



City of Sunnyvale

Agenda Item

17-0278

Agenda Date: 4/10/2017

REPORT TO PLANNING COMMISSION

SUBJECT

Proposed Project: Related applications on 28 sites consisting of 51.07 gross acres:

PEERY PARK PLAN REVIEW PERMIT: to allow the demolition of 28 existing office and industrial buildings totaling 768,665 sq. ft. and the construction of nine three-story and three four-story office buildings totaling 1,471,400 sq. ft.; a two-story and two one-story amenity buildings totaling 40,000 sq. ft.; one four-level and three six-level above-grade parking structures; a private connector street with public vehicular and pedestrian access; and site and offsite improvements.

TENTATIVE MAP: to allow 28 existing parcels to be merged into seven parcels, including the abandonment of Maude Court.

File #: 2015-7879

Location: 981-987 Almanor Avenue (APN: 165-40-004)
 765/767 N. Mary Avenue (APN: 165-40-007)
 755/757 N. Mary Avenue (APN: 165-40-008)
 749/751 N. Mary Avenue (APN: 165-40-009)
 950 Benecia Avenue (APN: 165-40-012)
 615/617 N. Mary Avenue (APN: 165-40-015)
 570/959 Maude Court (APN: 165-40-017)
 573/575 Maude Court (APN: 165-40-020)
 580/585 Maude Court (APN: 165-40-021)
 610-614 N. Mary Avenue (APN: 165-41-003)
 650 N. Mary Avenue (165-41-004)
 740/750 N. Mary Avenue (APN 165-41-005)
 760 N. Mary Avenue (APN 165-41-006)
 990 Almanor Avenue (APN 165-41-007)
 781-785 Palomar Avenue (APN 165-41-008)
 775-779 Palomar Avenue (APN 165-41-009)
 733/735 Palomar Avenue (APN 165-41-010)
 675/677 Palomar Avenue (APN 165-41-011)
 615/617 Palomar Avenue (APN 165-41-012)
 844 Del Rey Avenue (APN 165-41-013)
 845 Del Rey Avenue/610 Palomar Avenue (APN 165-41-014)
 720-726 Palomar Avenue (APN 165-41-015)
 750/752 Palomar Avenue (APN 165-41-016)
 760-766 Palomar Avenue (APN 165-41-017)
 776 Palomar Avenue (APN 165-41-018)
 678 Almanor Avenue/788-790 Palomar Avenue (APN 165-41-019)
 670 Almanor Avenue (APN 165-41-020)
 595 N. Pastoria Avenue (APN 165-41-031)

17-0278

Agenda Date: 4/10/2017

Applicant / Owner: Irvine Company**Environmental Review:** The project is exempt from additional California Environmental Quality Act (CEQA) review per CEQA Guidelines section 15168(c)(2) and (4) and Public Resources Code Section 21094. The project is within the scope of the Peery Park Specific Plan Program Environmental Impact Report (EIR) as no new environmental impacts are anticipated and no new mitigation measures are required.**Project Planner:** George Schroeder, (408) 730-7443, gschroeder@sunnyvale.ca.gov**REPORT IN BRIEF****General Plan:** Peery Park Specific Plan (PP)**Zoning:** Peery Park Specific Plan (PPSP)**Subdistrict:** Innovation Edge (610-614/615-617/650/740-760/749-767 N. Mary Avenue, 570-575 Maude Court, 990 Almanor Avenue, 615-785 Palomar Ave, 844 Del Rey Avenue); Innovation Edge with an Activity Center overlay (981-987 Almanor Avenue); Mixed Industry Core (720-790 Palomar Avenue, 670-678 Almanor Avenue) (See Attachment 7 for zoning map)**Existing Site Conditions:** One and two-story office/R&D/industrial buildings**Surrounding Land Uses****North:** US Route 101**South:** Corporate/R&D Office on Maude Avenue in PPSP Innovation Edge District**East:** Corporate/R&D Office/Industrial on Pastoria Avenue in PPSP Mixed Industry Core District**West:** Municipal golf course and R&D Office/Industrial along Benecia Avenue in PPSP MIC District, Sunnyvale Golf Course**Issues:** Implementation of the PPSP; Building Setbacks, Length; Architecture, traffic and bike lane concerns**Staff Recommendation:** Recommend that the Planning Commission make the required Findings to approve the CEQA determination that the project is within the scope of the PPSP EIR and no additional environmental review is required in Attachment 3; make findings for the Peery Park Plan Review Permit (PPRP), Tentative Map, Sense of Place fee, and Water Infrastructure Fee in Attachment 3; and approve the Peery Park Plan Review Permit and Tentative Map subject to the PPSP Mitigation Monitoring and Reporting Program (MMRP) in Attachment 6 and recommended conditions of approval set forth in Attachment 4.**BACKGROUND****Description of Proposed Project**

The proposed Pathline Park project by the Irvine Company is atypical in that it includes 28 existing lots and buildings and combines them into one large master-planned project. A plan such as the PPSP is written with the land use pattern considered holistically, not with a specific project in mind. It was written so each property has regulations on how to redevelop. The Pathline Park project is designed so the core of the project operates as one campus, which results in the project being bisected by public streets and parking structures to be located across the street from the main campus along Mary and Palomar Avenues. Having the parking structures lining a public street is clearly not what is intended in the PPSP, but when looked at as a whole, it does allow the largest part of the plan to operate most effectively as a business campus.

