



City of Sunnyvale

Agenda Item

17-0297

Agenda Date: 4/10/2017

REPORT TO PLANNING COMMISSION

SUBJECT

Proposed Project: Related applications on a 4.01-acre site on Maude Avenue:

PEERY PARK PLAN REVIEW PERMIT to construct a 174,545-square foot, four-story corporate/research and development (R&D) office building and a 6-level parking structure on a 4.01-acre site resulting in a total of 100% FAR. The project includes outdoor recreation areas and a pedestrian/bicycle path for public use.

TENTATIVE MAP to merge three parcels into one parcel.

File #: 2015-8126

Location: 684 W. Maude Avenue (APNs: 165-28-028)

Applicant / Owner: Simeon Commercial Partners / Ks 684 Maude Llc

Environmental Review: The project is exempt from additional CEQA review per CEQA Guidelines section 15168(c)(2) and (4) and Public Resources Code Section 21094 (c). The project is within the scope of the Peery Park Specific Plan Program EIR as no new environmental impacts are anticipated and no new mitigation measures are required.

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

REPORT IN BRIEF

General Plan: Peery Park Specific Plan (PP)

Zoning: Peery Park Specific Plan (PPSP)

Subdistrict: Innovation Edge & Mixed Industry Core (IEMIC)

Existing Site Conditions: One-story corporate/R&D office buildings

Surrounding Land Uses and Zoning:

North: R&D Office in PPSP Innovation Edge/Futures Sites District (across W. Maude Avenue)

South: Parking Lot for R&D Office in PPSP Innovation Edge & Mixed Industry Core District

East: R&D Office in PPSP Innovation Edge & Church in PPSP Innovation Edge/Place of Assembly Overlay District (Existing Use and Adjacent PPSP District designation)

West: R&D Office in PPSP Innovation Edge & Mixed Industry Core District

Issues: Implementation of the Peery Park Specific Plan

Staff Recommendation: Recommend that the City Council make the required Findings to approve the CEQA determination that the project is within the scope of the Peery Park Specific Plan (PPSP) Environmental Impact Report (EIR) and no additional environmental review is required in Attachment 4; make the Findings for the Peery Park Plan Review Permit, Tentative Map, Sense of Place Fee and Water Infrastructure fee in Attachment 4; and approve the Peery Park Plan Review Permit and

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Tentative Map subject to the PPSP Mitigation Monitoring and Reporting Program in Attachment 7 and recommended conditions of approval set forth in Attachment 5.

BACKGROUND

Description of Proposed Project

The project includes demolition of the existing 33,731-square feet office/R&D building and the construction of a four-story office building and five-level parking structure (includes a roof level) on a 4.01-acre site, resulting in 100 percent floor area ratio (FAR). The project is in FAR Zone 1 and categorized as a Tier 3 Project in the Peery Park Specific Plan (PPSP), where sites may develop up to 100 percent FAR with the provision of both Defined and Flexible Community Benefits subject to City Council review and approval.

The proposed project is described as Phase 1 (of 2) of a larger redevelopment application. Due to challenges conforming to the County of Santa Clara's Comprehensive Land Use Plan (CLUP) occupancy standards for Moffett Federal Airfield, Phase 2 has been split from the current application for redesign. Phase 2 consists of multiple properties totaling 10.37 acres and is separated from Phase 1 by Pastoria Avenue (and bordered by W. Maude to the north and Potrero to the west). Phase 2 will require a separate public hearing review by the Planning Commission and City Council at a later date.

The City Council is scheduled to consider the Phase 1 proposal on April 25, 2017.

See Attachment 2 for a map of the vicinity and mailing area for notices and Attachment 3 for the Project Data Table.

Peery Park Plan Review Permit: A Peery Park Plan Review Permit (PPPRP) is required for site and architectural review for new construction, additions or modifications of structures and property within the PPSP district. The PPPRP allows for consideration of deviations from specified development standards in exchange for superior design, environmental preservation, or public benefit. The findings required to grant a PPPRP are discussed in Attachment 4.

See Attachment 2 for a map of the project vicinity and mailing area for notices and Attachment 3 for a Data Table of the project.

