



# City of Sunnyvale

## Agenda Item

16-0272

Agenda Date: 6/13/2016

### REPORT TO PLANNING COMMISSION

#### SUBJECT

**File #:** 2015-7400

**Location:** 1184 N. Mathilda Avenue (APNs: 110-25-042, 110-25-49, and 110-25-55)

**Zoning:** Moffett Park Specific Plan Transit Oriented Development (MP-TOD)

**Proposed Project:** Related applications on a 19.31-acre site:

**SPECIAL DEVELOPMENT PERMIT:** to demolish a portion of the existing surface parking and construct a new 248,259 square foot, five story office building over three stories of parking with additional rooftop and underground parking and reconfiguration of the surface parking lots within the existing office campus.

**Applicant / Owner:** FSP-Sunnyvale Office Park, LLC (owner) /Jeffery Jacobsen, Commonwealth Partners (applicant)

**Environmental Review:** Mitigated Negative Declaration

**Project Planner:** Margaret Netto, Project Planner, (408) 730-7628, mnetto@sunnyvale.ca.gov

#### REPORT IN BRIEF

**General Plan:** Industrial

**Existing Site Conditions:** Existing office buildings and parking lot

**Surrounding Land Uses**

**North:** Industrial (Juniper Networks)

**South:** Industrial (office building)

**East:** Industrial (Kinetic Technologies)

**West:** Industrial (across Mathilda Juniper Networks)

**Issues:** Traffic and Tree Preservation

**Staff Recommendation:** Adopt the Mitigated Negative Declaration, make the necessary California Environmental Quality Act findings in Attachment 3 and approve the Special Development Permit with recommended findings in Attachment 3 and the Recommended Conditions of Approval in Attachment 4.

#### BACKGROUND

**Present Site Conditions**

The site is located on the west side of Mathilda Avenue, approximately ¼ mile north of the intersection of US Highway 101 and State Highway 237, across from the Lockheed Martin VTA light rail station, within the Moffett Park Specific Plan area. The 19.31-acre project site consists of four parcels currently occupied by three existing office buildings (1184, 1194 and 1220 N. Mathilda Avenue) and associated parking lots and is surrounded by office and industrial development. These properties are located within the Moffett Park Specific Plan and share the same zoning designation, Moffett Park Transit-Oriented Development (MP-TOD).

The proposed building would replace a portion of the existing surface parking lot located behind the

16-0272

Agenda Date: 6/13/2016

office building at 1194 N. Mathilda Avenue. The three existing buildings are to remain. They were constructed between 2000 and 2002 and are all four-stories totaling 424,815 square feet.

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

#### Description of Proposed Project

The project includes construction of a new 248,259 square foot, five-story office building over three levels of parking with additional rooftop and underground parking and reconfiguration of the surface parking lots within the office campus. The project includes space for office, research and development and amenities (café, cafeteria and fitness center). Open landscaped and patio areas at the ground level and upper level of the project are also included. The applicant's proposed plans are found in Attachment 7.

Access to the project site is via two existing driveways on Mathilda Avenue, and two reconfigured driveways from 5<sup>th</sup> Avenue (a private street) with internal pedestrian and vehicular circulation throughout the office park. One of the driveways on 5<sup>th</sup> Avenue will provide access to the new building's structured parking.

The project includes sidewalks surrounding the office building, with connections to the existing sidewalks on 5<sup>th</sup> Avenue. The sidewalks on the project site provide pedestrian connections to the main office entrance. Pedestrian access to the underground parking garage would be provided by a centrally located elevator and two staircases, one on either side of the garage.

Visitors would access the office from the main lobby located mid-way on the west facing side of the building. The lobby level contains office use and garage elevator and one level of parking.

#### Moffett Park Specific Plan/Green Building Program/Community Benefits

The project site is located within the MP-TOD zoning district and requires a Major Moffett Park Special Development Permit (SDP). A standard FAR of 50 percent is permitted in the MP-TOD district, with 70 percent FAR allowed if the project meets Leadership in Energy and Environmental Design (LEED) Gold USGBC certification pursuant to Sunnyvale's Green Building Program. An additional 10 percent FAR (for a total of 80 percent for the project site) is allowed subject to City Council approval. In order to receive the additional 10 percent FAR, the project must attain additional sustainable or community benefit element.

