



City of Sunnyvale

Agenda Item

16-0184

Agenda Date: 2/22/2016

REPORT TO PLANNING COMMISSION

SUBJECT

File #: 2015-7399

Location: 777 Sunnyvale-Saratoga Road (APN: 201-36-002)

Zoning: C-2/ECR

Proposed Project: Appeal of a decision by the Zoning Administrator to conditionally allow a:

SPECIAL DEVELOPMENT PERMIT to allow an approximately 11,600 square foot new commercial building (grocery store) on an existing commercial site. The project replaces a portion (approx. 7,599 s.f.) of the Orchard Supply Hardware building and storage area.

Appellant / Applicant / Owner: Michael Howland / Ware Malcomb (applicant) / Mardit Properties, LP (owner)

Environmental Review: Mitigated Negative Declaration

Project Planner: Ryan Kuchenig, (408) 730-7431, rkuchenig@sunnyvale.ca.gov

REPORT IN BRIEF

General Plan: Commercial General Business

Existing Site Conditions: Commercial Retail Building - Orchard Supply Hardware

Surrounding Land Uses

North: Commercial Shopping Center & Multi Family Apartments

South: Multi-Family Apartments

East: Commercial Shopping Center

West: Old Olson Cherry Orchard

Issues: Appeal letter noting concerns with air quality and landscaping

Staff Recommendation: Deny the Appeal and uphold the decision of the Zoning Administrator to approve the Special Development Permit subject to recommended Conditions of Approval in Attachment 4.

BACKGROUND

A Special Development Permit application was filed requesting the demolition of a portion of an existing building occupied by Orchard Supply Hardware (OSH) and construction of a new commercial building to be occupied by a new internet based retail business.

The project was previously reviewed by the Zoning Administrator at a hearing on July 15. The project was taken under advisement for one day and ultimately approved on July 16, 2015 with modified Conditions of Approval. Minutes of the Zoning Administrator public hearing are included in

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Attachment 9. The project was appealed by a Sunnyvale resident on July 29 within the 15-day appeal period. The appeal notes concerns with air quality and landscaping (See "Appeal" section of this report).

On September 14, 2015, a hearing was held with the Planning Commission to consider the appeal. Prior to and at the hearing, the appellant noted concerns with the environmental determination made by staff and recommended that further study be conducted. Prior to the hearing, staff modified its recommendation to grant a continuance of the hearing to conduct further environmental study. Planning Commission continued the hearing to a later date to allow time for environmental review.

Previous Actions on the Site

File Number	Description	Decision	Date
2015-7349	Miscellaneous Plan Permit for exterior tenant improvements (OSH) and restriping of parking lot.	Approved	5/4/2015

The above referenced Planning permit included interior and minor exterior tenant improvements to the OSH building, including changes to the parking/landscaping reconfiguration of the site. Some of the previously approved landscaping changes will be modified again with this permit. The OSH remodeling project was recently completed.

Existing Deviations from Standard Zoning Requirements

The entire site (which includes OSH and the subject application) is legal non-conforming in regards to landscaping, providing 9% of landscaping where 20% is required. The overall site is also legal non-conforming for parking lot shading as it does not meet the minimum 50% shading in 15 years requirement. However, the portion of the site specific to the new building would comply with these standards as proposed. (See "Landscaping" section of this report for more details.)

Use

The applicant describes the proposed use as a grocery retail business where customers would utilize the Internet to pre-order their grocery and retail items. When placing an order, customers would have the option of scheduling a specific 15 minute to 2-hour pick-up window. Once an order is placed, customers either can drive into a designated pick-up area with nine parking stalls, where the purchased items will be delivered to their cars, or they can arrive on foot or bicycle and pick-up their items in the store. Hours of operation are proposed to be daily from 7 a.m. to 10 p.m. A total of 15 employees would work on-site at any given time. As proposed, employees on-site will direct customers into their assigned parking spaces. To avoid idling vehicles, customers that arrive outside of their assigned times will be directed to the main parking lot.

Site Layout

Orchard Supply Hardware (OSH) currently operates a hardware and plant nursery building and customer pick-up building on the west side of the site. An outdoor storage area is located adjacent to the pick-up building at the northeast portion of the site. The proposal is to demolish the pick-up building and add the proposed building in its location. The OSH store and nursery/garden center use would remain (See Site and Architectural Plans in Attachment 5).

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The proposed 11,600 s.f. grocery retail building would be located adjacent to the main OSH building in roughly the same location as the existing pick-up building. As a result of the demolition and new building, approximately 4,820 net new s.f. would be added to the site. In addition to the new building, a carport covering nine spaces would be located between the new building and Sunnyvale-Saratoga Road. The carport is intended as a pick-up area for customers of the new retail use. A new trash enclosure attached to the building is planned along the north side of the building, which can be accessed by a drive aisle that runs along the north perimeter of the site.

The entire property (OSH and subject application) maintains three vehicular driveways along Sunnyvale-Saratoga Road and two driveways off S. Mathilda Avenue. The parking and circulation at the eastern end of the site would be modified to accommodate the new grocery store pick-up area.