Tentative Map: The Tentative Map is used as the instrument to reflect the lot merger from three parcels to one parcel and to document other dedications and easements. The Tentative Map shows the location of the proposed lot lines, public and private streets and other improvements (see Attachment 9). The Final Map is approved by the Director of Public Works and must be in substantial conformance to the Tentative Map.

Previous Actions on the Site

A Use Permit application was approved for a portion of the site in 1996 for outdoor storage/use of a radio test center that exceeded 5% of the lot area. Permits for architectural modifications to the existing building and waivers of screening have also been approved at the site. The existing building was constructed in 1964.

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EXISTING POLICY

The project site is subject to the purpose, intent and policies of the PPSP. The PPSP includes guiding principles, district policies, and a design framework. Projects in the PPSP are subject to a Plan-specific development code, design guidelines, and an implementation plan.

The purpose of the PPSP is to guide both private and public investment activities in the Plan area, and to support and promote the type of investment that will enhance the beauty and vitality of this major Sunnyvale workplace district.

ENVIRONMENTAL REVIEW

A Program-level EIR was prepared for the PPSP which identified potential impacts resulting from the proposed development intensities in the Plan. Certification of the EIR included a Mitigation Monitoring and Reporting Program (MMRP) with provisions to reduce some of the potentially significant impacts to a less than significant level, although some impacts remain significant unavoidable after mitigation. Statements of Overriding Consideration were adopted in conjunction with the General Plan Amendment and the PPSP in acknowledgment of the presence of the remaining significant and unavoidable impacts. The adopted Statements of Overriding Consideration are deemed by the certification of the EIR to be applicable to subsequent projects that are consistent with or that implement the PPSP's goals and objectives. As the lead agency, the City of Sunnyvale implements the adopted MMRP for each subsequent project that includes the approved mitigation measures of the EIR (MMRP/Attachment #7).

The project is within the scope of the PPSP EIR and is therefore exempt from additional CEQA review per CEQA Guidelines section 15168(c)(2) and (4) and Public Resources Code Section 21094 (c). The City has completed an initial study and determined that no new environmental impacts are anticipated to occur and no new mitigation measures are required. The EIR MMRP is included by reference for this project.

DISCUSSION**Present Site Conditions**

The project site is located at the southeast corner of W. Maude Avenue and N. Pastoria Avenue. Prior to the adoption of the PPSP, the site was zoned M-S (Industrial and Service) and is currently developed with a one-story building used as corporate office/R&D. There is one driveway access off W. Maude Avenue and six vehicular access points off S. Pastoria Avenue. A large surface parking lot lies within the southern half of the site.

Peery Park Plan Review Permit

The project is located within two PPSP districts. The northern portion (684-686 W. Maude Avenue) of the site is located within the Innovation Edge (IE) subdistrict while the southern portion (480 N. Pastoria Ave.) is located within the Mixed Industry Core (MIC) subdistrict. In each subdistrict, a PPPRP is required for the proposed redevelopment, subject to review and approval by the City Council for the proposed 100 percent FAR.

Use

The proposed corporate office/R&D use is consistent with the envisioned use for this area.

Floor Area Ratio (FAR)

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The project includes a FAR of 100 percent and is in “Zone 1”, which is identified in the PPSP as a “Tier 3” project requiring City Council review and approval. This zone allows a development baseline FAR of 35 percent and a maximum of 100 percent FAR with the provision of community benefits per the PPSP Community Benefits Program.

COMMUNITY BENEFITS

The PPSP Community Benefits Program allows projects to contribute community facilities, services, impact fees or other features that help achieve the overall purpose and character envisioned for the Peery Park area in exchange for added development capacity. These contributions are defined by the PPSP’s Community Benefit goals, which include providing an environment that brings people together, amenities and uses that support the workplace district, community sustainability, transportation demand management and alternative transportation.