The application includes the following sustainability and community benefit features (see Attachment 6):

- New building and tenant improvements in new building will meet enhanced LEED Gold (at least 70 points where 60 are required to meet LEED Gold)
- Future tenant improvements for the existing buildings will be at least to the Version 3 LEED Gold level, with verification by a LEED AP.
- Recycled water pipe will extend across the entire Mathilda frontage
- Publically usable bicycle lanes will be added along 5<sup>th</sup> Avenue
- \$2 million is offered to cover the costs of three public safety officers, at the new Fire Station #5, for approximately three years of staffing.

16-0272

Agenda Date: 6/13/2016

Design review is conducted as part of the SDP. In order to approve the SDP the following findings must be met:

- The project attains the objectives and purposes of the MPSP; and
- Ensure that the site improvements, general appearance of proposed structures, and the uses to be made of the property to which the application refers, will not impair the orderly development of, or the existing uses being made of, adjacent properties.

Recommended findings for the Special Development Permit are in Attachment 3.

The City Council hearing is June 28, 2016.

#### Development Reserve

The Development Reserve is the primary land use tool for implementing the vision of the MPSP of redeveloping as a high technology office and R&D area with smart growth principles. The Development Reserve sets aside square footage that is available on a first come/first serve for individual projects within the MP-I (except military parcels) and MP-TOD. Approved access to the reserve allows a project to exceed the base FAR for the site up to the maximum allowable zoning. Square footage over the base zoning allowance (50 percent FAR in this case) would be subtracted from the MPSP Development Reserve.

The MPSP was adopted with a total build-out of 24.33 million square feet, with a base zoning square footage of 18.89 million square feet. This left approximately 5.44 million square feet to achieve maximum build out and was defined as the MPSP Development Reserve.

At this time, the remaining Development Reserve is approximately 1,421,000 square feet-however another project (Moffett Towers 2) is going through the entitlement process (and would be considered by City Council after this subject project is reviewed by the Planning Commission) which would reduce the balance to about 693,600 square feet. The 1184 N. Mathilda project proposal would take 248,259 square feet of the reserve leaving a balance of 445,307 square feet. There is one other pending application that would request square footage from the development reserve: NetApp Site 2 (about 178,600 requested from the reserve). Once the development reserve is depleted, an option for exceeding the base FAR would be the transfer of development rights (i.e., purchasing the rights from another site where an owner does not want to use the entire base zoning).

#### EXISTING POLICY

The Moffett Park Specific Plan implements the goals and policies of the General Plan for properties within the plan area. Office use is encouraged to locate in the Moffett Park Specific Plan area, particularly near light rail stations and zoned MP-TOD. The proposed project will provide Class A office use within close proximity to surrounding office, R&D, and industrial uses in Moffett Park, and will update and enhance the character of the site, streetscape, and surroundings. Key objectives and purposes from the Moffett Park Specific Plan that pertain to the proposed project are provided in the recommended findings (Attachment 3).

The Moffett Park Specific Plan includes Design Guidelines that provide recommendations for site planning, architecture, landscaping and site amenities, sustainable design and green building techniques, and artwork in private development. The Citywide Design Guidelines provide additional recommendations for site planning, architecture and design. The Parking Structure Design

16-0272

Agenda Date: 6/13/2016

Guidelines provide recommendations to ensure that new parking structures complement the scale and character of nearby development, provide a high level of design quality, and ensure sensitivity to the adjacent pedestrian environment and street character.

The project is located within 300 feet of an open space area (Juniper Networks landscape field on the west side of Mathilda Avenue), the Bird-Safe Design Guidelines have been incorporated in the project design.

Findings related to the general site plan and architectural design and bird-safe design are in Attachment 3.

#### Site Design and Architecture

The project site is located behind an existing building at 1194 N. Mathilda Avenue. Access to the site is from 5<sup>th</sup> Avenue off of N. Mathilda Avenue. The proposed building siting is consistent with the Moffett Park Specific Plan design guidelines to orient towards 5<sup>th</sup> Avenue with close and convenient pedestrian access from building entrances to sidewalks leading to the Lockheed Martin VTA light rail station, located approximately a ¼ mile away to the west. Bicycling is encouraged through adequate bicycle parking onsite. Surface parking, loading areas, and the parking structure are concealed from street view by the placement of the building along the project frontage. The main vehicular pick-up and drop-off and surface parking areas are also located in front of the building with a decorative paving system. A front plaza serves as the focal point to the project with passive seating. The outside front lobby wall incorporates a living wall creating the base of the building.

The architectural style for the office building is considered to be contemporary. The style is compatible with the existing office buildings in the Moffett Park area. The proposed office building uses high-quality materials of vision glass, concrete panel, aluminum composite pane, resin panels and pre-cast concrete panels. Substantial vision glass is used throughout the project's main floors with metal sun shades and precast texture panels and aluminum composite panels. Articulation is also provided through changes in wall planes, placement of the building on top of the garage, balconies and green roof deck.

