated to be \$315,367.10 and the housing impact fee to be \$846,034.00. These impact fees must be paid prior to issuance of a building permit. The amount is subject to fees in place at the time of building permit submittal.

PUBLIC CONTACT

Community Outreach Meeting

The applicant held a virtual community outreach meeting on January 29, 2020, via Zoom. Two community members attended the meeting. One community member who identified as a resident nearby asked when the construction would start for this project, and the applicant responded he anticipates the construction would start in the third quarter of 2023 and the opening of the proposed hotel in the third quarter of 2025.

Planning Commission Study Session

Staff presented the project to the Planning Commission at a Study Session on September 26, 2022. The Planning Commission generally supported the project's architectural style and use. However, the Planning Commission was concerned about the maintenance of the proposed green wall on the west side of the hotel toward Lawrence Expressway. The Planning Commission also recommended the applicant consider options to reduce the heat island effect, such as replacing surface parking with more trees or installing solar panels. The Planning Commission asked for more information on the cool pavement material. The Planning Commission also commented that the EV charging requirements seem low for this project's size and for the proposed use. The applicant agreed to increase the number of EV-ready parking spaces.

Public Comments

As of the date of staff report preparation, staff has received no comment letters.

Notice of Public Hearings

- Published in the Sun newspaper
- Posted at the site
- 2,241 notices were mailed to property owners and tenants within 2,000 feet of the project as shown in Attachment 1
- Published a continuance report with a new public hearing date of January 9, 2023

Staff Report

- Posted on the City of Sunnyvale's website

Agenda

- Posted on the City's official notice bulletin board
- Posted on the City of Sunnyvale's website

ALTERNATIVES

1. Make the findings required to approve the CEQA determination that the project is consistent with the City's General Plan and no additional environmental review is required as noted in the checklist in Attachment 5, and approve the Use Permit and Variance based on the Recommended Findings in Attachment 3, and Recommended Conditions of Approval in Attachment 4.
2. Make the findings required to approve the CEQA determination that the project is consistent

with the Land Use and Transportation Element (LUTE) of the City's General Plan and no additional environmental review is required as noted in the checklist in Attachment 5, and approve the Use Permit and Variance based on the Recommend Findings in Attachment 3, and modified Recommended Conditions of Approval.

3. Do not make the required findings and direct staff where changes should be made.
4. Deny the project.

STAFF RECOMMENDATION

Alternative 1: Make the findings required to approve the CEQA determination that the project is consistent with the City's General Plan and no additional environmental review is required as noted in the checklist in Attachment 5, and approve the Use Permit and Variance based on the Recommended Findings in Attachment 3, and Recommended Conditions of Approval in Attachment 4.

Prepared by: Kelly Cha, Associate Planner

Reviewed by: Noren Caliva-Lepe, Principal Planner

Reviewed by: Shaunn Mendrin, Planning Officer, Community Development

ATTACHMENTS

1. Noticing and Vicinity Map
2. Project Data Table
3. Recommended Findings
4. Recommended Conditions of Approval
5. CEQA Consistency with the Land Use and Transportation Element (LUTE) EIR
6. LUTE Mitigation and Monitoring Reporting Program
7. Project Site and Architectural Plans
8. Draft Parking Management Plan
9. CoolSeal by Guardtop Brochure
10. Avian Collision Risk Assessment
11. Sample Photo of Artificial Green Wall Material
12. Arborist Report