A project must achieve a certain number of points in the program to attain the desired FAR. The adopted Community Benefits Program includes a list of provisions with defined points (“Defined Community Benefits”) and a list of provisions where the points are flexible or can be achieved by a contribution to the Community Benefits Fund (“Flexible Community Benefits”), off-site improvements and other project features that benefit the community. Tier 3 projects with a baseline FAR of 35 percent can achieve an additional maximum 45 percent FAR through the provision of Defined Community Benefits (for a total of 80 percent FAR). To achieve a FAR beyond 80 percent and up to 100 percent, the project must provide Flexible Community Benefits.

The proposed Community Benefit Plan is anticipated to achieve a minimum of 65 points is required to achieve the desired 100 percent FAR. The applicant proposes the following:

- 37 Defined Community Benefit points
- 28 Flexible Community Benefit points (minimum)
- 65 Total points** (see Attachment 8)

Defined Benefits (80 points maximum allowed)

- Approximately 48 percent of the site is open space/landscaping (7 points)
- A publicly accessible pedestrian/bicycle path is proposed along the southern property line (5 points-10 feet wide minimum path is required)
- 564 parking spaces are provided in an above grade parking structure (5 points-36 spaces minimum required)
- Project, including tenant improvements, will commit to achieve LEED Gold with USGBC certification (10 points)

The applicant intends to maintain an existing light industrial and office building at 470 Potrero Avenue to provide small scale tenant space in Peery Park. The intent of maintaining this building is to meet one of the defined community benefit allowances:

Locate small scale tenant space (at least 5,000 sq. ft.) adjacent to a publicly accessible retail cluster or publicly accessible open space. Small scale tenant space must be independent of the primary tenant.

The building at 470 Potrero Avenue is located in Phase 2; however, it would constitute approximately

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10% of the entire development area (both phases). As stated previously, Phase 2 will be considered later. Staff has included a condition of approval, GC-14, that if Phase 2 is approved, the benefit package for the two phases can be combined.

Flexible Benefits (28 points minimum required)

Community Benefits Fund Contribution. Staff has administratively determined \$30 per square foot value as a tool for assessing whether a Peery Park project addresses the flexible Community Benefit requirements. Value can be a combination of off-site improvements, cash contribution or other project features that overall benefit the community. Each project will be reviewed separately for the applicability of this value.

- Calculation: 28 percent of Total Building Area (174,545 square feet) x \$30 = \$1,466,178 approximate value

In addition, the project will include photovoltaic panels. The exact location will be as approved by the Director of Community Development (see Condition of Approval PS-5, in Attachment 5).

Site Design and Architecture

The PPSP's vision for the IE subdistrict is a synergistic mix of workplace and commercial uses, with small, visible and accessible lunch-oriented activity clusters. Development will be focused on enabling people to walk and bike to and from their workplaces and nearby amenities. Buildings will display contemporary architecture and reinforce an attractive street environment embellished with landscaping improvements. As new buildings are constructed, the present pattern of isolated low-amenity developments will transform towards the entire district functioning as an integrated innovation campus.

The vision for the MIC subdistrict includes an approach to allowing flexibility to respond to market demand as it arises. This area should enable long term transition to higher intensity buildings. New development should also contribute to the emergence of a more attractive street environment especially along Pastoria Avenue where it is envisioned to be a central spine for bicycle and pedestrian activity

Site Layout: The project consists of two buildings, a four-story office building positioned at the corner of W. Maude Avenue and N. Pastoria Avenue and a six-level parking structure (appears as a five-story building) at the south end of the site with a direct entrance off N. Pastoria Avenue (See Site and Architectural Plans in Attachment 9). Pedestrian entrances to the building are provided on three sides of the building, including off each street frontage. An amenity area and some surface parking is located between the buildings. The amenity area includes bocce and volleyball courts as well as gathering space and a garden area. Gathering space is also located parallel to the street in between the office building and N. Pastoria Avenue. adjacent to the public sidewalk.

Vehicle and Pedestrian Circulation: Vehicular access to the site will be attained at two locations off N. Pastoria Avenue. One access point leads directly to the parking structure at the south end of the site. A second vehicular access point enables access to a small surface parking lot. Currently, there are two vehicular access points off W. Maude Avenue, which will be removed and replaced with public sidewalks and on-site landscaping; six vehicular access points along N. Pastoria Avenue are reduced to two.

