



City of Sunnyvale

Agenda Item

20-0763

Agenda Date: 10/26/2020

REPORT TO PLANNING COMMISSION

SUBJECT

Proposed Project: **PEERY PARK PLAN REVIEW PERMIT** to construct two five-story office/R&D buildings totaling 391,131 square feet in floor area and 100% floor area ratio (FAR), and a six-level parking structure.

Location: 888 Ross Drive (APNs: 110-07-035, 036)

File #: 2019-7860

Zoning: Peery Park Specific Plan/Innovation Edge (PPSP/IE)

Applicant / Owner: Perry Hariri / STP Property LLC

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

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

REPORT IN BRIEF

General Plan: Peery Park Specific Plan (PPSP)

Existing Site Conditions: Existing one and two-story office/R&D buildings

Surrounding Land Uses

North: Freeway (State Route 237)

South: Freeway (U.S. Highway 101)

East: Office/R&D, Year Round Homeless Shelter, and two hotels

West: Freeways 237 and 101

Issues: Implementation of the PPSP and tree removals

Staff Recommendation: Alternative 1: Recommend that the City Council make the required Findings to approve the CEQA determination that the project is exempt from CEQA review pursuant to CEQA Guidelines Section 15168 (c)(2) and Public Resources Code Section 21094 (c) as it is within the scope of the Peery Park Specific Plan (PPSP) Environmental Impact Report (EIR) and no additional environmental review is required in Attachment 6; make the Findings for the Peery Park Plan Review Permit, and Sense of Place 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.

BACKGROUND

Description of Proposed Project

The project includes demolition of three existing industrial buildings totaling 138,163 square feet in size and construction of two five-story office/R&D buildings totaling 391,131 square feet and 100 percent floor area ratio (FAR) and an above-ground parking garage and surface parking totaling 1,260 parking spaces. The project is in the FAR Zone 1 of the PPSP and is categorized as a Tier 3 Project, where sites may develop up to 100 percent FAR with the provision of either Defined and/or Flexible Community Benefits subject to City Council approval.

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The City Council is scheduled to consider this item on November 17, 2020.

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

Peery Park Plan Review Permit: A Peery Park Plan Review Permit (PRP) is required for site and architectural review for new construction, and additions or modifications of structures and property within the PPSP. The findings required to grant a PRP are discussed in Attachment 4.

Previous Actions on the Site

The existing buildings were constructed in 1985. There are no subsequent planning actions related to the site.

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.

Applicable Design Guidelines: The following design guidelines were analyzed and referenced in the discussion below - PPSP, Citywide Design Guidelines, Parking Structure Design Guidelines, and Birdsafe Design Guidelines.

ENVIRONMENTAL REVIEW

A Program-level EIR was prepared for the PPSP (State Clearinghouse #2015062013) which identified potential impacts resulting from the proposed development intensities in the Plan; links to the Draft and Final EIR are provided in Attachment 12. 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 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 (Attachment 6). The EIR MMRP is included by reference for this project.

DISCUSSION

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Present Site Conditions

The 8.98-acre site is currently developed with three, one- and two-story office/R&D buildings surrounded by asphalt paved parking lots, drive aisles and landscaped areas. The site is currently served by two driveways along Ross Drive, which dead ends at this site.

Site Design and Architecture

This project is located in the Innovation Edge (IE) district. The PPSP's vision for the IE district is a synergistic mix of workplace and commercial uses, with small, visible and accessible lunch-oriented activity clusters. Development would be focused on enabling people to walk and bike to and from their workplaces and nearby amenities. Buildings would 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 the entire district to function as an integrated innovation campus.

The project displays contemporary architecture and incorporates sidewalks, street trees, and landscaping along Ross Drive and on-site amenities for employees; however, there are few outside amenities for employees (e.g. café, deli, or coffee shop) located nearby.

The site is within a triangle bordered by State Route 237, U.S. Highway 101 and Mathilda Avenue (a local major arterial). The triangle includes two hotels, four R&D sites, the county homeless shelter, and a restaurant. The closest off-campus amenity is the restaurant located less than a third of a mile at Ross Drive and Mathilda Avenue; the next closest restaurants are located about a half mile to the north (in Moffett Park) and a little less than a mile to the south near San Aleso Avenue and Mathilda Avenue (this area is within the PPSP). New amenities are under construction in this portion of Peery Park, south of the subject site.

