



City of Sunnyvale

Agenda Item

18-0842

Agenda Date: 11/12/2018

REPORT TO PLANNING COMMISSION

SUBJECT

Proposed Project:

PEERY PARK PLAN REVIEW PERMIT to construct two 162,000-square foot, four-story corporate/research and development (R&D) office buildings and a 6-level parking structure on a 10.4-acre site (Phase 2 of the W. Maude Ave Campus). An existing approximately 58,188 s.f. building is to be retained. A total of approximately 382,188 s.f. and 85% FAR is requested.

Location: 810-870 W. Maude Avenue & 470 Potrero Ave (APNs: 165-30-001, 011, & 012)

File #: 2017-7066

Zoning: Peery Park Specific Plan (PPSP)

Subdistrict: Innovation Edge (IE) & Mixed Industry Core (MIC)

Applicant / Owner: Simeon Commercial Properties / 870 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 (IE) & Mixed Industry Core (MIC)

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

Surrounding Land Uses

North: R&D Office in PPSP Innovation Edge

South: R&D Office in Mixed Industry Core District

East: Under Construction (Phase 1) - R&D Office in PPSP Innovation Edge

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: a) 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; b) make the Findings for the Peery Park Plan Review Permit and Sense of Place Fee in Attachment 4; and, c) approve the Peery Park Plan Review Permit subject to the PPSP Mitigation Monitoring and Reporting Program in Attachment 7 and the recommended conditions of approval set forth in Attachment 5.

BACKGROUND

Description of Proposed Project

The project includes demolition of the existing approximately 162,600-square feet office/R&D

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buildings and the construction of two four-story office buildings and a five-story parking structure (includes a sixth parking level on the roof) on a 10.37-acre site, resulting in 85 percent floor area ratio (FAR). A 58,188 square foot one-story office building at 470 Potrero Avenue is included as part of the project and will be retained. 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 and subject to City Council review and approval.

The proposed project is Phase 2 (of two) of a redevelopment situated at Maude Avenue between N. Pastoria Avenue and Potrero Avenue in the Peery Park Specific Plan Area. Due to challenges conforming to the County of Santa Clara's Comprehensive Land Use Plan (CLUP) occupancy standards for Moffett Federal Airfield, Phase 2 was split from the original redevelopment proposal to allow the applicant to resolve the CLUP issues, which has been accomplished. Phase 1 consisted of a 174,545 s.f. R&D office area on a 4.01-acre site across N. Pastoria Avenue to the east of this project site and was reviewed by the Planning Commission April 10, 2017 and approved by the City Council on April 25, 2017.

The City Council is scheduled to consider this proposal on December 4, 2018.

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

Previous permits for the combined site include staff-level permits for landscaping and site improvements. Permits have been also issued for architectural modifications to the existing buildings and waivers of screening. A Use Permit application was granted for 870 W. Maude in 1995, which allowed a FAR up to 37.5%. The existing buildings along Maude that are planned to be demolished were constructed in 1976. The existing building to remain was built in 1979.

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.

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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 along the southern frontage of W. Maude Avenue between Potrero Avenue and N. Pastoria Avenue. The site is currently developed with three one-story buildings used as office/R&D. The building at 470 Potrero Avenue is planned to be retained as part of this redeveloped campus.

Peery Park Plan Review Permit

The project is located within two PPSP districts. The two new buildings are located within the Innovation Edge (IE) subdistrict while the existing single-story building at 470 Potrero Avenue 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 85 percent FAR.

Use

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

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 the number of points specified in the PPSP 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.

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The proposed Community Benefit Plan is anticipated to achieve a minimum of 50 points to reach the desired 85 percent FAR. The applicant proposes the following:

33 Defined Community Benefit points
17 Flexible Community Benefit points
50 Total points (see Attachment 8)

Defined Benefits

- Approximately 26 percent of the site is open space/landscaping (3 points)
- 875 parking spaces are provided in an above grade parking structure with underground parking (10 points)
- 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 (10 points)

Flexible Benefits

Community Benefits Fund Contribution. A \$30 per square foot value was identified for this application to assess whether this 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. Even if the project achieved the maximum allowable defined community benefits, this 85% FAR project would still require 5 flexible benefits points; the applicant was unable to reach the maximum defined benefit for the project, and must make a total of 17 points through flexible benefits. Each project is reviewed separately for the applicability of this value.