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Pedestrian walkways will lead to entrances to the building from the public sidewalk along each street. Walkways from the public sidewalk are also located near the surface parking lot and adjacent to amenity area between the office building and parking structure. A public bicycle and pedestrian walkway is proposed as a “community benefit,” which is located along the southern border of the project. Ultimately, if Phase 2 of the project is approved, the mid-block pathway will extend from N. Pastoria Avenue to N. Mathilda Avenue.

Architecture: The proposed architectural style is considered contemporary, which is consistent with the PPSP vision.

Office: The general form of the office building is rectangular; however, it angles in and away in a wavy pattern with a portion at the center that is straight. The building façade is almost entirely composed of vision and opaque spandrel glass. The spandrel glass spans most of each floor with opaque spandrel glass at smaller portions in between. The design is consistent with the Bird Safe design guidelines. A concrete canopy extends above the first floor of the building along the front of the building along Pastoria (west) and wraps around to the south elevation facing the amenity area. An aluminum mechanical screen, which will not be readily visible from the street, sits atop a portion of the building.

Parking Structure: The six-level parking structure will utilize a pattern of vision glass, painted aluminum panel and concrete wall material at the street facing (west) and interior side (north) elevations. The corner element which utilizes vision glass will extend higher than the rest of the parking structure which adds visual interest. The garage design is complementary with the design concepts in the office building. A small mechanical screen extends building height at the corner. Green screen wall panels are proposed at three sides of the parking structure along the first level with the majority positioned along the side facing the surface parking lot.

Development Standards

The proposed project conforms with the PPSP development standards such as building length, height, setback, and landscaping. Deviation to development standards may be considered with the PPPRP with the required findings. The following section includes details on the project compliance with development standards.

Setbacks: The project meets all setback requirements. The office building is located approximately 30 feet from the front property line facing W. Maude Avenue and 30 feet from the property line along N Pastoria Avenue. The parking structure is located approximately 25 feet from the front property line along N. Pastoria Avenue.

No deviation is requested for setbacks.

Building Height/Stories: The office building is in the Innovation Edge district and the parking garage in the Mixed Industry Core district. Street facing buildings in the Innovation Edge are limited to six stories and 88 feet in height. Any portion of the office building over 4 stories or 60 feet in height requires an additional 65 feet setback from the property line. Architectural projections and machinery penthouses not exceeding 25 percent of the roof area may extend the maximum height limit by an additional 25 feet. The proposed office building meets these standards, measuring 60 feet to the peak of the fourth story and up to 78 feet and two inches to the top of the mechanical equipment screen. The roof screen is setback an additional 35 to 60 feet back from the edge of the building.

The parking structure is subject to a maximum height limit of 4 stories and 60 feet. Parking structures are not subject to the story limit, but are subject to the height limit. The proposed 6-level structure measures 53 feet six inches to the roof with a projecting lobby roof and mechanical roof screen at the corner that peaks up to 72 feet. This area over the height limit does not exceed the allowable 25 percent for architectural projections.

No deviation is requested for building height/stories.

Parking: The PPSP requires a minimum vehicular parking ratio of 3.3 spaces/1,000 square feet for corporate office/R&D uses. The project includes a six-level parking structure and a small surface parking lot. A total of 581 vehicular spaces are proposed where a minimum 577 spaces are required. A draft Transportation Demand Management (TDM) plan has been submitted that identifies methods to reduce AM and PM peak hour trips by 30 percent. A final TDM is required per Conditions of Approval. Bicycle parking is required at five percent of vehicular spaces required. Based on 577 vehicle spaces, a minimum of 29 bicycle spaces is required-of which 22 must be secured. The project includes 82 bicycle parking spaces (52 secured) to encourage biking as an alternative mode of travel to and from the site. Bicycle racks are located near the public street adjacent to the building and amenity area along N. Pastoria as well as a location near the building entrance off W. Maude Avenue.

No deviation is requested for parking.