17-0278Agenda Date: 4/10/2017

The project includes demolition of 28 existing office/R&D/industrial buildings totaling 768,665 square feet (see Attachment 8 for list of existing buildings and uses for each lot) and the construction of nine three-story and three four-story office/R&D buildings totaling 1,471,400 square feet. The project also includes three amenity buildings (one two-story and two one-story) totaling 40,000 square feet proposed for employee use. Parking is provided in 11 surface lots totaling 949 spaces and four above-ground parking structures (a four-level and three six-level) totaling 4,002 spaces. Various landscaping, lighting, and off-site pedestrian and bicycle improvements are included with the proposed project (project plans are in Attachment 11).

The project area has a gross area of 50.48 acres and has street frontages on Maude Avenue, Maude Court, Benecia Avenue, Mary Avenue, Almanor Avenue, Palomar Avenue, Del Rey Avenue, and Pastoria Avenue. The applicant proposes to merge the 28 existing parcels into seven new lots with multiple buildings in each new lot. Included in the proposed lot merger is the abandonment of Maude Court, street dedication on Mary Avenue, dedication of land for the future Mary Avenue extension to Moffett Park, and a new private street with public access that would connect Mary Avenue to Palomar Avenue. The resulting net project area would be 49.55 acres.

The proposed buildings in the 49.55-acre area results in 70 percent floor area ratio (FAR). The project is in FAR Zone 1 and categorized as a Tier 2 Project in the PPSP, where sites may develop up to 80 percent FAR with the provision of Defined and/or Flexible Community Benefits and Planning Commission review and approval.

See Attachment 1 for a map of the vicinity and mailing area for notices and Attachment 2 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 applicant is requesting deviations from:

- The required maximum front yard setbacks for various buildings in the project area;
- Maximum building length for the two parking structures along Palomar Avenue; and,
- The minimum upper floor setback for a parking structure and an office building.

The findings required to grant a PPPRP and the requested deviations are discussed in Attachment 3.

Tentative Map

Given the size of the 28-parcel project area, a Tentative Map is used as the instrument to reflect the lot merger into seven parcels, 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 11). The Final Map is approved by the Director of Public Works and must be in substantial conformance to the Tentative Map.

Previous Actions in the Project Area

The existing 28 buildings in the project area were originally constructed on former agricultural land between 1970 and 1975. Since their original development, there have been many staff-level permits

17-0278Agenda Date: 4/10/2017

approved for signs, ground/rooftop equipment screen waivers, tree removals, and site and façade modifications. There have also been several minor/major permits approved at public hearings for telecommunications facilities, tenant-specific conditional uses, and outdoor equipment storage beyond maximum allowances.

EXISTING POLICY

The project is subject to the purpose, intent and policies of the PPSP, adopted by the Sunnyvale City Council on September 20, 2016. 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 project review for this project is to ensure it is consistent with the PPSP and not to consider new policy alternatives.

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 PPSP. Certification of the EIR included a MMRP with provisions to reduce the potentially significant impacts to a less than significant level, although some impacts will remain significant and unavoidable after mitigation. A Statement of Overriding Considerations was adopted in conjunction with the General Plan Amendment and the adoption of the PPSP in acknowledgment of the presence of the remaining significant and unavoidable impacts. The adopted Statement of Overriding Considerations is 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.

The project is within the scope of the PPSP Program EIR and is therefore exempt from additional CEQA review per California Environmental Quality Act (CEQA) Guidelines Section 15168(c)(2) and (4) and Public Resources Code Section 21094. The City has completed a checklist and determined that no new anticipated environmental impacts will occur and no new mitigation measures are required (see checklist in Attachment 5). The Program EIR MMRP has been included as reference for this project (Attachment 6). The Peery Park Specific Plan EIR is available for review on the City's website: PeeryPark.InSunnyvale.com.

DISCUSSION

Present Project Area Conditions

As noted above, the 28-parcel project area has frontages on eight different public streets. There are sections of the project that are located on either side of a public street, including Mary Avenue, Almanor Avenue, Palomar Avenue, and Del Rey Avenue. The project area is largely contiguous between parcels, with breaks occurring at public streets and non-project parcels at 910 and 928-930 Benecia Ave (Mary and Benecia Avenues). The project area notably takes up the east side of Palomar Avenue between Almanor and Del Rey Avenues and the entire area bounded by Mary Avenue, Almanor Avenue, and Palomar/Del Rey Avenues, north of non-project parcels along Maude Avenue. The Hetch Hetchy Regional Water System right-of-way (ROW), owned by the San Francisco Public Utilities Commission (SFPUC), runs through the northernmost project area parcels near Mary and Almanor Avenues in a diagonal direction.

The 28-existing one-story and two-story office/R&D/industrial buildings that exhibit typical tilt-up features from the era in which they were constructed, having little architectural variety. Most existing sites are accessed by one or two driveways with vehicle parking to the side and/or rear. Wide pedestrian walkways connect the building entrance to the sidewalk, or in many cases to the curb where no sidewalks exist. As is typical in Peery Park, there are no existing sidewalks in most of the project area.

Mature street trees (primarily Coast Redwoods) line the public streets. Private trees are also prominent in parking lots and other onsite landscaping areas.

The project area is surrounded by other PPSP-zoned properties, US Route 101/State Route 237, and the Sunnyvale Golf Course. There are no residential uses in the immediate vicinity. The nearest residential uses are 0.4 miles away on Corte Madera Avenue.