The parking structure incorporates design features from the building including the resin panels and the precast concrete panels. Resin panels and dense landscaping are prevalent on three sides of the structure to soften its elevations.

The pedestrian experience in the plaza area includes bench seating, trees, landscaping and pedestrian-scale lighting in the plaza.

#### Development Standards

The project complies with the applicable development standards in the Municipal Code and Moffett Park Specific Plan, such as lot coverage, setbacks, parking, and landscaping. The Project Data Table in Attachment 2 summarizes the project's compliance with code standards.

#### Height

The height of the proposed office building would be 126 feet 6 inches from the top of the street curb to the top of the photovoltaic panels and mechanical penthouse. The height to the top of the building would be 115 feet 8 inches. The proposed height exceeds the standard 75-foot height limit specified in the Municipal Code and can be considered through a Major MP-SDP. The project is designed well

16-0272

Agenda Date: 6/13/2016

and complements the existing architecture.

In Moffett Park, there are a total of 34 buildings built, planned, approved, or under construction with an average height of 115 feet (ranging from 60 feet to 130 feet) developed. The majority of recently-approved projects and projects in the review pipeline are close to the maximum allowable height limit of 130 feet with a MP-SDP, and this is expected to continue as existing low-rise industrial properties redevelop with taller Class A office buildings.

The Federal Aviation Administration (FAA) has conducted an aeronautical study of the proposed project and revealed that the proposed building heights do not exceed obstruction standards and would not be a hazard to air navigation. The FAA also found that marking and lighting on the structure are not necessary for aviation safety. The project is located outside of the Airport Safety Zones.

#### Parking and Circulation

The Sunnyvale Municipal Code requires a minimum of 2,212 total auto parking spaces (3.3/1,000 square feet) and a maximum of 2,692 total auto parking spaces (4/1,000 square feet) for the entire site which includes the three existing buildings. The project complies with the parking requirement by providing 2,212 total auto parking spaces (1,329 parking structure spaces and 883 surface parking spaces). The project includes 67 electric vehicle charging spaces (3 percent) would meet the Municipal Code required for pre-wiring only of three percent of the spaces. The Moffett Park Specific Plan requires one bicycle parking space per 6,000 square feet (75 percent Class I (secured) bicycle parking space and 25 percent Class II) for a total of 113 bicycle spaces. The project exceeds this requirement with 200 Class I spaces and 30 Class II spaces (for the entire site), located in the parking structure and near the entrances of the office building. The recycling and solid waste enclosures are located entirely within the building next to the loading service areas.

#### Traffic

A Traffic Impact Analysis (TIA) was prepared for the project since more than 100 net new peak hour trips are anticipated (see Attachment 8). The report notes that the number of net new project trips anticipated to be added to the roadway system surrounding the project site, based on data published in the Institute of Transportation Engineer's (ITE) Trip Generation 9<sup>th</sup> Edition are estimated to generate 1,791 new daily trips, of which 270 would be generated during the AM peak hour (233 in, 47 out) and 237 will be generated during the PM peak hour (36 in, 201 out). The study analyzed the traffic impacts of the proposed development at 17 intersections in the vicinity of the project site during the AM and PM peak hour traffic conditions. According to the City's impact criteria, the project is considered to have a significant impact at the following intersections under background plus project conditions and cumulative plus project conditions:

- Mathilda Avenue and Moffett Park Drive
- Bordeaux Drive and Moffett Park Drive

The findings of LOS F at these intersections are consistent with the analysis of the buildout of the General Plan. Previous studies (North/South Corridor Study, SR-237 Corridor Study, etc.) have determined that major improvements are necessary to improve travel in the Mathilda Corridor. Improvements identified by the City and VTA include reconfiguration of the Mathilda/SR-237 interchange to improve geometry and efficiency. Funding is needed to complete the various roadway

16-0272

Agenda Date: 6/13/2016

and intersection improvements including the reconfiguration of the Mathilda/SR 237 interchange. In order to mitigate the impacts to a less than significant level, the project is required to pay the City's Transportation Impact Fee (TIF) to contribute towards the cost of these identified improvements. The estimated TIF is \$1,379,575.26. Payment of the City's TIF would represent the project's fare share contribution to the improvements at these locations. Therefore, the improvements would reduce the project's impacts to less-than-significant level.