Open Space/Landscaping and Tree Preservation: The PPSP envisions a network of varied open spaces that promote activity, greenery and livability in the Plan Area. The proposed plans show 48 percent of the site area as open space or landscaping where 20 percent is the minimum required in the PPSP; this project obtains Defined Community Benefits by exceeding this minimum. These areas include perimeter landscaping plaza area in front of the building (along Pastoria and at the center of the site) These areas include building perimeter and entry plazas with amenities area equipped with a bocce ball and volleyball courts, outdoor dining tables for future employees. Also, part of the project's Community Benefits Plan is the provision of a 12-ft. wide public pedestrian/bike path along the southern property line, which ultimately would connect to Mathilda Ave. when neighboring properties redevelop.

There are 60 trees currently located on the project site, including street trees. Of the 60 trees, 23 are proposed to be removed. Of the 23 trees proposed for removal, 21 are considered "protected" (circumference of 38 inches or greater at breast height) pursuant to the City's Tree Preservation Ordinance (Sunnyvale Municipal Code Chapter 19.94). The trees proposed for removal have been identified as either in poor/dead or diseased condition or are located within the building or parking structure footprint. The project is designed to preserve many mature redwood, pine and oak trees located at the south and east boundary lines of the site. Sidewalks will be designed to meander around two redwood trees planned to be preserved along the W. Maude Avenue frontage. Although many of the trees along N. Pastoria will need to be removed due to either poor condition or the proposed site layout/public improvements, the future planned Phase 2 of the proposal includes plans to preserve many of the existing trees along each of the street frontages. Consistent with the PPSP EIR, the project is subject to the City's Tree Preservation Ordinance and replacement tree policy.

Off-site Development/Improvements: The project is required to install new sidewalks, curb and

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gutter, and landscaped areas along each street frontage to meet the PPSP standards. The sidewalks will meander as necessary to preserve healthy trees and oak street trees will be planted along the frontage where space permits. The PPSP also requires new bike lanes to be installed along the W. Maude Avenue frontages of the site if feasible. Final designs will be determined by the Department of Public Works during the review of the off-site improvements.

Moffett Federal Airfield Compatibility: The project site is located within the Moffett Federal Airfield Airport Influence Area (AIA) defined by the County of Santa Clara's CLUP for Moffett Federal Airfield. The site is located approximately 30% within the Inner Safety Zone (ISZ) and 70% within the Outer Safety Zone (OSZ). The Phase 1 project meets the allowable CLUP density of a maximum of 120 people per acre within the ISZ and 300 people per acre within the OSZ. The site is also partially within the 65 dBA noise contour for Moffett Field; however the project has been deemed consistent with the CLUP as there are no long-term noise impacts and there will be no adverse impacts on any receptor. The project is consistent with the CLUP safety, height and noise policies. The project is required to provide an Avigation Easement as the site is located within the AIA (Attachment 11).

The Federal Aviation Administration (FAA) has determined that the proposed project and building heights will not be a hazard to air navigation and no additional action is required.

Easements: The project is required to provide the necessary right-of-way easements for public sidewalks. Additionally, the project will also provide public access easements for the pedestrian/bicycle path along the southern property line as proposed in the project's Community Benefits Plan.

FISCAL IMPACT

Normal fees and taxes are expected. Standard fees for higher intensity office development projects in Sunnyvale include Transportation Impact Fees and Housing Mitigation Fees as well as all building permit related fees and taxes. Additionally, projects within the PPSP are required to pay: the PPSP Infrastructure Fee for Wastewater, PPSP Infrastructure Fee for Water, PPSP Fee, PPSP Sense of Place Fee and fair share contributions towards Transportation Mitigation Fees (noted in the PPSP EIR). Standard fees are established in the annually adopted fee resolution and ad hoc fees are calculated on a project by project basis. The estimated fees required for this project are included in the Conditions of Approval in Attachment 5.