PPSP Subdistricts

The project is located within two PPSP subdistricts. The area between Palomar Avenue and the Sunnyvale Golf Course is located within the Innovation Edge subdistrict while the area east of Palomar Avenue and along Benecia Avenue is located within the Mixed Industry Core subdistrict. An Innovation Edge - Activity Center overlay is on the northernmost parcel at 981-985 Almanor Avenue (see Attachment 7 for zoning map). The overlay allows for flexibility in providing retail uses, but they are not required.

Innovation Edge

The PPSP vision for the Innovation Edge 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 are expected to 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.

Mixed Industry Core

The vision for the Mixed Industry Core subdistrict is a concentration of cutting edge startups, small-scale R&D, prototyping, and production businesses with a more intimate, small-scale feel. New development is expected to provide streetscape improvements to transform streets such as Pastoria Avenue into a central spine where eateries (e.g. food trucks) will populate a plaza-like space during the day. New development is also expected to break up “superblocks” with new internal streets or pedestrian connections to increase the walkability of the district. The project includes two office buildings and two large parking structures in this subdistrict along Palomar Avenue. Although the large parking structures are not what was expected in this subdistrict, it is necessary to look at the project as a whole when considering land uses for the project.

In the proposed project, one building (Building 10) spans two subdistricts. Development standards for each subdistrict would apply per the location of the building. Also, although a building (Building 12) is proposed on the parcel with the Activity Center overlay, retail services are not proposed on this parcel because the entire project includes three amenity buildings, where that activity can occur.

17-0278

Agenda Date: 4/10/2017

Use

The proposed corporate office/R&D use with supporting amenity buildings and parking structures is consistent with the envisioned use for this area.

Floor Area Ratio (FAR)

The project includes an FAR of 70 percent and is in “Zone 1” of the PPSP’s Maximum Permitted FAR Map. The proposed FAR doubles the existing building FAR, but is within the PPSP FAR limits. Projects with FAR between 55 and 80 percent are identified in the PPSP as “Tier 2” projects requiring Planning Commission review and approval. Tier 2 projects require provision of community benefits per the PPSP Community Benefits Program.

Community Benefits

The PPSP Community Benefits Program allows projects to add development capacity when other benefits are provided, such as the contribution of community facilities, services, impact fees or other features that help achieve the overall purpose and character envisioned for the Peery Park area. These contributions are defined by the Council-adopted PPSP Community Benefit goals, which include providing settings that bring people together, amenities and uses that support the workplace district, community sustainability, transportation demand management and alternative transportation.

All PPSP projects must achieve a certain number of community benefit 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”). The Pathline Park Tier 2 project begins with a baseline FAR of 35 percent and can achieve up to 45 percent additional FAR through the provision of Defined and/or Flexible Community Benefits (for a total of 80 percent FAR).

The proposed Pathline Park project Community Benefit Plan (Attachment 9) is anticipated to achieve 37 Defined Community Benefit points (where 35 points is required) to achieve the desired 70 percent FAR. The applicant proposes the following:

- Over 40 percent of the site is open space/landscaping (7 points)
- A new publicly accessible street is provided (15 points)
- 4,002 parking spaces are provided in above-ground parking structures (5 points)
- Project, including tenant improvements, will commit to achieve LEED Gold with USGBC certification (10 points)

In addition to the above, the applicant is also providing a land dedication for the future Mary Avenue extension into Moffett Park, as specified in the PPSP.

Project Area Layout

The project area layout consists of 12 office/R&D buildings, three amenity buildings, and four above-ground parking structures dispersed throughout a 49.55-acre area on seven parcels. The project is designed in a flexible, campus-like setting intended to improve connectivity and promote joint use of space across property lines. The proposed layout forms six distinct blocks within the existing and proposed street network. Two of these blocks are formed by a new private street with public vehicular and pedestrian access

17-0278

Agenda Date: 4/10/2017

that would connect Mary Avenue to Palomar Avenue in an east-west direction. The PPSP requires new streets on existing “superblocks” to improve connectivity. The blocks and proposed buildings/improvements can be described as follows:

- **Block bounded by new private street, Mary Avenue, Almanor Avenue, and Palomar Avenue:** Building 1 and 2 (three stories each), Amenity A (one-story), and two surface parking lots;
- **Block bounded by Palomar Avenue, Almanor Avenue, Del Rey Avenue, and non-project parcels west of Pastoria Avenue:** Building 3 (four-story), Building 8 (three-story), Parking Structure A and B (six levels each), and two surface parking lots;
- **Block bounded by Mary Avenue, new private street, Palomar Avenue, and non-project parcels north of Maude Avenue:** Building 4, 5, 6 (three stories each), Building 7 (four-story), Amenity B (two-story), Parking Structure C (six-level), and four surface parking lots;
- **Block bounded by Benecia Avenue, Mary Avenue, Maude Avenue, and non-project parcels at 990 Benecia Avenue and 965 W. Maude Avenue:** Building 9 and 10 (three stories each), Amenity C (one-story), Parking Structure D (four-level), and surface parking lot;
- **Block bounded by Benecia Avenue, Mary Avenue, Sunnyvale Golf Course, Hetch Hetchy ROW, and non-project parcel at 785-789 N. Mary Avenue:** Building 11 (three-story) and surface parking lot; and,
- **Block bounded by Almanor Avenue, US Route 101, and non-project parcels at 785-789 N. Mary Avenue and 675 Almanor Avenue:** Building 12 (four-story) and surface parking lot.