Site Layout: The project consists of two, five-story office buildings, facing Ross Drive and a six-level detached parking structure with a direct entrance from Ross Drive (See Site and Architectural Plans in Attachment 9). The total building area is 391,131 square feet, which includes:

- **Building A** is 186,915 square feet in size and is located in the middle of the site located between building B and the parking structure;
- **Building B** is 200,515 square feet in size and located along the western side of the site adjacent to Highway 237; and,
- **Amenity space** of 3,701 square feet devoted to employee amenity space, showers and locker area in the parking structure.

Pedestrian entrances to the building are provided on the front entrances of each building adjacent to the Ross Drive turnaround. A large landscaped area is located between the buildings and the parking structure. Preliminary landscaping plans are provided in Attachment 13.

Architecture: The proposed office buildings are designed as contemporary in architectural style, with a mix of vertical and horizontal expressions (see Attachment 9 for plans and page A502 for colors and materials). The office buildings are asymmetrical in form, which adds visual interest and angular focal points. Primary exterior materials include clear glass with champagne-colored metal mullions, textured fiber cement panels and board-formed concrete. The mullion extensions vary from 0 inches to 8-inches. The metal mullions are composed pattern of double mullions that project 6-inches at roughly 30 feet bay spacing. Most of the exterior curtainwalls have 8 inches mullion extensions that

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are raked 30 degrees to create interest in light and shadow. Wooden accent is also added along the base to soften the pedestrian scale. Terraces are located on each of the upper floors of both buildings, which adds a horizontal element and reduces the massing of the upper floors. The building entries have identifiable lobbies facing Ross Drive with highlighted entries. A white metal trellis connects the two buildings creating a ground level pedestrian forum between the buildings. The buildings are also connected by a terrace on the second level.

The parking structure is long and rectangular in shape, and the area was designed with an entry tower in the middle of the building and an exterior staircase that helps to break the building plane. Similar materials as the office buildings are used, including textured concrete and metal fins with a vertical orientation. Additional accent materials add warmth and texture, including gray perforated metal panels, green-painted metal panels, and a green screen with creeping vine. The structure meets the Parking Structure Design Guidelines by providing variation in forms and detail with high quality materials and will adequately screen vehicles from the street frontage and neighboring properties.

All buildings are designed in conformance with Bird Safe Guidelines by breaking up the glass with the metal mullions, the open area is not located close to the buildings to create a funneling effect, and the lighting is shielded to cast down onto the illuminated plaza area and open space.

Development Standards

The proposed project conforms with the PPSP development standards such as building length, height, landscaping, parking and FAR. Refer to Attachment 3 for a full list of applicable development standards. No deviations are proposed.

Building Length: A maximum building length of 375 feet is permitted. The office buildings comply and are approximately 270 feet in length. The entire parking structure is 590 feet in length and is designed with a tower element in the middle that breaks the plane of the building into two halves that are approximately 233 feet in length. Therefore, the parking structure with tower element also complies with the building length requirement.

Heights/Stories: A maximum of six stories and 88 feet height, as measured from the top of the nearest curb, is permitted. The office buildings are five stories and 86 feet in height and the parking structure is six levels of parking and 56 feet in height. Therefore, the project complies with the PPSP height limit.

In addition, the project is subject to the Moffett Field Comprehensive Land Use Plan (CLUP), as the site is within the as the site is within the Airport Influence Area (AIA) for Moffett Federal Airfield. The CLUP allows a maximum height of 182 feet above mean sea level, which is approximately 123 feet above the top of curb. Therefore, the buildings are well under the CLUP height limit and is consistent with applicable CLUP policies (see Attachment 10).

Tree Removal and Preservation: An arborist report was completed by HMM, dated August 21, 2020 (see Attachment 11). There are 175 trees on the project site, and 135 which are considered "protected" (trunk circumference is greater than 36 inches as measured 4.5 feet from the ground). The project meets the PPSP Landscape Guidelines by preserving the mature trees in the open area, the street trees, the perimeter trees, and replanting some mature trees located in the proposed building footprint.