- Calculation: 17 percent of Total Building Area (382,188 square feet) x \$30/ square foot = \$1,949,158.80 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.

The vision for the Mixed Industrial Core (MIC) sub-district 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.

Policy A.4.a.i of the PPSP encourages a "wide range of building types, workspaces sizes... to accommodate large established firms, small firms, and start-ups." Incorporating the existing one story building at 470 Potrero Avenue into the project assures there will be a mix of office types available as part of the project.

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Site Layout: The proposed project consists of two four story office buildings that mirror each other, positioned along the W. Maude Avenue frontage. A six-level parking structure (appears as a five-story building) is located behind one of the buildings with a direct entrance off N. Pastoria Avenue. A central amenity area lies between and behind the two office buildings. A campus promenade along with several seating areas and a central plaza are defined within this area. A lawn area is also located between the buildings closer to the street. As noted in the landscaping section, many of the large mature trees are located along the W. Maude frontage to further buffer the site. A surface parking lot is positioned off Potrero Avenue, which will also allow busses to enter the site. A sheltered transit center is centrally located on the site at the western edge of the parking structure. The parking structure can also be accessed from the parking lot.

A centralized trash enclosure is planned towards the interior of the site adjacent to the surface parking lot. The location and size of the facility has been reviewed and approved by Department of Public Works staff for adequacy. A final solid waste management plan is required per the Conditions of Approval.

Vehicle and Pedestrian Circulation: Vehicular access to the redeveloped site can be attained at three locations off Potrero Avenue. One additional access point leads directly to the parking structure off N. Pastoria Avenue at the southeast corner of the site. Currently, there are five vehicular access points off W. Maude Avenue, which will be removed and replaced with public sidewalks and on-site landscaping. Two vehicular access points along N. Pastoria Avenue are reduced to one while the three access points off Potrero Avenue are to be retained.

Pedestrian walkways lead to entrances to each building from the public sidewalk along each street. Walkways are also located adjacent to the parking lot and within the amenity area between the office buildings and parking structure.

As part of the approved Phase 1 for this redevelopment, a public bicycle and pedestrian walkway was proposed as a community benefit along the southern border of the project. This future improvement can be installed once the adjacent lot directly to the west along Mathilda is redeveloped. For the subject site, due to the configuration of the existing lot at 470 Potrero, a similar pedestrian and bicycle path along the southern border would result in the loss of significant parking (39 spaces) that supports the development. In addition, the neighboring property at 479 N. Pastoria was recently redeveloped and does not maintain a similar pathway; therefore, a connection at this location would be unlikely to occur soon.

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

Office: The office buildings will utilize a similar design as Phase 1, which is generally rectangular in form with a wavy pattern of glass along each façade with a straight portion at the center portion of each side. The façades are 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. A concrete canopy extends above the first floor of the building along portions of each side of the building. An aluminum mechanical screen, which will not be readily visible from the street, sits atop a portion of each building. The design is consistent with the Bird Safe Design Guidelines.

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The existing one-story building at 470 Potrero Avenue, built in 1979, is constructed of primarily a concrete façade with storefront glass wrapping around each side. Metal roofing is also utilized within portions of the building. Minor architectural improvements were completed in 2015, including a modified entry canopy. There are no planned exterior modifications to the building as part of this application.

Parking Structure: Based on feedback from the Planning Commission study session, the garage design was modified to better match the approved parking structure within Phase 1 (across N. Pastoria). The previous design included brown painted aluminum fins at the corners; however, it was recommended to be modified to tie in better with the planned structure across the street. The structure will instead utilize clear vision glazing at the corners for the elevators/stairs of the upper levels. The garage design is also now more complementary of the architecture of the office buildings. The corners project higher which helps break up the roof line of the structure. At the shorter ends and portions along the longer sides of the structure, the façade is interrupted with various paneling that may be considered as a possible location for public art.

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 proposed office buildings are located approximately 30 feet from the front property line facing W. Maude Avenue and 21 feet from each property line along N. Pastoria Avenue and Potrero Avenue. The parking structure is located approximately 20 feet from the front property line along N. Pastoria Avenue. The existing building at 470 Potrero maintains a front setback of 96 feet.

No deviation is requested for setbacks.

