



File #: 24-0627, Version: 1

REPORT TO PLANNING COMMISSION

SUBJECT

Proposed Project:

SPECIAL DEVELOPMENT PERMIT: Redevelop a 0.62-acre commercial property. Demolish the existing fueling canopy and auto service building and construct a new 4,400 square foot fueling canopy and a 3,614 square foot one-story commercial building consisting of a 2,396 square foot convenience store, and a 1,218 square foot takeout restaurant, resulting in 34% floor area ratio (FAR).

Location: 898 East Fremont Avenue (APN: 309-10-015)

File #: 2016-7978

Zoning: C-1/PD (Neighborhood Business/Planned Development combining district)

Applicant / Owner: MI Architects, Inc. (applicant)/Petroleum Investments, LLC (owner)

Environmental Review: No additional review required pursuant to Public Resources Code Section 21083 and California Environmental Quality Act (CEQA) Guidelines 15183(a) and 15168(c)(2), (3) and (4) - environmental impacts of the project are addressed in the 2016 Land Use and Transportation Element (LUTE) Environmental Impact Report (EIR - State Clearinghouse No. 2012032003).

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REPORT IN BRIEF

General Plan: Commercial

Existing Site Conditions: Automobile service station

Surrounding Land Uses

North: Three to six-story mixed use development consisting of residential, retail, and office uses (under construction)

South: Vacant site

East: Two-story hotel across South Wolfe Road

West: Three-story multi-family residential development

Issues: Compliance with City's Non-Residential Design Guidelines and neighborhood compatibility.

Staff Recommendation: Alternative 1: Make the required Findings to approve the CEQA determination that the project is consistent with the LUTE EIR and no additional environmental review is required pursuant to Public Resources Code Section 21083 and California Environmental Quality Act (CEQA) Guidelines 15183(a) and 15168(c)(2), (3) and (4) as noted in Attachment 3 and approve the Special Development Permit subject to the Recommended Findings in Attachment 3 and Recommended Conditions of Approval in Attachment 4.

BACKGROUND

Description of Proposed Project

The 0.62-acre project site is currently developed with a one-story auto service station building and fueling canopy. The project involves demolition of the existing structures (totaling 1,157 square feet) and construction of a new 3,614 square foot commercial building, a 4,400 square foot fueling canopy and associated on-site and off-site improvements. The new commercial building consists of a 2,396 square foot convenience store and a 1,218 square foot takeout restaurant. One of the offsite improvements is a street dedication for the widening of Wolfe Road which accommodates an expanded sidewalk, bicycle lanes, and dual left turn lanes. The dedication reduces the lot size by 3,056 square feet.

A Special Development Permit (SDP) is required in the C-1/PD zoning district for automotive service stations with the retail sale of beer and wine. The required SDP findings are discussed in Attachment 3 and the recommended Conditions of Approval are in Attachment 4.

See Attachment 1 for a map of the vicinity and mailing area for notices and Attachment 2 for the Project Data Table.

Previous Actions on the Site

The site has operated as an automobile service station since 1963. The site was included in the study area as part of a developer's General Plan Amendment and Rezoning application (2022-7146) for two adjacent parcels at 1313 South Wolfe Road.

On May 7, 2024, the City Council amended the General Plan Designation for the two parcels to the south of the site at 1313 South Wolfe Road from Commercial to Medium Density Residential. The Council also rezoned the 1313 South Wolfe Road vacant parcel (APN 309-10-026) from Neighborhood Commercial with a Planned Development Combining District (C-1/PD) to Medium Density Residential with a Mixed-Use Combining District (R-3/MU) and 1313 South Wolfe Road (APN 309-10-027) from C-1/PD to Medium Density Residential with a Planned Development Combining District (R-3/PD). No changes to the General Plan land use designation and zoning were made for the subject property.

EXISTING POLICY

General Plan Goals and Policies

Key goals and policies from the General Plan Land Use and Transportation Element (LUTE) relevant to the proposed project are provided in the Recommended Findings Attachment 3.

Applicable Design Guidelines

The City's Non-Residential Design Guidelines provide recommendations on the site layout, architecture, and design. These guidelines are discussed and analyzed below and in Attachment 3.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) allows streamlining and tiering of environmental review for subsequent projects consistent with a plan for which environmental review has been completed pursuant to California Public Resources Code Section 21083 and CEQA Guidelines Sections 15168 (Program EIR) and 15183 (Projects Consistent with a Community Plan or Zoning).