See Attachment 10 for a map of the blocks described above.

Consistent with the PPSP, the proposed main office/R&D buildings are situated to activate the street with clear pedestrian connections to new public sidewalks. The two blocks bounded by the new private street include a proposed internal north-south pedestrian/bicycle corridor called the “pathline.” Buildings within these blocks are sited around the pathline while still providing primary building entrances to public streets. The pathline is intended to be the main gathering area for employees within the project area. It is this design feature that compelled the applicant to place the parking garages on adjacent perimeter lots.

There are also numerous landscaped areas and open spaces in the project area, notably a large open space area on the north side of Building 2 bounded by Mary Avenue, Almanor Avenue, and Palomar Avenue. This open space area has been strategically located over the Hetch Hetchy ROW, where no structures are allowed.

The three proposed amenity buildings would provide space for employee dining, fitness activities, and meetings.

Parking is in both structured and surface parking areas. The large surface lots are limited to a section on the west side of Mary Avenue that includes Building 11 and behind Building 12. This design minimizes the impact of surface lots. The structured lots are placed along secondary streets, such as Palomar and Benecia Avenues to minimize the impact to the major streets. Although that does reduce the visual impact along Mary and Almanor Avenues, it creates a more significant impact to

17-0278Agenda Date: 4/10/2017

Palomar Avenue due to the relative narrowness of the lots on which the structures are placed and their distances to the street. The impact in that area is a trade-off from locating the structures either within the “pathline” or near more well-used streets. A concern with the Palomar Avenue parking structures is that they are located across the street from most of the office buildings. The result is most people will need to cross the street to reach their office destination. Staff has requested the parking garages be designed to funnel pedestrians leaving the garages to the intersection of Palomar and the east-west connector road where crosswalks will be located. The goal is to reduce mid-block crossings from the parking garages to the offices.

Freestanding trash enclosures are proposed throughout the surface parking areas to serve one or more buildings within their immediate vicinity. Loading areas have also been placed near building service entries. The final design and location of the trash enclosures and loading areas are subject to staff review prior to building permit issuance (Condition BP-8 and BP-10).

Vehicle, Bicycle and Pedestrian Circulation

Vehicle Access

The project was included as a near-term project in the PPSP Transportation Impact Analysis (TIA) and is within the net new square footage analyzed in the PPSP TIA. No additional TIA is required, but a Traffic Operations Study was prepared for the project to analyze traffic operations for the project intersections and driveways. The project is required to comply with the recommendations in the study, subject to Public Works Department approval (Condition GC-9).

The applicant is proposing to abandon Maude Court to accommodate Building 9, Parking Structure D, and the surrounding parking lot and landscaping improvements. Maude Court is an existing cul-de-sac off the north side of Maude Avenue, west of Mary Avenue. Maude Court currently provides vehicular access for three parcels, which would be merged together as part of the project. Access to non-project parcels in the area would not be affected by its closure. The PPSP requires provision of equivalent mobility whenever a public street is closed. While Maude Court currently does not provide access to the greater neighborhood, the applicant is proposing a separate pedestrian and bicycle path on the west side of the block to connect Maude Avenue to Benecia Avenue. A private driveway through the block provides similar north-south vehicular access. Staff finds these mobility provisions to meet the intent of the PPSP requirement.

Vehicular access for the project is provided through multiple driveways throughout each of the blocks. A total of 16 driveways are proposed with access to public streets and 14 existing driveway approaches will be removed. Driveways lead directly into surface parking lots or through longer onsite driveways to parking structures. There are also separate emergency vehicle access driveways in certain locations that function as landscaped areas when not in use.

Bicycle Access

After a review of the project pursuant to the goals of the PPSP, Planning and Department of Public Works staff are recommending removal of two driveways proposed on Mary Avenue. A key goal of the PPSP is to provide a new protected bicycle lane along Mary Avenue, known as a “cycle track.” The goal of the cycle track is to provide a safe area for cyclists with minimal driveway interruptions to encourage more cycling use to, from and through Peery Park. This is especially important as Mary Avenue reaches the future location of a potential overpass into Moffett Park. The Pathline Park project is proposing multiple driveways along Mary Avenue, which would increase the number of potential conflict areas between vehicles and bikes. Staff has worked unsuccessfully with the

17-0278**Agenda Date: 4/10/2017**

applicant to remove two of the driveways along Mary Avenue to eliminate those potential conflict areas. Staff continues to support a cycle track with minimal interruptions and recommends the removal of driveways in the following locations:

- Northernmost driveway approach at surface parking lot on west side of Mary Avenue serving Building 11 (Condition PS-1b).
- Driveway approach between Amenity A and Building 2 on the east side of Mary Avenue (Condition PS-1c).

Any proposed relocation of these driveways would be subject to staff review prior to building permit issuance.

In addition to the new private street, the project includes a robust network of onsite pedestrian and bicycle paths that provide connections within the project area and to public streets. All six blocks would be connected through crossings at street intersections, and there would be access from one end of the project to the other. Streetscape and right-of-way improvements are discussed later in the report.

Pedestrian Access

Consistent with the PPSP, pedestrian walkways would lead to building entrances from the public sidewalk along each street. Most buildings have multiple points of access. Walkways would also connect buildings to surface parking lots and parking structures. Surface parking lots with frontages on public streets also provide walkways to the public sidewalks.

To discourage the mid-block crossing from the parking lots on Palomar, staff is recommending removal of the proposed stairwell/elevator shaft at the street-facing corners of Parking Structures A and B furthest from the intersection of the new private street and Palomar Avenue (Condition PS-1a).