In conjunction with the adoption of the PPSP, the City Council directed staff to impose appropriate fees for Sense of Place Improvements and Water Infrastructure on a project-specific (ad hoc) basis. The Mitigation Fee Act (Gov. Code Section 66001(a)) provides that when development impact fees are imposed as a condition of approval, the public agency must identify the purpose of the fee and the use of which the fee will be put, and determine how there is a reasonable relationship between the development project the fee's use and the public facilities required by the project. The Sense of Place fees will fund bicycle and pedestrian improvements designed to reduce automobile transportation by workers and residents of Peery Park, thereby helping to mitigate the impact of the higher density development on traffic, greenhouse gases and noise. In addition, the MMRP adopted with the Program EIR requires each project to fund its fair share of improvements to water infrastructure need to support the new development. The required findings for the Sense of Place and Water Infrastructure fees, including information to show how the fees were calculated are in Attachment 4.

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PUBLIC CONTACT**Neighborhood Outreach Meeting:**

A neighborhood meeting was held on November 3, 2016. At the time, the project included both Phase 1 and 2, which includes several parcels west the site on W. Maude Avenue and off Potrero Avenue. The meeting was held jointly with another proposed project in the Peery Park area at 610 N. Mary (Irvine Company). Approximately five members of the public attended. A few comments were noted regarding the construction timeframe and potential traffic impact.

Planning Commission Study Session: A study session was held with the Planning Commission for this project on November 14, 2016. The study session also included discussion about the larger project that included Phase 2; however, as stated previously, Phase 2 has been put on hold for redesign. Comments at the study session included pedestrian connectivity, landscaping and tree species selection.

Notice of Public Hearing, Staff Report and Agenda:

- Published in the *Sun* newspaper
- Posted on the City of Sunnyvale's Web site
- Agenda made available at the Reference Section of the City of Sunnyvale's Public Library
- Agenda posted on the City's official notice bulletin board
- 1,881 notices were sent to property owners and tenants within 2,000 feet of the project site
- Email notice sent to the SNAIL neighborhood association
- A copy of the report was made available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website

As of the date of staff report preparation, and since the mailing of notices, staff has received no comments from the public.

ALTERNATIVES

1. Make the required Findings to approve the CEQA determination that the project is within the scope of the Peery Park Specific Plan (PPSP) Environmental Impact Report (EIR) and no additional environmental review is required in Attachment 4; make the Findings for the Peery Park Plan Review Permit, Tentative Map, Sense of Place Fee and Water Infrastructure fee in Attachment 4; and approve the Peery Park Plan Review Permit and Tentative Map subject to the PPSP Mitigation Monitoring and Reporting Program in Attachment 7 and recommended conditions of approval noted in Attachment 5.
2. Alternative 1 with modified conditions of approval.
3. Do not make the CEQA Findings and direct staff as to where additional environmental analysis is required.
4. Deny the Peery Park Plan Review Permit and Tentative Map and provide direction to staff and applicant on where changes should be made.

STAFF RECOMMENDATION

Alternative 1: Recommend that the City Council make the required Findings to approve the California Environmental Quality Act determination that the project is within the scope of the Peery Park Specific Plan (PPSP) Environmental Impact Report (EIR) and no additional environmental review is required in Attachment 4 to the Report; make the Findings for the Peery Park Plan Review Permit, Tentative Map, Sense of Place Fee and Water Infrastructure fee in Attachment 4 to the Report; and

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approve the Peery Park Plan Review Permit and Tentative Map subject to PPSP Mitigation Monitoring and Reporting Program in Attachment 7 to the Report and recommended conditions of approval set forth in Attachment 5 to the Report.

As envisioned for the PPSP IE district, the proposed project provides a unique and high quality building design and layout that improves the visual streetscape and pedestrian experience at a prominent street intersection in Peery Park.

Prepared by: Ryan Kuchenig, Senior Planner
Reviewed by: Amber Blizinski, Principal 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. *Not Used*
2. Vicinity and Noticing Map
3. Project Data Table
4. Recommended Findings
5. Standard Requirements and Recommended Conditions of Approval
6. CEQA Checklist for PPSP EIR Compliance
7. PPSP EIR - Mitigation Monitoring and Report Program (MMRP) for Project
8. Proposed Community Benefits Plan
9. Site and Architectural Plans
10. ALUC Consistency Determination