#### Transportation Demand Management

New development in Moffett Park is subject to provision of a Transportation Demand Management (TDM) program that reduces total trip generation for the entire site. This site is required to reduce expected peak hour trips by 30 percent and average daily trips by 25 percent. Condition of Approval PS-5 outlines the requirements for preparation, implementation and monitoring of TDM for this site.

#### Landscaping/Tree Preservation, Removal, and Replacement

The project meets the minimum landscaped area requirement with approximately 275,880 square feet of landscaping (32% of the project site), where 20% minimum of the site is required. Trees are proposed throughout the surface parking lot to demonstrate compliance with the 50% parking lot shading requirement by providing 65.4% shading. The landscape design would also result in less impervious surface area than currently on the site. The project is designed to comply with water-efficient landscaping requirements by not using any turf and providing at least 90% native, low water, or no water plantings.

The project includes a new 18-foot 2-inch foot landscape and sidewalk frontage strip along 5<sup>th</sup> Avenue, measured from the back of the planter. The project also proposes a buffer between the adjacent building 1184 N. Mathilda Avenue and perimeter trees to screen the project site from adjoining properties. There are existing walls along the perimeter of the adjacent office use to the south of the project.

An arborist report was prepared for the project. A total of 171 trees were surveyed, most of which are Shamel Ash, London Plane, California Pepper, and Kawakami pear. There are 58 trees located on-site that are considered "protected" as defined in Sunnyvale Municipal Code Section 19.94.130. 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. There are 29 protected trees proposed to be removed. The following table summarizes the proposed disposition of trees when the project is developed.

**Table 1- On-Site Tree Summary**

	<b>Removed</b>	<b>Saved</b>
<b>Non-protected trees</b>	86 due to grading and site development	27
<b>Protected</b>	29 due to grading and site development	29
<b>Total</b>	115	56

The trees to be removed are within the limits of on-site improvements. For every protected tree removed, over 24-inch in diameter one 48-inch box or two 36-inch box or four 24-inch box trees will be added to the site. The project is consistent with the typical tree replacements requirement and

16-0272

Agenda Date: 6/13/2016

SMC Section 19.94.080. There would be a total of 83 replacement trees on the site for a total of 139 trees.

Green Building and Community Benefit

The Sunnyvale Municipal Code requires new construction nonresidential projects greater than 100,000 square feet to attain LEED Gold level with verification by a LEED AP. In order to be approved for 80% FAR the project is required to achieve LEED Gold with USGBS certification and demonstrate the project incorporates additional green/sustainable development features. The applicant submitted a preliminary checklist demonstrating that the project can meet LEED Gold standards, and will provide additional refinements at the building permit stage of the project. Additional green/sustainable features include on-site and off-site improvements and community benefit funding for public safety personnel, as follows (see Attachment 6):

On-site Improvements:

1. **70 LEED credits** (LEED Gold is 60 points):  
Exceeding 60 LEED credits required for core and shell and tenant improvements.
2. **On-site renewable energy and green roof:**  
The project will incorporate solar hot water panels on the roof to generate 1% anticipated buildings energy usage. Green roof features are on the 5<sup>th</sup> floor.
3. **Storm drain design and quantity control:**  
Reduce storm water runoff by 25%. This meets the LEED requirement to attain 70% FAR.
4. **Replacement of protected trees in excess of code requirements:**  
The project includes providing 83 rather than 29 replacements trees and larger replacement trees than the required 24" box. Of the 83 trees, 23 will be greater than 36" box size and 6 will be 60-70" box size.

General Public Benefit and Off-site improvements:

5. **Public Recycled Water Main Extension:**  
Extending the existing recycled water main in Mathilda Avenue approximately 1,000 feet to the 1220 N. Mathilda property. The extension is more than the standard requirement. The extension will extend past three adjacent properties (the property immediately to the south as well as the VTA and Juniper Network properties to the west) allowing these properties to tap into the new extended pipe and bring recycled water to their properties. The extended recycled water main will provide recycled water for the project's landscaped irrigation and potentially for the project's internal plumbing and mechanical systems.
6. **Bike lanes to the VTA station:**  
Installation of 5<sup>th</sup> Avenue Class 2 bike lanes to Mathilda Avenue and the VTA station. This opens further bike connection to Bordeaux Drive.
7. **\$2 Million for Fire Station Personnel:**  
This community benefit will provide funding for Fire Station #5 staffing for approximately two years.

