

- 4 [14-0834](#) File#: 2013-7525
Name: Landbank Central & Wolfe Campus
Location: Southeast corner of N. Wolfe Road and E. Arques Avenue
(APNs: 205-33-002, 205-33-005, 205-33-007, 205-33-009, 205-33-010, 205-33-011, 205-33-012, 205-33-013, and 205-33-014)
Proposed Project: Consideration of applications for a 17.84 acre site (previous consideration on August 25, 2014 failed to receive required four votes):
REZONING to change the zone from M-S to M-S/FAR 100%;
DESIGN REVIEW to allow the development of a 777,100 square foot, six story office complex and associated parking and onsite amenities;
VESTING TENTATIVE PARCEL MAP to consolidate the existing lots and street into a condominium subdivision, including the abandonment of Santa Ana Court; and
DEVELOPMENT AGREEMENT between the City of Sunnyvale and Landbank Investments, LLC.
Applicant/Owner: Scott Jacobs, Landbank Investments, LLC
Environmental Review: ENVIRONMENTAL IMPACT REPORT (the EIR was recommended for certification by the Planning Commission on August 25, 2014)
Staff Contact: David Hogan, 408-730-7440, dhogan@sunnyvale.ca.gov

Kathryn Berry, Senior Assistant City Attorney, provided a summary of the previous consideration of this item at the Planning Commission meeting of August 25, and the reason it must be reconsidered at this meeting.

David Hogan, the project planner, presented the staff report and discussed the changes made to the staff report since its previous consideration.

Comm. Simons verified the width of the sidewalks with Manuel Pineda, Director of the Public Works Department. Comm. Simons discussed with Mr. Hogan Condition of Approval (COA) BP-20 which requires examination of the site for bat colonies, and confirmed that although the proposed Floor Area Ratio (FAR) is 100%, the Transportation Demand Management (TDM) program would be reduced to a 70% FAR level. Comm. Simons also confirmed with Trudi Ryan, Planning Officer, that converting parking spaces to storage for bicycles is acceptable if needed in the future to support a TDM program, and confirmed with staff the allowed locations of onsite electrical service utility vaults.

Comm. Harrison confirmed with Mr. Hogan that should the project not start within three years, the Development Agreement would extend the life of any entitlements for the duration of the agreement, and Mr. Hogan clarified the annual escalation of fees for constructing required public improvements. Comm. Harrison also confirmed with Mr. Hogan that reclaimed water is currently in north Wolfe.

Comm. Klein discussed with Ms. Ryan the height limitation difference between a rezone and a use permit. Comm. Klein confirmed with Mr. Hogan that the lack of an Alternative to deny the rezone was merely an oversight, and discussed with Ms. Ryan the penalties for non-compliance with the TDM program. Comm. Klein confirmed with Mr. Pineda which turn lanes would require improvements and potential right-of-way acquisition from adjacent property owners. Comm. Klein discussed with Mr. Hogan the proposed terra cotta baguette screen around the parking garage.

Vice Chair Olevson and Mr. Pineda discussed the interaction of vehicles exiting the proposed project and current roadway striping, and discussed the distance between the westernmost exit and the nearby intersection. Vice Chair Olevson clarified with staff the purpose of creating four condominium lots, and also clarified with Ms. Ryan that the project is required to have no more traffic than a project with 70% FAR.

Comm. Durham confirmed with Mr. Hogan that the project's TDM program is not built around the Bay Area Air Quality Management District's (BAAQMD) new standards for TDM programs. Comm. Durham discussed with Mr. Pineda allowing additional capacity for left turns from southbound Wolfe onto eastbound Central.

Comm. Harrison confirmed with Mr. Pineda that the project would be required to widen the off-ramps from Central onto Wolfe, that the County is supportive of the conceptual plans for this improvement and that the developer's engineer is responsible for obtaining the County permit. Comm. Harrison also confirmed with Mr. Pineda that the Valley Transportation Authority (VTA) agreed with the rationale for relocating the bus shelter, and discussed with Ms. Ryan tenant options for providing shuttles to CalTrain stations. Comm. Harrison discussed with Mr. Pineda potential traffic improvements that would make access to, and use of, Central Expressway easier.

Vice Chair Olevson clarified with Ms. Ryan that annual review of the Development Agreement for compliance would not revisit the terms, but would just ensure they are being observed.

Comm. Simons and Ms. Ryan discussed the allowable and expected signage of the building.

Chair Melton opened the public hearing.

Scott Jacobs, CEO of Landbank Investments, provided information about, and presented illustrations of, the proposed project.