Architecture

The applicant has worked extensively with staff to provide an architectural concept consistent with the PPSP vision. The project architectural style is modern in nature, and the building forms are described by the applicant as deconstructed prisms that occur either horizontally or vertically. The building floor plans are rectangular, but the building floors have been arranged in unique ways to provide visual interest and articulation. The volumetric shifts also result in terraces and porches to create useable exterior spaces. Five different building types propose variety with extensive glass broken up by solid elements and “picture-frame” details. Bird-safe measures have been incorporated through low-reflectivity glass and use of smaller glazing modules.

The framing elements of the office buildings have been incorporated in the façade treatment of the parking structures on all sides, consistent with the Parking Structure Design Guidelines and comments from the Planning Commission at the November 14, 2016 Study Session. The frames also serve to break down the building scale into smaller volumes. Corner stair/elevator towers provide additional visual interest at the edges of the parking structures. The amenity buildings incorporate rectangular forms from the office buildings and are arranged in unique ways. The warm colors contrast with the cooler, metallic colors of the office buildings.

The applicant has recently worked with staff to enhance several architectural features, listed below:

- Strengthen all building entries;

17-0278**Agenda Date: 4/10/2017**

- Added glazing to the “picture-frame” elements on the street-facing façade of Parking Structure C to accentuate the terminus view from Palomar Avenue.

These supplemental exhibits are included in Attachment 12, and are required to be included in the final construction drawings (see Conditions PS-1e and PS-1g).

The applicant has provided supplemental exhibits (Attachment 13) that propose building type modifications to Building 6, 7, 11, and 12. These modifications respond to staff’s previous concern of reducing large expanses of glass area, and do not change the individual building/total project square footage, height, or the site plan/building setbacks. Building 6 and 11 would change from the “horizontal shift” to the “vertical shift” type. Building 7 and 12 would change from the “vertical shift” to the “horizontal shift” type. Staff supports these modifications as they retain architectural variety and better articulate the four-story office buildings.

Building Height

The project includes nine three-story and three four-story office buildings, and one four-level and three six-level parking structures. Three amenity buildings are proposed at one-story (two total buildings) and two-story heights (one building). Office building heights are controlled by height and stories. Parking structure heights are not subject to the story limit provided they do not exceed the maximum height permitted in feet and the height of the tallest main building onsite. Additionally, architectural projections, equipment screens, and machinery penthouses not exceeding 25 percent of the roof area can extend above the maximum height limit by an additional 25 feet.

In the Innovation Edge, the zoning regulations require buildings to be limited to six stories and 88 feet. The proposed buildings in this subdistrict meet the height standards, measuring from 47’ to 69’-3” to the top of parapet and up to 56’ to 72’-9” to the top of the mechanical equipment screen; therefore, no deviation is requested in this area. The proposed parking structures are also consistent with these criteria- Parking Structure C measures 56’-8” to the top of parapet with corner elevator machinery penthouses measuring to 69’. Amenity buildings measure 22 to 35’ to the top of the parapet.

In the Mixed Industry Core, the Plan allows heights up to four stories and 60 feet. The proposed office buildings and parking structures in this subdistrict meet the height standards as noted below:

- Office buildings measure from 48’-1” to 65’-8” to the top of parapet, and up to 57’ to 72’-6” to the top of the mechanical equipment screen.
 - The applicant proposes to utilize the green building incentive to increase building height for Building 3 from 60’ to 65’-8” (up to 10 additional feet allowed).
- Parking Structures A and B measure to 56’-8” to 59’ to the top of parapet with corner elevator machinery penthouses measuring to 69’ to 71’-5”
- Parking Structure D measures 36’ to the top of parapet with corner elevator machinery penthouses measuring to 48’.

The project’s solar shading analysis demonstrates a cumulative shadowing effect of 1.2 percent throughout the 365-day solar cycle which is less than the 10 percent maximum allowed by the City’s Solar Access Ordinance.

Deviations from PPSP

The Plan allows deviations from specific zoning standards. The project meets many of the requirements, except as discussed below:

Setbacks

The PPSP requires both minimum and maximum front yard setbacks for buildings along public streets. The application includes requests for deviations to the *maximum* front yard setback allowance for several buildings in the project. The project is otherwise consistent with all other setback requirements. The intent of the maximum front yard setback allowance is to ensure buildings are close enough to the street to provide a sense of enclosure and convenient pedestrian access to building entrances. All buildings in the project have entrances that face public streets and connecting walkways that lead to the public sidewalk. The requested deviations are primarily for buildings at corner lots where the front setback for the primary building mass is met, but not on the other side(s). There is also a building at the end of the pathline block that has been sited to contribute to the campus-like feel of the project. Other justifications include preservation of mature street trees, existing location of the Hetch Hetchy right-of-way (ROW), or minimizing building mass from the street. See the table in Attachment 3 which discusses the justifications for each building. Staff supports the setback deviation requests for these reasons.

Building Length

The PPSP also specifies maximum building length for the primary building mass lining a public street. If a deviation to maximum building length is requested, the PPSP requires compliance with the Building Length Exception Design Guidelines. Deviations are requested for two parking structures in the project (Parking Structures A and B) located along Palomar Avenue. All other buildings and structures in the project are consistent with the maximum building length requirement. The intent of the requirement is to minimize the extent and provide visual relief of building mass when viewed from the street.