The City contracted with Ascent Environmental to prepare the initial study (Attachment 6) pursuant to CEQA's Public Resources Code Section 21083 and CEQA Guidelines Section 15168 and 15183(a). The environmental checklist confirmed that the project's impacts are either within those evaluated in

LUTE Update Environmental Impact Report (EIR) or can be substantially mitigated by uniformly applicable development policies or standards.

Any removal of underground storage tanks (USTs) associated with the existing automobile service station will be subject to review and approval by the City's Department of Public Safety (DPS), Fire Prevention.

DISCUSSION

Present Site Conditions

The 0.62-acre site is located at the southwest corner of East Fremont Avenue and South Wolfe Road. It is developed with one-story auto service station building and fueling canopy. Access to the site is provided through two driveways on the East Fremont Avenue frontage and one driveway on South Wolfe Avenue frontage.

The immediate neighborhood comprises a mix of residential and commercial uses with varying densities. Adjacent to the project site is a three-story, multi-family development along the west and a vacant site along the south. The mixed-use development under construction, commonly referred as Butcher's Corner, is located at the northwest corner of East Fremont Avenue and South Wolfe Road.

Site Design and Layout

The proposed project layout comprises of a single-story commercial building and a fueling canopy. Initial uses of the commercial building are identified as a 2,396 square foot convenience store and 1,218 square foot takeout restaurant. The commercial building is situated along the south property line, with the main entrance of the takeout restaurant facing Wolfe Road and the convenience store positioned towards the center of the site, adjacent to the parking area. The canopy is positioned on the north side of the property, closer to the street intersection.

Vehicular access to the site is planned through one driveway each on East Fremont Avenue and South Wolfe Road. A ten-foot-wide landscape buffer is proposed along the western property line, which is shared with adjacent three-story multi-family development. The existing eight-foot-tall masonry wall will be preserved. Additional landscaping is provided along the site perimeter.

Proposed Use

The proposed convenience store would be open 24 hours a day, seven days a week, while the takeout restaurant would operate from 8 a.m. to 10 p.m.

The convenience store would also sell beer and wine for off-site consumption. The sale of alcohol in the State of California is regulated by the Alcoholic Beverage Control Act (California Business and Profession Code Sections 23000-25762). Sunnyvale Municipal Code (SMC) Section 19.98.020 (h) and (i) also includes specific findings and conditions of approval for automobile service stations that sell beer and wine. Refer to the Findings in Attachment 3 and Conditions of Approval AT-12 through AT-14 for compliance with the SMC.

Architecture

The proposed architectural style is contemporary characterized by rectangular forms, simple details, and high-quality materials. The commercial building features a roofline with varying heights up to 25'-

8". The façade materials incorporate a combination of stucco, stone, and fiber cement lap siding. An aluminum-framed glass storefront is proposed on the street-facing elevations. Exposed trims, fascia and corbels articulate and add visual interest to the building facades. The proposed architecture maintains similar design and detailing along all the facades. The 21'-6" tall fueling canopy features stone finished columns and a cement plaster finish cornice and is designed to match the architecture and finish of the commercial building.

Staff finds that the proposed project is well-designed and consistent with the Non-Residential Design Guidelines. See Attachment 5 for architectural and site plans.

Development Standards

The applicant has requested deviations from the minimum front yard setback, landscape area and 15-foot-wide landscape frontage strip requirement. The Planning Commission may allow deviations to specified development standards in exchange for superior design, environmental preservation, or public benefit. See Attachment 7 for the project description and justification letter, and the Findings in Attachment 3.

Apart from the requested deviations, the project complies with the applicable zoning standards including, but not limited to, lot coverage, building height and number of stories. The Project Data Table in Attachment 2 summarizes the project's compliance with development standards.

Front Yard Setback

The applicant proposes front yard setback of 13'-11" along South Wolfe Road, whereas SMC Table 19.34.030 requires a minimum front setback of 15 feet. The front yard setback in C-1 zoning districts is 70 feet, but SMC Section 19.34.040 (c) allows a reduced setback of 15 feet for corner lots.

The applicant states the deviation allows site design functionality and facilitates the development of the proposed commercial building with a greater setback to the adjacent multi-family residential property. Staff considers the requested deviation to be reasonable because of the significant lot size reduction from the required Wolfe Road dedication and to accommodate the increased setback from residential. The proposed front setback is 13 inches less than the requirement and its strict application restricts the applicant's ability to comply with other development standards, such as providing a landscaping buffer from the neighboring property. Additionally, positioning the primary entrance of the takeout restaurant closer to the street frontage helps to activate the streetscape.