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The project includes removal of 58 protected trees, which accounts for about 42 percent of the total number of protected trees. Of the protected trees for removal, 20 are due to poor health. The remaining 38 trees require removal due to conflicts with the proposed site plan. Below is an inventory of protected trees for removal:

Protected Trees for Removal:

Tree Species	Poor Health	Conflicts with Site Plan
Redwood	0	14
Alder	9	7
Ash	1	7
Liquid Amber	9	13
Willow	1	0
Total	20	38

Planning staff walked the site with the City Arborist, who agreed with the applicant's arborist's findings. In order to bring proposed buildings closer to Ross Drive, per the PPSP guidelines, removal of many of the interior trees is warranted. Preservation of existing trees is primarily focused on the existing mature Redwood trees lining the project frontage along Ross Drive. Some of the interior Redwood trees are also being preserved along with all the Redwood trees on the eastern property line adjacent to the proposed parking structure. Of the 77 "protected" trees to remain, five Redwood trees would be transplanted on site. All the trees along Highway 101 and 237 are to be maintained.

New landscaping would be planted all around each of the structures and the project perimeter including new street trees lining Ross Drive. The project complies with the Tree Replacement Standards by providing 185 replacement trees, which includes 25 street trees, 91- 24-inch box trees and 36 - 36-inch box trees. New trees include 36-inch box-Red Maples and Coast Live Oaks as the new street trees (final street tree selection is subject to approval by the City Arborist). Oaks and Monterey Cypress are proposed for the grove area, Southern Live Oaks and Locust trees are proposed, in the preliminary landscape plans, to be planted along the perimeter of the site. Final selection of landscaping is subject to approval by the Director of Community Development and the requirements in the Zoning Code, including Section 19.37.050, Water Efficiency Design Requirements. <http://qcode.us/codes/sunnyvale/view.php?topic=19-4-19_37-19_37_050&frames=on>

Landscaping: The PPSP envisions a network of varied open spaces that promote activity, greenery and livability. The proposed plans show 40 percent of the site area as open space or landscaping where 20 percent is the minimum required in the PPSP. The landscaping design features private recreational amenities, such as a basketball court, sports equipment, and garden beds. Outdoor seating, an open lawn area and a reflective pool are located along the Ross Drive frontage to create a street presence. While not counted towards landscaping, the roof terraces on the office buildings provide additional outdoor employee space (see Attachment 13, Preliminary Landscaping Plans).

Parking and Circulation: A minimum vehicular parking ratio of 3.3 spaces/1,000 square feet is required for corporate office/R&D uses. The project includes a six-level parking structure and surface

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parking. A total of 1,290 vehicular spaces are proposed on site which meets the required minimum 1,290 spaces for the entire campus. Parking includes 1,260 spaces in the parking garage and 30 surface parking spaces. Bicycle parking is required at five percent of vehicular spaces required. The new building requires a minimum of 65 bicycle spaces of which 46 must be secured. The project includes 144 bicycle parking spaces (124 Class 1 secured parking and 20 Class 3 short term racks) to encourage biking as an alternative mode of travel to and from the site. Bicycle racks are located near the building entrance from Ross Drive and near the entry of the parking structure. The Class 1 bike parking spaces are located on the ground level of the parking garage near the showers, changing stalls and the lockers.

Vehicular access to the site is from Ross Drive only and includes a full-access turnaround from Ross Drive to an auto court with specialty paving. The proposed project would maintain access to the nearby roadway network via four project driveways from Ross Drive. The visitor driveway and parking garage driveway are proposed to allow two-way traffic. The drop-off ingress driveway is proposed to be a one-way driveway for the vehicles accessing the drop-off zones. The drop-off egress driveway is proposed to be a one-way driveway for vehicles exiting the site.

Pedestrian walkways would lead to the building entrances and parking structure from the public sidewalk along Ross Drive. The landscaped green space between the structures would be constructed to create ease of pedestrian circulation and connection between the different structures and landscape amenities on the campus. The property is within walking distance to the VTA bus service line on Mathilda Avenue intersection with Ross Drive (0.3 miles from the project site). The Rapid 523 bus service runs between Berryessa BART Transit Center in San Jose and the Lockheed Martin Transit Center in Sunnyvale.

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 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 a FAR of 35.3 percent which is proposed to be demolished. The project includes an additional FAR of 64.7 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. The applicant proposes the following (see Attachment 8):

Defined Benefits (22 percent additional FAR)

- Approximately 40 percent of the site is open space/landscaping,
- 1,182 parking spaces are provided in an above grade parking structure, and
- Achieve LEED Gold with U.S. Green Building Council (USGBC) certification.