16-0272

Agenda Date: 6/13/2016

#### Solar Access and Shadow Analysis

The Sunnyvale Municipal Code limits shading of proposed buildings to a maximum of ten percent of the roof area of nearby properties during the hours of 9 AM to 3 PM during the shortest day of the solar cycle, the Winter Solstice (December 21<sup>st</sup>), which represents a worst-case shading scenario. The shadow study demonstrates that shadows cast by the proposed buildings do not shade more than ten percent of the roof area on existing and proposed buildings on nearby properties. This is due to adjacent buildings being situated away from the proposed building mass on the project site (in the case of the AM hours) and the size of the property.

#### Art in Private Development

The Sunnyvale Municipal Code requires that all new development on sites over two acres in size to include public artwork. The artwork will be considered by the City's Arts Commission for approval at a later date.

### **ENVIRONMENTAL REVIEW**

A Mitigated Negative Declaration has been prepared in compliance with California Environmental Quality Act (CEQA) provisions and City guidelines (see Attachment 5). An Initial Study determined that construction of the proposed project has the potential to result in significant effects on traffic (project plus background project and cumulative projects), noise (construction noise) and cultural resources (possible discovery of resources during excavation. Implementing mitigation measures will reduce these impacts to less than significant. The Mitigation Measures have been incorporated as Conditions of Approval (see Attachment 4).

### **FISCAL IMPACT**

#### Transportation Impact Fee

Projects resulting in new peak hour automobile trips are subject to a transportation impact fee (TIF). The TIF is estimated to be \$1,379,575.26 and must be paid prior to issuance of a building permit. The amount is subject to the fee in place at the time of payment.

#### Housing Mitigation Fee

New requirements for housing mitigation associated with non-residential development were adopted on July 28, 2015. Projects determined complete prior to the effective date (September 14, 2015) of the ordinance are exempted from the new standards. This project was deemed complete prior to the effective date of the new regulations and is subject to housing mitigation under the former regulations. The estimated housing mitigation fee is \$2,418,043.

### **PUBLIC CONTACT**

#### Community Outreach Meeting

The applicant held a community outreach meeting the evening of August 13, 2015 at the Sheraton Sunnyvale Hotel. No members of the public attended.

#### Planning Commission Study Session

Staff presented the project to the Planning Commission at a study session on August 24, 2015. The Commissioners were supportive of the use and design and commented on retaining as many trees as possible, and increasing the amount of landscaping.

In response to the comments received from the Commissioners, the applicant revised the Landscape Plan and 12 additional protected trees will be retained.



16-0272

Agenda Date: 6/13/2016

---

Notice of Mitigated Negative Declaration and Public Hearing

- Published in the *Sun* newspaper
- Posted on the site
- 246 notices were mailed to property owners and tenants within 2,000 feet of the project as shown in Attachment 1

Staff Report

- Posted on the City of Sunnyvale's web site  
Provided at the Reference Section of the City of Sunnyvale's Public Library

Agenda

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

**CONCLUSION**

Staff was able to make the required CEQA Findings for the Mitigated Negative Declaration and the findings for the Major Moffett Park Special Development Permit, which are located in Attachment 3.

**ALTERNATIVES**

1. Make the required CEQA findings set forth in Attachment 3 and adopt the Mitigated Negative Declaration and approve the Major Moffett Park Special Development Permit with recommended findings in Attachment 3 and the Recommended Conditions of Approval in Attachment 4.
2. Make the required CEQA findings set forth in Attachment 3 and adopt the Mitigated Negative Declaration and approve the Major Moffett Park Special Development Permit with recommended findings in Attachment 3 and modified Conditions of Approval.
3. Make the required CEQA findings set forth in Attachment 3 and adopt the Mitigated Negative Declaration and deny the Major Moffett Park Special Development Permit.
4. Do not adopt the Mitigated Negative Declaration and direct staff as to where additional environmental analysis is required.

**RECOMMENDATION**

Alternative 1: Make the required CEQA findings set forth in Attachment 3 in the report and adopt the Mitigated Negative Declaration and approve the Major Moffett Park Special Development Permit with recommended findings in Attachment 3 in the report and the Recommended Conditions of Approval in Attachment 4 in the report.

Prepared by: Margaret Netto, Project Planner

Reviewed by: Gerri Caruso, Principal Planner

Reviewed by: Andrew Miner, Planning Officer

Reviewed by: Trudi Ryan, Community Development Director

Reviewed by: Kent Steffens, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

**ATTACHMENTS**

1. Vicinity and Noticing Map
2. Project Data Table
3. Recommended Findings

**16-0272**

**Agenda Date:** 6/13/2016

---

4. Recommended Conditions of Approval
5. Mitigated Negative Declaration
6. Green Building and Community Benefits
7. Project Plans
8. TIA prepared by Hatch Mott MacDonald