Parking Structures A and B are in the Mixed Industry Core subdistrict, which specifies a maximum length of 275 feet. These parking structures are across the street from the portion of the project in the Innovation Edge subdistrict, which allows a maximum length of 375 feet. The parking structures are currently designed at 382 feet.

The applicant is proposing a deviation from the maximum 275 feet and has provided a design concept as shown in the supplemental exhibits in Attachment 12 to meet the Building Length Exception Design Guidelines. The guidelines state that if a deviation to the maximum building length is requested, a highly articulated recess of at least 40 feet in width and 40 feet in depth shall be incorporated into the building façade. The proposed concept includes adding a highly articulated recess of 49-feet wide by 20-feet deep on the middle portion of the façade for each parking structure. With the recess added, each segment of the façade would not be over 275 feet. The 40-foot depth specified in the guidelines is not provided because a 40-foot dimension would require the removal of the drive aisles in the structure, which severely limits access in the structure and removes many parking stalls. To maximize the intent of providing a clear break in the building length and visual appearance of the garage, the back portion of the recessed wall facing the street is treated with darker colors to give the appearance of a greater setback, and a contrasting color added to the 20-foot perpendicular walls.

Staff can support the building length deviation request because the intent of the requirement is to make a clear and distinct break in the building length, and the resulting building length will be nearly

17-0278**Agenda Date: 4/10/2017**

consistent with the rest of the project design (which allows building lengths up to 375 feet). The building recess is strategically placed to break up the extent of the façade when viewed from the street. Staff has added a condition (Condition PS-2) that requires the final design concept to be included in the final building permit drawings and to be consistent with the direction of the Planning Commission.

Street-Facing Upper Setback

In the Innovation Edge subdistrict, the entirety of the upper portion of any building's mass that is taller than four stories or 60 feet requires an additional 65-foot setback from the front property line. Only three buildings exceed the 60-foot height requirement, including Building 7 and 12 and Parking Structure C. Building 12 meets the requirement, but Building 7 (15'-3" setback) and Parking Structure C (18'-8" setback) do not.

Building 7's total proposed height is 63'-11" to the top of the parapet with an architectural feature that extends to 67'-5". A deviation is requested because the increased fourth floor setback is not provided for this building. The change in building type as shown in Attachment 13 still requires a deviation, but this building is now horizontally oriented with architectural features that delineate each floor. There are also horizontal building offsets that deconstruct the massing of the building. Staff supports the deviation because the height increase above the 60-foot threshold is minimal, and the proposed building articulation meets the intent of the requirement to reduce upper floor mass from the street.

A deviation is also requested for Parking Structure C for its current proposed location without the upper portion increased setback. The parking structure is located at the southern terminus of Palomar Avenue as it transitions to Del Rey Avenue, and is surrounded on three sides by other areas of the project. Due to the street bend, half of the parking structure length has street frontage, while the other half faces the interior portion of the pathline block. Building 8 also blocks a substantial portion of the parking structure's visibility when viewed from Palomar Avenue. Moreover, the total height of the parking structure is less than 60 feet, which is consistent with the intent of this requirement to reduce upper floor visual mass of taller buildings. Staff supports the deviation for Parking Structure C because of its location and its minimal street-facing visual mass.

Parking

The PPSP requires a minimum vehicular parking ratio of 3.3 spaces/1,000 square feet for corporate office/R&D uses, which results in a minimum requirement of 4,856 vehicular spaces. Parking is not required for amenity buildings. The project provides 4,951 parking spaces, 4,003 of which are in parking structures, with the remaining 949 spaces in surface parking lots. A parking management plan is required as part of the conditions of approval given that parking is dispersed throughout the project area (Condition BP-25). Signage directing drivers to available parking areas is required as part of the parking management plan, and was also recommended in the Traffic Operations Study. Additionally, Condition BP-7d requires an easement or other legal document that runs with the land for parking space utilization for all parcels in the project area, in the event one or more parcels is sold to a different entity.

Bicycle parking is required at five percent of vehicular spaces provided. Based on 4,951 vehicle spaces, a minimum of 248 bicycle spaces are required - of which 186 must be secured. The project includes 301 bicycle parking spaces (195 secured) to encourage biking as an alternative mode of travel to and from the site. The final locations of bicycle parking spaces will be reviewed during the building permit in accordance with VTA guidelines.

The project is required to provide shower and locker facilities to support bicycle use by employees (Condition BP-28).

Open Space/Landscaping and Tree Preservation

The PPSP envisions a network of varied open spaces that promote activity, greenery and livability in the district. The proposed plans show 43 percent of the site area as open space or landscaping where a minimum of 20 percent is required in the PPSP. These areas include the pathline corridor, outdoor seating and activity areas, patios, water features, building and site perimeter landscape buffers and useable open space, and extensive landscaped islands in surface parking lots.

Decorative paving surfaces are provided at driveway entries, pedestrian paths, and other activity areas. Public art would also be placed throughout the project area.

There are 599 existing trees within the project area, with the most common species being Coast Redwood, followed by Olive trees. Large Coast Redwood and Deodar Cedar trees predominantly line the streets within the project area. Olive trees are predominantly found in existing parking lots. The project is designed to preserve a majority of the existing trees along the street frontages, including meandering new sidewalks to avoid disturbing existing tree roots.

