



City of Sunnyvale

Agenda Item

18-0284

Agenda Date: 5/14/2018

REPORT TO PLANNING COMMISSION

SUBJECT

Proposed Project: Related applications on an 8.42-acre site:

PEERY PARK PLAN REVIEW PERMIT: to construct a new 172,649 square foot, four-story office building with two levels of underground parking, 4.5-level parking structure and associated site work and landscaping to an existing campus consisting of two 4-story office buildings and one 2-level parking deck. The project will result in 100% FAR.

File #: 2016-7607

Location: 445 and 455 N. Mary Avenue (APNs: 165-32-015)

Zoning: Peery Park Specific Plan - Innovation Edge

Applicant/Owner: Jay Paul Company

Environmental Review: The project is exempt from CEQA review per CEQA Guidelines Section 15168 (c)(2) and (4) 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 mitigations are required.

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

REPORT IN BRIEF

General Plan: Peery Park Specific Plan (PP)

Zoning: Peery Park Specific Plan (PPSP)

Subdistrict: Innovation Edge (IE)

Existing Site Conditions: Two-existing 4-story buildings (194,170 square feet) and existing two-level parking deck.

Surrounding Land Uses

North: Office in PPSP Innovation Edge

South: Commercial in PPSP Activity Center (across Corte Madera Avenue)

East: Office in PPSP Innovation Edge (across Mary Avenue)

West: Encinal Park in PPSP Public Facilities

Issues: Implementation of the Peery Park Specific Plan

Staff Recommendation: Recommend that the Planning Commission 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, Sense of Place Fee and Water Infrastructure fee in Attachment 4; and approve the Peery Park Plan Review Permit 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 redevelopment of an 8.42-acre existing two-building office park with a four-story

18-0284

Agenda Date: 5/14/2018

office/R&D building totaling 172,649 square feet in floor area. The total building area would be 366,819 square feet and would increase from 53% Floor Area Ratio (FAR) to 100% FAR and two levels of underground parking. Also, the project includes replacement of an existing two level parking structure at the northeast corner of the project site with a new 4.5-story parking structure. 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.

See Attachment 2 for a map of the vicinity and mailing area for notices and Attachment 3 for the Data Table of the project. Attachment 9 contains the site and architectural plans for the proposed project.

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.

Previous Actions on the Site

The existing office campus was constructed in 1996.

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.

18-0284

Agenda Date: 5/14/2018

DISCUSSION

Present Site Conditions

The 8.42-acre Project site is located at 445 and 455 Mary Avenue close to the intersection of North Mary Avenue and Corte Madera Avenue. The immediate neighborhood is Encinal Park to the west, and office uses to the east, south and north which consist mostly of low-to mid-rise office and R&D campus/buildings. The site is currently used as a corporate office campus and consists of two buildings (four-stories), and one two level parking deck.

Peery Park Plan Review Permit

The project is in the Innovation Edge subdistrict of the PPSP. A Peery Park Plan Review Permit 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):

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. The existing site has an FAR of 53 percent which is to remain. The project includes an additional FAR of 47 percent for a total of 100 percent FAR.

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. As noted, the existing project has a base FAR of 53 percent.

The proposed Community Benefit Plan is anticipated to achieve a minimum of 65 points is required to achieve the desired 100 percent FAR (Attachment 8). The applicant proposes the following:

53 points: Existing FAR

25 points: Defined Community Benefit points

22 points: Flexible Community Benefit points (minimum)

18-0284

Agenda Date: 5/14/2018

100 Total points (see Attachment 8)

Defined Benefits (80 points maximum allowed)

- Approximately 31 percent of the site is open space/landscaping (5 points)
- 238 parking spaces are provided in an above grade parking structure (10 points)
- Project, including tenant improvements, will commit to achieve LEED Gold with U.S. Green Building Council (USGBC) certification (10 points)

Flexible Benefits (20 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: 22 percent of Total Building Area (366,819 square feet) (22%) x \$30 = \$2,421,005 approximate value.

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.

Site Layout: The project consists of one new building, a four-story office building at the northeast corner facing N. Mary Avenue (with underground parking) and a four and half -level detached parking structure at the northwestern end of the site with a direct entrance off Corte Madera Avenue (See Site and Architectural Plans in Attachment 9). Pedestrian entrances to the building are provided on two sides of the building. A landscaped area and some surface parking are located between the two existing buildings.

Vehicle and Pedestrian Circulation: Vehicular access to the site will be attained at two locations off N. Mary Avenue and Corte Madera Avenue. One access point leads directly to the parking structure at the western end of the site. Another access from N. Mary Avenue leads to the surface parking lot and to the underground parking under the new building. There is also an emergency access to the site from N. Mary Avenue at the northern end of the site. Pedestrian walkways will lead to the building entrance from the public sidewalk along each street. Pedestrian access is also provided from walkways from the public sidewalk to the surface parking lot and between the existing buildings. The existing landscaped plaza/green space between the existing buildings will be upgraded and a new walking path will be constructed to create ease of pedestrian circulation and connection between the different structures and landscape amenities on the campus. The entry plaza of the new office building also connects to the Mary Avenue public sidewalk.

18-0284

Agenda Date: 5/14/2018

Architecture: The proposed architectural style is considered contemporary, which is consistent with the PPSP vision. Site and architectural plans are in Attachment 9.

Office: The general form of the building is rectangular with wavy articulated glass along N. Mary Avenue. The building façade is almost entirely composed of panels of high performance vision glass with the corners of the building framed with metal panel cladding. The vision glass panels extend above the plate height providing architectural interest. The main entry is highlighted by an articulated glassy mass uniquely expressed from the rest of the building. The entry has an identifiable lobby entry facing N. Mary Avenue, the entry doors are highlighted by its portal design and a decorative metal canopy is the main focal point. The design is consistent with the Bird Safe design guidelines. The architectural building lines are a mix of vertical and horizontal expression which are compatible with the existing buildings and add texture, aesthetic interest and scale.