Building Height/Stories: The office buildings are located within 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 buildings meet these standards, measuring 65 feet three inches to the peak of the fourth story and up to 77 feet and seven inches to the top of the mechanical equipment screen. The roof screen is setback an additional 33 to 40 feet back from the edge of the building.

The maximum height limit in the Mixed Industry Core district is 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 60 feet to the roof with a projecting elevator overrun at the corner that peaks up to 73 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.

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Parking: The project includes a new six-level parking structure with a main entrance off N. Pastoria Avenue. A secondary entrance to the structure from the opposite side connects to a surface parking lot. This parking lot draws access off Potrero Avenue. An existing surface lot with separate street access is also provided around the building at 470 Potrero Avenue. The PPSP requires a minimum vehicular parking ratio of 3.3 spaces/1,000 square feet for corporate office/R&D uses. A total of 1,153 vehicular spaces are proposed where a minimum 1,262 spaces are required based on the required rate (3.01 spaces/1,000 square feet provided). When combined with Phase 1, the campus provides a rate of 3.12 spaces/1,000 square feet. Although, this rate does not meet PPSP standards, the project would still meet Citywide standards for R&D office uses. The project site is located approximately a quarter mile away from a major bus stop (Maude and Mathilda Avenues).

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 the required parking, a minimum of 87 bicycle spaces is required, of which 66 must be secured. The project includes 120 bicycle parking spaces (66 secured) to encourage biking as an alternative mode of travel to and from the site. Bicycle racks are located between the buildings near the public street, while secure parking (lockers) are adjacent to the parking structure and next to the surface lot off Potrero Avenue.

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 26 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 in front of the buildings as well as the pedestrian promenade that extends the approximately 700-foot length of the site. An open plaza area and lawn is also situated between the two buildings. Various seating areas are located throughout the site next to the promenade.

There are 144 trees currently located on the project site, including street trees. Of the 144 trees, 55 are proposed to be removed. Of the 55 trees proposed for removal, 36 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 as many mature trees as possible located along the W. Maude boundary line of the site. Sidewalks will be designed to meander around two redwood trees planned to be preserved along the W. Maude Avenue frontage. 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 gutter, and landscaped areas along each street frontage to meet the PPSP standards. The sidewalks will meander along W. Maude to preserve several healthy trees. The PPSP also requires new bike lanes to be installed along the W. Maude Avenue frontage. Final designs will be determined by the Department of Public Works during the review of the off-site improvements.

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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 also located within the Inner Safety Zone (ISZ). Consistent with Phase 1, Phase 2 meets the allowable CLUP density of a maximum of 120 people per acre within the ISZ. The site is also partially within the 65 dBA noise contour for Moffett Field; however, the project has been deemed consistent with the CLUP related to noise 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 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.

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

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). The proposed project, in conjunction with Phase 1, will not be subject to the infrastructure fee for water as necessary water pipe improvements are planned to be constructed with this project.

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. Subsequent to the adoption of the PPSP, a detailed water infrastructure assessment for the PPSP area was prepared which identified the specific parcels where development will trigger the need for an upsized public main. This project does not fall within the area where upgrades are required; therefore, no fee for water infrastructure will be imposed.

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.

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 of the site on W. Maude Avenue and off Potrero

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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 August 13, 2018. Comments at the study session included discussion of the parking structure design, landscaping, and public improvements. As stated in the report, the design to the parking structure has been modified to better match the design of the approved parking structure from Phase 1.

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
- 2,462 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. a) 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; b) make the Findings for the Peery Park Plan Review Permit and Sense of Place Fee in Attachment 4; and, c) approve the Peery Park Plan Review Permit subject to the PPSP Mitigation Monitoring and Reporting Program in Attachment 7 and the 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 provide direction to staff and applicant on where changes should be made.

STAFF RECOMMENDATION

Recommend to City Council Alternative 1: a) 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; b) make the Findings for the Peery Park Plan Review Permit and Sense of Place Fee in Attachment 4 to the Report; and, c) approve the Peery Park Plan Review Permit subject to PPSP Mitigation Monitoring and Reporting Program in Attachment 7 to the Report

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and the 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: Gerri Caruso, Principal Planner

Reviewed by: Andrew Miner, Assistant Community Development Director

Reviewed by: Trudi Ryan, Community Development Director

Reviewed by: Teri Silva, Assistant City Manager

Approved by: Kent Steffens, 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