A one way drive-aisle loop would be created for customers planning to park in the designated pick-up areas under a carport. A 10'6" clearance bar would be installed between the building and carport that prevents large trucks from entering this area. This loop drive aisle is not required for fire access.

The Precise Plan for El Camino Real includes a design guideline for site layout that encourages shared access driveways with adjacent uses. The Zoning Administrator approved the project with a Condition of Approval (PS-3) that requires one-way vehicular access north to south from the drive aisle at the northeast corner of the site to the parking area. Since the Zoning Administrator hearing, the applicant has modified the site plan to incorporate the one-way connection. Staff considers two-way access between lots to be an important site function and has included a revised Condition of Approval requiring the applicant to continue to explore a two-way (north and south) cross access plan. Condition of Approval PS-3 shows the condition as approved by the Zoning Administrator (Alternative A) and the new condition recommended by staff (Alternative B).

Parking

Parking for the site would be reconfigured over current conditions. The current site is legal non-conforming and considered over-parked per Municipal Code requirements where a maximum of 267 spaces are allowed. The project reduces overall parking by approximately 37 spaces resulting in 252 spaces provided, where a minimum of 234 and a maximum of 292 are allowed for the combined OSH and new retail building. The proposal would upgrade bicycle parking to meet the required number of Class I and Class II spaces. A total of 15 bicycle spaces are required for the combined retail uses on site (75% of such spaces shall be secured Class I), as noted in the Conditions of Approval. The applicant has indicated that secured spaces will be provided inside the buildings and that three spaces will be in front of the new building.

Landscaping

The OSH site currently does not meet the 20% requirement for total landscaping or the 50% parking lot shading requirement. The proposal would primarily increase landscaping in front of the new building; however, three new landscape islands are also proposed within the parking area in front of the existing OSH building. Overall, landscaping for the site is increased from approximately 20,463 s.f. to 26,983 s.f., which is an increase from 9% to 12% of the entire site. Tree shading of the parking lot is increased from approximately 10% to 22%. In the area of the new building landscaping is increased to 17% and shading to 50%. No tree removals are proposed with this project.

A pedestrian walkway (combination sidewalk and striped paving) that lies in front of the buildings on the site and the main corner entrance of the building connects to the public sidewalk along Sunnyvale

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-Saratoga Road. The landscape buffer adjacent to Sunnyvale-Saratoga Road would be widened as it extends southward.

Architecture

The proposed commercial building utilizes modern architectural design with a combination of projecting walls composed of wood siding and recessed façades of grey plaster finish. A random pattern of bright green panels are interspersed within the siding to break up the façade. Green canvas awnings over the corner entrance are also provided. Storefront windows are located at the corner of the building and at a portion of the east elevation. Some minor improvements have been added to the façade since earlier designs, including a location for a future display window along the south elevation and possible additional window locations. Staff is recommending Condition of Approval PS-1a to either include additional windows along the recessed portions of the south and east elevations or incorporate alternative design elements through a combination of material variation or color. Proposed landscaping in front of the building along the south side also helps soften the view of the building.

Staff has worked with the applicant to provide more detail to the carport structure, due to its prominent location in front of the building facing the street. The carport which shelters the pick-up/loading spaces for patrons is designed with a steel “butterfly roof” structure that angles upward from the middle. The structure incorporates a combination of translucent yellow and green panels that are visible underneath the canopy. A roofed pedestrian walkway runs across the drive aisle from the carport to the new building. Coupled with increased landscaping along the street frontage, staff finds that this unique carport design adds unique and interesting visual features from the street.

Green Building

Green building standards require non-residential construction that exceeds 5,000 s.f. to attain LEED Silver level design intent. The proposal indicates compliance by indicating that 50 LEED points will be achieved where a minimum of 50 are required. Conditions of Approval require the final building permit plans to demonstrate compliance.

Stormwater Management

The Municipal Regional Permit for stormwater discharge requires all treatment be achieved through Low Impact Development (LID) measures such as infiltration, harvesting/use, and bio-filtration and limits the use of mechanical treatment. A preliminary Stormwater Management Plan (SWMP) has been provided, which demonstrates compliance through site design, source controls and bio-retention. A third-party certification of a final SWMP is required prior to issuance of building permits.

Neighborhood Impacts / Compatibility

The project is expected to have minimal negative impact on the neighborhood. Short-term impacts related to noise are expected during demolition and construction. Based on a net increase of approximately 4,820 s.f. of retail space, additional vehicular traffic to the site is expected to be minimal. An existing outdoor storage building used for customers of OSH for pick-up of large material is being demolished. The proposed building would replace this use with a more aesthetically desirable and likely a less operationally disruptive use in terms of noise. The proposed customer pick-up area of the new business is located at the northeastern portion site, and situated away from the closest residential uses. The project also improves the visual aesthetics through increased landscaping and improved architectural design for the site.