Vice Chair Olevson confirmed with Mr. Jacobs that rooftop gardens and solar panels are included in the project, and that because a tenant has not yet been determined, means to reach a TDM program goal of 70% FAR have not been finalized. Vice Chair Olevson confirmed with Ryan Bernal, with BKF, that increased exit widths will be integrated into the base plan for construction.

Comm. Klein discussed the design of the parking structure with Paul Woolford, with HOK, and discussed with Mr. Jacobs the cost and possibility of the construction of underground parking.

Comm. Simons confirmed with Mr. Jacobs that there is no finalized tenant signage plan, and discussed with Kathy Doi, with HOK, the art program planned for the site. Comm. Simons and Mr. Hogan discussed the mitigation measure requiring the survey of the site for bat colonies, and discussed with Ms. Ryan the zoning code requirement that any project exceeding 70% FAR must have a 70% FAR TDM program.

Comm. Harrison asked if onsite amenities would be accessible to off-campus people, to which Mr. Jacobs responded that it is dependent on the tenant. Comm. Harrison and Mr. Woolford discussed potential for additional pedestrian access from the edge of the proposed campus into the center and discussed with Ms. Ryan the projected housing mitigation funds coming from the project.

Comm. Rheaume confirmed with Mr. Jacobs that several offsite gaps in sidewalks and bike paths would be closed via project improvements, and that these improvements are in required in the COAs.

Holly Lofgren, a Sunnyvale resident, expressed her concerns about the project, and said that she opposes it.

Otto Lee, a Sunnyvale resident, discussed his support for the project, and added that he is also concerned about the potential increase in traffic.

In response to an earlier question, Ms. Ryan clarified the means for measuring building heights.

Mr. Jacobs read from letters of those who support the project and reiterated the contributions the project would make to City programs.

Chair Melton closed the public hearing.

Comm. Harrison and Ms. Ryan discussed penalties for non-compliance with TDM programs.

Comm. Klein and Ms. Ryan discussed the location of other properties within the City that are zoned M-S/100% FAR.

Comm. Durham discussed with Mr. Pineda the potential routes of traffic exiting the project to get onto Central Expressway.

Comm. Rheume moved to recommend to City Council Alternative 1 to Introduce an Ordinance to Rezone the property to M-S/100%FAR; Approve the Design Review and Vesting Tentative Parcel Map with Conditions of Approval in Attachment 4; and Introduce an Ordinance Approving a Development Agreement.

Comm. Simons seconded.

Comm. Rheume said this is a beautiful and innovative design that will hopefully raise the bar on other commercial developments in the City, and that he also has concerns about the added traffic. He said younger generations are on their bikes, while older generations are used to being in their cars and he struggles with not seeing beyond the car. He said this area is close enough to the CalTrain stations and he would love to have very clear bike paths to each station, but that he also has confidence in staff, the applicant and whoever will lease out the buildings that a comprehensive TDM plan will be put in place. He said if employees cannot get to work the tenant will need to address that.

Comm. Simons offered a friendly amendment to add to COA BP-40 that, if it is needed in the future, vehicle parking can be replaced with additional secure bicycle parking, subject to approval of the Director of Community Development

Comm. Rheume accepted.

Comm. Simons recommend the applicant consider non-uniform, or motion, designs for the parking garage.

Comm. Rheume accepted.

Comm. Simons recommend the applicant consider integrating the required art into the building.

Comm. Rheume accepted.

Comm. Simons offered a friendly amendment to increase the Transportation Demand Management program to 35%.

Staff requested time to discuss this amendment.

Comm. Simons said the landscape plan for this project is the most intelligent one he has seen for a large development in Sunnyvale, and that oftentimes projects this size have international designers and developers come into the City to remake other cities and end up planting landscaping that does not grow in Sunnyvale. He noted that one project in particular planted trees costing over \$50,000 each and all 20 plus died. He said the landscaping may be there perhaps even longer than the building. He said his request for a greater TDM program is due to the extreme change in use at this site and the expectation that the project will intensify this spot and create a higher level of demand for transportation in this area. He said Wolfe is already highly impacted and it would be a benefit to the developer to work toward a higher TDM. He said he can support the motion with amendments easily, and that the project will be a desirable business site.

Ms. Ryan explained that if the Planning Commission recommends a higher TDM, it is better to recommend to City Council incorporating the increase in the Development Agreement, and not as a COA.

Comm. Simons said he would like to make this recommendation his friendly amendment, and Comm. Rheume accepted.