Of the 599 trees surveyed, 425 are considered “protected” per the Sunnyvale Municipal Code (Chapter 19.94). The project proposes to remove 197 protected trees (and 136 unprotected trees). The applicant proposes to transplant 10 protected trees elsewhere in the project area. The trees proposed for removal are either within the proposed improvement area or have low to moderate suitability for preservation. The City Arborist and Planning Division and Public Works Department staff walked the project area to verify proposed removals and identify alternative measures to retain additional trees. Consistent with the PPSP EIR, the project is subject to the City’s Tree Preservation Ordinance and replacement tree policy. Refer to Sheet L3.00 of Attachment 11 for the Tree Removal and Replacement Plan.

Off-site Development/Improvements

The project is required to install significant streetscape improvements on project area frontages along Maude, Benecia, Mary, Almanor, Palomar, Del Rey, and Pastoria Avenues consistent with PPSP streetscape standards. These improvements include, but are not limited to: new sidewalks, curbs and gutters, street lighting, street trees, and landscape buffers. The sidewalks will meander as necessary to preserve existing mature trees. There are also improved pedestrian crossings at five intersections within or near the project area. Notably, temporary protected intersection improvements as part of a pilot program are required at the Mary/Maude Avenue intersection which would improve pedestrian/bicyclist safety and comfort. No mid-block crossings are proposed per direction from the City’s Traffic Division.

New landscaped medians and reconfigured bicycle lanes are proposed on Mary Avenue between Maude and Almanor Avenues. The existing orientation of on-street parking and bicycle lanes would be revised so that on-street parking would protect the bicycle lane from the vehicular travel lane. Existing bicycle lanes on Almanor and Maude Avenues will be retained, and widened if necessary.

The existing number of vehicular travel lanes will be retained on all streets. Consistent with the PPSP, Palomar Avenue and the project area frontage along Benecia Avenue will be narrowed, including the loss of existing on-street parking, to accommodate the new streetscape improvements.

17-0278**Agenda Date: 4/10/2017**

The applicant is required to contribute toward future improvements to Pastoria Avenue as envisioned in the PPSP.

Final streetscape and roadway designs are subject to change during off-site improvement review by the Public Works Department.

Easements/Dedications

The project is required to provide the necessary easements/dedications for right-of-way and utility improvements. Consistent with the PPSP, the applicant is proposing to dedicate approximately 1.2 acres of private property on the 981-985 Almanor Avenue parcel for the future Mary Avenue Overcrossing project. This land dedication is critical towards ensuring the feasibility of the future extension of Mary Avenue to Moffett Park.

The project also requires the following easements for planning considerations and consistency with the Community Benefits Program:

- Vehicular reciprocal ingress and egress easement on the shared driveway with 928/930 Benecia Avenue (Condition BP-7a). There is currently not a recorded easement on this shared driveway. The applicant has agreed to work with the neighboring property owner to memorialize the shared access as part of this project.
- Public pedestrian and vehicular access easement on the new private street called the east-west street on project plans (Condition BP-7b).
- Allowance for properties on Pastoria Avenue to connect to the new private street when they redevelop (Condition BP-7c). The new private street has been located to connect through to Pastoria Avenue in the future, consistent with the PPSP.
- Parking space utilization for all parcels in the project area, so that employees and visitors can legally park in project area parking lots/structures that are on different parcels than the building they are using (Condition BP-7d).

Transportation Demand Management

The PPSP requires a Transportation Demand Management (TDM) trip reduction goal of 35% for AM and PM peak hour trips. A TDM plan and annual reporting requirements under the City's TDM Program is required per the conditions of approval. The PPSP also requires property owners to participate in a privately-funded Transportation Management Association (TMA) to coordinate transportation issues throughout the plan area, which includes contribution to the Peery Park Rides shuttle program. The TMA requirement is also reflected in the conditions of approval (Condition GC-8).

Project Phasing

A project of this size and scale will undoubtedly be built in phases. It makes sense to allow the project to be built as determined by the market, but there is also a concern of how long the project will take to be fully built-out and how necessary infrastructure elements will be built out. If the project is approved as planned, approximately 700,000 square feet of the Peery Park development capacity will be used. If the project builds only a few buildings and then doesn't proceed further, the remaining development potential is not available to other parts of the plan area. Also, since the project is planned as a whole, the street, sidewalk and other improvements must be built out at one time to ensure continuity.

To address this concern, staff is proposing a phasing plan (Attachment 14) which would ensure completion of each phase as designed, including required infrastructure, and other site and off-site improvements. The phasing plan breaks the project into five “blocks” and requires a comprehensive completion plan for each of the blocks. Condition PS-3 in Attachment 4 requires submittal of a construction phasing plan prior to submittal of the first building permit within each phase to review details of that phase’s construction and a plan for compliance with the conditions of approval. Additionally, Condition PF-1 requires all off-site improvements for each phase to be completed prior to final occupancy of any building/parking structure within that phase. If a phase is not exercised within two years of completion of a prior phase, then the square footage of the remaining phase may be returned to the City’s development reserve for use in other projects.

Moffett Federal Airfield Compatibility

The project area is located within the Moffett Federal Airfield Airport Influence Area (AIA) defined by the County of Santa Clara’s Comprehensive Land Use Plan (CLUP) for Moffett Federal Airfield. The northern portion of the project area is within the Turning Safety Zone (TSZ) and the southern is within the Inner Safety Zone (ISZ). The project meets the allowable density of 120 people per acre within the ISZ and 250 people per acre within the TSZ. Most the project area is within the 65 decibel (db) Community Noise Equivalent Level (CNEL) noise contour with a small portion in the 70 db CNEL noise contour. A noise study was prepared to provide measures to reduce the effects of the existing noise environment on persons within the project. Therefore, 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 15).