Appeal

On July 29, a Sunnyvale resident filed an appeal (See Appeal Letter included in Attachment 7). The appellant states that the proposed use would have environmental impacts related to air quality and that landscaping and tree coverage are significantly deficient. The appellant also disagrees with the findings made. Since the appeal was filed, an Initial Study was conducted to determine potential environmental impacts. More discussion is noted in the “Environmental Review” section in this report and in the Mitigated Negative Declaration (See Attachment 8). Separate air quality and traffic impact studies were conducted.

Staff acknowledges that landscaping deficiencies remain for the overall site, but finds that the planned improvements that increase total landscaping in the area of the project are commensurate with the proposed development. As stated in the “landscaping” section of the report, parking lot shading is significantly increased within the eastern portion of the site where the new building is positioned. Additional landscaping is also added to locations closer to the existing development on the site. Although the appellant disagrees with the finding that the project would encourage pedestrian activity, the proposed improvements include an enhanced pedestrian connection to the public sidewalk and increased landscaping that enhance the overall walkability of the site. As described earlier in the report, a condition of approval requires that cross parcel access with the site to the north be retained.

Public Contact: For the Zoning Administrator hearing and previous Planning Commission hearing, a total of 655 notices were sent to surrounding property owners and residents within 300 feet of the subject site in addition to standard noticing practices, including advertisement in the Sunnyvale Sun Newspaper and on-site posting. Staff had previously received inquiries regarding the planned construction duration. Sunnyvale Municipal Code limits construction hours to Monday through Friday between 7 a.m. and 6 p.m., and Saturdays from 8 a.m. to 5 p.m. No construction activity can occur on Sunday or federal holidays when city offices are closed. No letters were received by staff regarding the project. The applicant has indicated that the updated construction timeline for completion is approximately six months from approval.

Environmental Determination

Kimley-Horn and Associates, a third party consultant under contract to the City, was retained to conduct an Initial Study for the project in accordance with the California Environmental Quality Act (CEQA). The consultant identified potentially significant impacts related to air quality, cultural resources, geology, and noise for the proposed project. Accordingly, a Mitigated Negative Declaration (MND) was prepared and circulated in accordance with the requirements of CEQA. The MND identified mitigation measures that would reduce the effects of the project to the point that no significant effects will occur. The mitigation identified in the MND includes measures designed to reduce dust and exhaust during demolition, to protect any prehistoric or historic subsurface cultural resources that may be found during construction, to reduce construction noise, and to prevent potential hazards due to unstable or expanding soils. The mitigation measures identified in the MND have been incorporated in the attached Conditions of Approval (Attachment 4).

Although the project was not anticipated to generate 100 net peak hour trips, which is the threshold for a Traffic Impact Analysis (TIA), the Initial Study included a traffic study to examine potential impacts. Taking into consideration the trips from the existing use, the net peak hour trips increase by

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approximately 29 a.m. and 95 p.m. trips. Using the VTA Level of Service (LOS) thresholds, this impact is less than significant and no traffic mitigation is required.

FINDINGS

In order to approve the Special Development Permit the findings must be made regarding consistency with the General Plan and impacts to surrounding uses. Staff was able to make the findings as the proposed use is compatible with the existing zoning and surrounding uses, and will enhance the overall condition of the site. Recommended Findings are located in Attachment 3.

ALTERNATIVES

1. Make the findings required by CEQA in Attachment 3, Adopt the Mitigated Negative Declaration and deny the Appeal and uphold the decision of the Zoning Administrator to approve the Special Development Permit with recommended Conditions in Attachment 4 (including Alternative A in C.O.A. PS-3).
2. Make the findings required by CEQA in Attachment 3, Adopt the Mitigated Negative Declaration and deny the Appeal and uphold the decision of the Zoning Administrator to approve the Special Development Permit with recommended Conditions in Attachment 4 (including Alternative B in C.O.A. PS-3).
3. Make the findings required by CEQA in Attachment 3, Adopt the Mitigated Negative Declaration and deny the Appeal and uphold the decision of the Zoning Administrator to approve the Special Development Permit with modified Conditions.
4. Grant the appeal and direct staff to conduct additional Environmental Review through an Initial Study prior to consideration at a public hearing.

RECOMMENDATION

Alternative 2. Make the findings required by CEQA in Attachment 3, Adopt the Mitigated Negative Declaration and deny the Appeal and uphold the decision of the Zoning Administrator to approve the Special Development Permit with recommended Conditions in Attachment 4 (including Alternative B in C.O.A. PS-3).

Prepared by: Ryan Kuchenig, Senior Planner
Reviewed by: Gerri Caruso, Principal Planner
Approved by: Andrew Miner, Planning Officer

ATTACHMENTS

1. Vicinity and Public Noticing Map
2. Project Data Table
3. Recommended Findings
4. Recommended Conditions of Approval
5. Site and Architectural Plans
6. Project Rendering
7. Appeal Letter
8. Mitigated Negative Declaration

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9. Zoning Administrator Hearing Minutes July 15, 2015