Comm. Harrison said she will be supporting the motion, and appreciates that this is an energy and water efficient project that is beautiful and has unique architecture. She said she also appreciates that it is well thought through in terms of the amenities, parking and materials, and that her only concern is traffic. She said that she is confident that we can work it out with the assurances of staff that they, the County and the applicant can figure out single vehicle access and that the

Transportation Impact Fees can fund needed improvements. She said she is also confident that traffic will be worked out if the TDM program reduces single-occupant vehicle trips, and that this project is designed for tenants who want to employ millennials, who do not drive and will become three-quarters of the work force in the next ten years

Comm. Klein offered a friendly amendment to reexamine the color and exterior design of the parking structure to be reviewed by the Director of Community Development.

Comms. Rheume and Simons accepted.

Comm. Klein recommended that City Council remove the appropriate square footage from the Development Pool.

Comms. Rheume and Simons accepted.

Comm. Klein said what he likes about the project are the LEED platinum building, the aesthetics, the open space increase, the fees that will be paid to the City, the increased TDM levels and the help that it will be to the economy, but that he will not be supporting the motion. He said this is a case of spot zoning to a large degree, and that there is a large percentage of single-family residential zoning to the north and south of the project. He said that all of the sites zoned 100% FAR in the City are along the Mathilda corridor, that the reasoning behind recommended approval of this project is that it is 1.4 miles from CalTrain stations, but that a 1.4 mile radius encompasses a lot of land. He said that while this project has many pluses, it would set a dangerous precedence that may allow any site somewhat close to transit to be rezoned M-S/100% FAR with the appropriate TDM plan in place. He added that traffic is already bad at the corner of Arques and Wolfe, that the left turn lanes are not fully worked out, and that as much as transportation impacts might be reduced with the TDM plan, there will still be an effect. He said that adding this heavy intensity campus on Wolfe and the heavy intensity Apple campus also along Wolfe will make this corridor a dramatically difficult area. He added that this is not the right place in for this project in Sunnyvale, and that Arques is not truly an industrial, high-commercial area, which is why we have Peery and Moffett Parks.

Vice Chair Olevson said he will be supporting the motion, and this his concern with this item at the previous meeting was that he did not have sufficient time to review the Development Agreement and its implication to the City, and that having done that he believes this project is a good one for the City. He said he recognizes that we are looking at a change in the zoning, that down Arques he sees a lot of high

tech companies in older buildings, and this project would change the character of Sunnyvale into a high tech City. He said he appreciates that parking is out of sight, and added that the project has a nice design and has come a long way to be environmentally sound with the solar and rooftop area being added to the building.

Comm. Durham said he will be supporting the motion, and that Wolfe needs more work for cyclist safety, which may mean removing some more parking for dedicated bike lanes. He noted that the bike lane ends on Wolfe where it meets with Fair Oaks and there is no way through, and that some of this may be mitigated with future channel work. He said he would like to see the possibility of prohibiting left turns from the former Santa Ana Court onto Arques as he thinks it is too close to the intersection to make the left across four lanes of traffic, especially at rush hour. He said he likes the design of the project, the solar features, open space and keeping the mature trees which will make it look like an established property from the get go. He added that he is not sure how to deal with the traffic issue and hopes the plans work.

Chair Melton said he will be supporting the motion, and that while some may see this second public hearing on this project as a result of a procedural error, he views it as taking the time to get the best possible project. He said he can make the findings and is on board with doing this as a rezone because of the major policy shift. He said he appreciates that no deviations are requested, and that he sees a lot of public benefit coming from this project. With regard to the TDM change, he appreciates the staff suggestion to incorporate it into the Development Agreement. He said he also appreciates that the architectural design does not overuse glass, and thanked the members of the public for coming out to speak.

MOTION: Comm. Rheume moved to recommend that City Council Introduce an Ordinance to Rezone the property to M-S/100%FAR; Introduce an Ordinance Approving a Development Agreement; and Approve the Design Review and Vesting Tentative Parcel Map with modified Conditions of Approval:

- 1) Add to BP-40 that if needed in the future, replace vehicle parking with additional secure bicycle parking, subject to approval of the Director of Community Development;
- 2) Recommend the applicant consider non-uniform, or motion, designs for the parking garage;
- 3) Consider integrating the required art into the building;
- 4) Increase the Transportation Demand Management program to 35% in the Development Agreement;
- 5) Reexamine the color and exterior design of the parking structure to be reviewed by the Director of Community Development; and

6) Recommend that City Council remove the appropriate square footage from the Development Pool.

Comm. Simons seconded. The motion carried by the following vote:

- Yes:** 6 - Chair Melton
Vice Chair Olevson
Commissioner Durham
Commissioner Harrison
Commissioner Rheaume
Commissioner Simons
- No:** 1 - Commissioner Klein