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

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: 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 MMRP). 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 Attachment 4.

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 the fee, and determine that 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 needed to support the new development. The required findings for the Sense of Place and Water Infrastructure fees,

17-0278

Agenda Date: 4/10/2017

including fee calculation information, are included in Attachment 3.

PUBLIC CONTACT**Neighborhood Outreach Meeting**

A neighborhood outreach meeting was held on November 3, 2016. The meeting was held jointly with another proposed office/R&D project in the Peery Park area at 684 W. Maude Avenue (Simeon). Approximately 10 members of the public attended. There were questions about the intended tenant (s) and construction timeframe. A neighboring property owner of 928-930 Benecia Avenue was concerned about the proximity of proposed Parking Structure D to Benecia Avenue and how it would affect the streetscape appearance. The property owner was also concerned about increased vehicle traffic through their site, as they currently share a driveway with one of the project area parcels. Since the outreach meeting, the applicant has worked with the property owner to increase the setback of the parking structure from Benecia Avenue, increase screening landscaping, revise the site plan to ensure there is equal widths for each property on the shared driveway, and has increased the setback of the parking structure entrance on the property.

Planning Commission Study Session

A study session was held with the Planning Commission on November 14, 2016. Commissioners asked questions about the types of amenities the project would provide and whether they would be open to the public, and what the project would look like when viewed from adjoining properties, including the Sunnyvale Golf Course. Commissioners were generally supportive of the project architectural design, but requested measures to soften building massing, particularly on the parking structures. The Commission also suggested enhancements to building entries and more variety in design. The Commission requested that more sustainable site measures be implemented, such as increased electric vehicle charging stations, solar panels, pervious pavement, and provision of native trees. The property owner of 928-930 Benecia Avenue also provided similar comments to those mentioned at the outreach meeting (discussed above).

The applicant subsequently revised their plans to add more native trees, screening trees along the edges of their project (particularly by parking structures), doubled the supply of electric vehicle charging stations, and modified the parking structure designs to incorporate more projecting façade elements that mimic the office buildings. Anticipated views of the project from the Sunnyvale Golf Course are included in Attachment 16.

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
- 1,935 notices were sent to property owners and tenants within 2,000 feet of the project site
- Email notice sent to the SNAIL, Morse Park, Lowlanders, Heritage District, and Charles Street neighborhood associations
- A copy of the report was 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 and no additional environmental review is required; and approve the Peery Park Plan Review Permit and Tentative Map subject to the PPSP Mitigation Monitoring and Reporting Program in Attachment 6 and conditions of approval noted in Attachment 4.
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 and no additional environmental review is required in Attachment 3; make the findings for the Peery Park Plan Review Permit (PPRP), Tentative Map, Sense of Place fee and Water Infrastructure fee in Attachment 3; and approve the Peery Park Plan Review Permit and Tentative Map subject to PPSP Mitigation Monitoring and Reporting Program in Attachment 6 to the Report and recommended conditions of approval set forth in Attachment 4 to the Report.

The project is a significant part of the Peery Park Specific Plan area, and it is important to ensure a project of this scale and size meet the goals of the PPSP. Staff can support the overall project as proposed with modifications and clarifications.

The proposed project represents several well-designed elements. It is consistent with the vision of the PPSP as it is master-planned and designed in an integrated campus setting that promotes innovation and joint use of space across property lines. Connectivity is enhanced with a new street, dedication of land for the future Mary Avenue Overcrossing, and some bicycle and pedestrian network improvements. Streetscape improvements will further encourage use of alternative transportation modes and enhance aesthetics. Vehicular traffic will be minimized through a TDM program and by the property owner's participation in a TMA. Sustainable design features are present in the proposed buildings and site layout. The distinctive architectural design of the project ensures an improved district image in this part of the PPSP.

Staff has included specific conditions of approval to ensure important elements of the PPSP are included and met by this project. These include, but are not limited to: removing driveways along Mary Avenue to remove conflicts with the goal of providing a relatively uninterrupted protected bike lane (cycle track) along Mary Avenue; to redesign the parking garages on the east side of Palomar Avenue to limit the potential for mid-block crossings to the office buildings on the west side; and care needs to be given to providing the applicant flexibility to build out a project of this scale over time with the need to ensure infrastructure and design elements included in the overall project presented by the applicant gets completed to meet that vision. Although deviations are requested, staff can support the requests.

Prepared by: George Schroeder, Associate Planner

17-0278**Agenda Date: 4/10/2017**

Reviewed by: Amber Blizinski, Principal Planner

Approved by: Andrew Miner, Planning Officer

ATTACHMENTS

1. Vicinity and Noticing Map
2. Project Data Table
3. Recommended Findings
4. Standard Requirements and Recommended Conditions of Approval
5. CEQA Checklist for PPSP EIR Compliance
6. PPSP EIR - Mitigation Monitoring and Report Program (MMRP) for Project
7. Project Area Zoning Map
8. Existing Site Area Building Size and Use
9. Proposed Community Benefits Plan
10. Block Map
11. Site and Architectural Plans
12. Supplemental Plan Set Exhibits (Building Entries and Parking Structures)
13. Building Type Modifications (Building 6, 7, 11, and 12)
14. Phasing Plan
15. ALUC Determination
16. Project Views from the Sunnyvale Golf Course