Flexible Benefits (43 percent additional FAR)

- Payment of \$5,045,580 towards the City’s Community Benefits Fund.
- Dedication of approximately 4,000 sq. ft. right-of-way easement for Mary Avenue.
- All electric building.

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Easements: The project is required to provide the necessary right-of-way easements for public sidewalks and emergency access. The project will also provide an easement for the future Mary Avenue overpass which would cross over the southwest corner of the project site (see Conditions of approval, BP-36 Easements, Attachment 5).

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 25 percent trip reduction requirement for a project of this size.

FISCAL IMPACT

Normal fees and taxes are expected. Standard fees for higher intensity office development projects in Sunnyvale include transportation impact fee, housing mitigation fee, school impact fees, and all building permit related fees and taxes. Additionally, projects within the PPSP are required to pay: the PPSP Infrastructure Fee for water, PPSP Fee, PPSP Sense of Place Fee, and fair share contributions towards Transportation Mitigation (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. The Mitigation Fee Act (Government 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 would 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 would 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 support the new development. The required findings for the Sense of Place fee 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: A neighborhood outreach meeting was held over a year ago on May 9, 2019. Several members of the public attended to view the proposed project and asked about the construction schedule. Some of the attendees were current employees of the existing business on site.

Planning Commission Study Session: A study session was held with the Planning Commission for this project on May 28, 2019. Discussion included providing more prominent building entries, a distinctive building base, activation of the lawn area, and saving as many "protected" trees as possible. At this study session, the Planning Commission reviewed the initial proposal for one building. The applicant submitted the current proposal adding an additional building to the project once a project that was initially analyzed as part of the PPSP EIR expired, freeing up the additional

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square footage. This additional square footage enabled the applicant to propose a 1.0 FAR.

The applicant modified the plans to incorporate more defined building entries, distinct building base material and further enhanced outdoor amenities. The applicant also adjusted the site plan to save 34 more protected trees.

Notice of Public Hearing, Staff Report and Agenda:

As of the date of staff report preparation, staff has received no comments from the neighbors.

Notice of Public Hearing

- Published in the Sun newspaper
- Posted on the site
- 1,551 notices mailed to property owners and tenants within 2,000 feet of the project site
- Notices were sent to interested parties and to the S.N.A.I.L. neighborhood association.

Staff Report

- Posted on the City's website

Agenda

- Posted on the City's official notice bulletin board
- Posted on the City's website

ALTERNATIVES

Recommend that the City Council:

1. Make the required Findings to approve the CEQA determination that the project is exempt from CEQA review pursuant to CEQA Guidelines Section 15168 (c)(2) and Public Resources Code Section 21094 (c) as it is within the scope of the Peery Park Specific Plan (PPSP) Environmental Impact Report (EIR) and no additional environmental review is required in Attachment 6 to the Report; make the Findings for the Peery Park Plan Review Permit, and Sense of Place Fee in Attachment 4 to the Report; and approve the Peery Park Plan Review Permit subject to the PPSP Mitigation Monitoring and Reporting Program in Attachment 7 to the Report and recommended conditions of approval noted in Attachment 5 to the Report.
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.

RECOMMENDATION

Alternative 1: Recommend that the City Council make the required Findings to approve the California Environmental Quality Act determination that the project is exempt from the California Environmental Quality Act (CEQA) review pursuant to CEQA Guidelines Section 15168 (c)(2) and Public Resources Code Section 21094 (c) as it is within the scope of the Peery Park Specific Plan (PPSP) Environmental Impact Report (EIR) and no additional environmental review is required in Attachment 6 to the Report; make the Findings for the Peery Park Plan Review Permit and Sense of Place 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.

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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. The proposed project complies with all applicable development standards and design guidelines. The project minimizes the loss of “protected” trees, enhances the on-site experience by providing a variety of seating options, for year-round climate and comfort, shelter and evening lighting to encourage pedestrian activity and ensure safety. Sidewalk improvements and the landscaped plaza/green space between the buildings and walk paths would be constructed to create ease of pedestrian circulation and connection between the different structures and landscape and provide for a much-improved streetscape and pedestrian experience.

Prepared by: Margaret Netto, Senior Planner

Reviewed by: Noren Caliva-Lepe, 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

ATTACHMENTS

1. *Reserved for Report to Council*
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
11. Arborist Report
12. Links to Draft and Final EIR for Peery Park Specific Plan
13. Preliminary Landscaping Plans