The office building will have a variety of glazing types, glass frits, mullion expressions, sun shading elements and other devices and details that further enhances its architectural aesthetics. In addition, white metal panel overhangs, bands and wall cladding, canopy and entry portals are used as accent materials.

Parking Structure: The 4.5-level parking structure will utilize painted concrete spandrel beams and pilasters trimmed with perforated metal panels and architectural glass. The garage design is contemporary using the design concepts in the office building. Spandrel glass panels are proposed on the façade of the structure along with green screen panels on the north elevation. The structure meets the Parking Structure Design Guidelines by providing variation in forms and detail with high quality materials. Special attention is given to the enhanced entry by providing a tower element.

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 N. Mary Avenue and 30 feet from the rear property line adjacent to the office buildings to the north. The parking structure is in the rear portion of the site approximately 10 feet from the rear property line and 43 feet from the side property line.

No deviation is requested for setbacks.

Building Heights/Stories: New buildings in the Peery Park Specific Plan within the Airport Influence Area (AIA) for Moffett Federal Airfield shall maintain consistency with the land use compatibility guidelines and policies in the Santa Clara County CLUP including height, open space and person density per acre. The project site is within the Inner and Turning Safety Zones and within the 65 dBA CNEL noise contour. The project is subject to a maximum height limit of 132-feet above mean sea level or approximately 66 feet. The building height is 62'-2" to the top of the roof parapet and the parking structure is 60'-6" to the top of the tower. Both structures meet the height limit.

No deviation is requested for building/height stories.

18-0284Agenda Date: 5/14/2018

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 4.5-level parking structure, two-level underground parking, and surface parking lots. A total of 1,211 vehicular spaces are proposed where a minimum 1,173 spaces are required for the entire campus. Bicycle parking is required at five percent of vehicular spaces required. The new building requires 570 vehicle spaces, a minimum of 29 bicycle spaces is required-of which 29 must be secured. The project includes 33 bicycle parking spaces (29 secured) to encourage biking as an alternative mode of travel to and from the site. Bicycle racks are located near the building entrance off N. Mary 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 31 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 (along N. Mary Avenue) and landscaped plaza area between the existing buildings.

There are 29 “protected” trees (circumference of 38 inches or greater at breast height) on site proposed for removal because they are either in poor health or within the proposed building footprints. The site is designed to preserve the existing mature Aleppo pine trees which define the streetscape along North Mary Avenue. Consistent with the PPSP EIR, the project is subject to the City’s Tree Preservation ordinance and current Tree Replacement Policy. The project will not result in new or more significant impacts to aesthetics than disclosed in the PPSP EIR.

Off-site Development/Improvements: The project is required to install new sidewalks, curb and gutter along N. Mary Avenue and Corte Madera Avenue.

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 Comprehensive Land Use Plan (CLUP) for Moffett Federal Airfield. The site is located within a portion of the Inner Safety Zone (ISZ), the Turning Safety Zone (TSZ) and in the 65 dbz zone. The project meets the allowable CLUP density of a maximum of 120 people per acre within the ISZ and 300 people per acre within the TSZ. 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 10).

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.

Transportation Demand Management: Transportation Demand Management (TDM) is an adopted environmental mitigation in the PPSP. The Mitigation Monitoring and Reporting Program requires individual property owners to join a Transportation Management Association (TMA) to help facilitate TDM programs for tenants within the PPSP area. (Attachment 7). The PPSP has a 30% trip reduction goal for a project of this size.

Easements: The project is required to provide the necessary right-of-way easements for public sidewalks.

18-0284

Agenda Date: 5/14/2018

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.

In addition, new non-residential construction is required to pay school impact fees as determined by local school districts (in this case the Sunnyvale School District and the Fremont Union High School District).

PUBLIC CONTACT

Neighborhood Outreach Meeting: Two neighborhood outreach meetings were held on August 10, 2017 from 3:00 PM to 4:00 PM and September 13, 2017 from 6:00 PM to 7:00 PM. Approximately seven members of the public attended. A few comments were noted regarding the construction timeframe, potential traffic impact, buses double parking in the area, and the need for more housing instead of office.

Planning Commission Study Session: A study session was held with the Planning Commission for this project on August 17, 2017 which included a six-story office building, which was later reduced to four stories to meet the ALUC standards. Comments at the study session included architectural massing and treatments to break up the massing and tree species selection. The applicant modified the architecture on the north and west elevations by adding vision glass panels that extend above the plate height providing architectural interest. The applicant modified the materials throughout the project on all elevations. Also, large specimen trees were added to the landscaping. The drawings in Attachment 9 reflect the changes.

Notice of Public Hearing, Staff Report and Agenda:

- Published in the *Sun* newspaper
- Posted on the City of Sunnyvale's Web site

18-0284

Agenda Date: 5/14/2018

- 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

Recommend that the City Council:

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, Sense of Place Fee and Water Infrastructure fee in Attachment 4; and approve the Peery Park Plan Review Permit 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.
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 state the reasons for denial.

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, Sense of Place Fee and Water Infrastructure fee in Attachment 4 to the Report; and approve the Peery Park Plan Review Permit 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: Margaret Netto, Project Planner

Reviewed by: Gerri Caruso, Principal Planner

Reviewed by: Andrew Miner, Assistant Director, Community Development

Reviewed by: Trudi Ryan, Community Development Director

Reviewed by: Teri Silva, Assistant City Manager

Approved by: Kent Steffens, City Manager

18-0284

Agenda Date: 5/14/2018

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