Landscaping

The applicant proposes to landscape approximately 16% of the lot area, where 20% is the minimum requirement. Additionally, the parking lot landscaping is proposed around 8%, where the minimum requirement is 20%. The conceptual landscaping plan includes planting trees, shrubs, and ground cover along the site's periphery and landscape islands to break up parking spaces. The applicant proposes to plant 13 new trees, including ten 15-gallon trees and three 48-inch box trees. Seven new street trees are also proposed in the public right-of-way.

The applicant states the deviation is required due to the automobile service station's circulation requirements around the fueling islands. The requested deviation is reasonable given these unique circulation needs. The project will also significantly improve the existing aesthetic conditions, where currently only one percent of the site is landscaped without any trees.

Landscaped Frontage Strip

SMC Section 19.37.040 requires a minimum 15' wide landscaped frontage strip for all properties along public street. The strip is measured from the inside edge of the public sidewalk, or from the curb if no sidewalk exists.

The proposed landscaped frontage strip varies from about 19' near the intersection then narrows to 8'-6" along Fremont Avenue and one foot along South Wolfe Road. The applicant states that this deviation is also due to vehicular circulation requirements around the fueling islands. Staff finds the requested deviation to be reasonable as strictly enforcing the frontage requirement could constrain the automobile service station's unique circulation needs.

Parking

The proposed site upgrades include a total of ten parking spaces. Four electric vehicle (EV) charging spaces are proposed in compliance with the Reach Code requirements for non-residential land uses. The proposed land uses require eleven parking spaces, resulting in a deficiency of one space.

According to SMC Table 19.46.100(a), a minimum of 2.5 parking spaces are required per 1,000 square feet of retail auto service use and four spaces per 1,000 square feet of takeout restaurant.

Proposed Use	Area (in square feet)	Minium Parking Requirement (per 1,000 square feet area)	Required Parking
Convenience Store	2,396	2.5	6
Takeout Restaurant	1,218	4	5
Required parking			11 parking spaces
Proposed Parking			10 parking spaces

SMC Section 19.46.130 allows for parking adjustments from parking ratio minimums to address unusual or specific uses or locational characteristics, subject to the City finding one or more of the applicable characteristics as specified in the code section are present.

Staff finds the project warrants a parking adjustment, because the proposed use has an unusual characteristic that results in less parking demand. There are twelve fueling spaces under the fueling canopy, in addition to the ten onsite parking spaces. Purchases from the convenience store are often made by customers refueling their vehicles, which can minimize demand for the ten parking spaces available to other customers.

To comply with bicycle parking requirements, the applicant proposes one Class I and one Class II bicycle parking spaces.

Traffic

The City's Traffic and Transportation Division determined that the project does not require a Local Transportation Analysis (LTA) as the project is not expected to generate over 100 net new a.m./p.m. peak hour trips, per the City's Transportation Analysis Guidelines. Additionally, Condition AT-2 requires a review of traffic conditions if the building area or land use intensity is increased in the

future.

Neighborhood Impacts and Compatibility

The adjacent neighborhood has a mix of commercial and residential uses. The applicant worked on minimizing visual impacts of the proposed development, such as by setting back the trash enclosure from the adjacent multi-family development. The applicant proposes a ten-foot-wide landscape buffer in accordance with code requirements featuring eight new trees and shrubs along the side property line, while retaining the existing eight-foot-tall concrete wall.

Staff consulted with DPS to review the beer and wine sales at the convenience store. To address potential public safety concerns, staff recommends several security measures, such as installing a silent or audible alarm system, and use of digital security cameras with instant viewing capabilities that cover the store entrance and exit, parking lot areas, and store interior (Conditions AT-15 to 24, Attachment 4).

Overall, staff finds the project to be well-designed and compatible with the scale and character of the surrounding neighborhood. Furthermore, the site improvements and appearance of the new commercial building would help to enhance the area's aesthetics, as well as serving the convenience needs of nearby residents. As conditioned, the project is expected to have minimal impacts on the neighboring properties.

Public Improvements

The project includes installation of new curb and gutters, construction of six-foot wide sidewalks with four-foot-wide planter strips, driveway approaches, and planting of street trees in the public right-of-way in accordance with the City's standard specifications.

The applicant would also apply slurry seal along the project frontage on Wolfe Road and upgrade streetlight fixtures along the project frontage and at the intersection. Additionally, the street dedication would allow Wolfe Road to be widened seven to eight feet along the project frontage to accommodate the future dual left turn lanes to westbound Fremont Avenue, as well as bicycle lanes, as approved in the Wolfe Road Corridor Traffic Improvement Study.

Effective July 1, 2023, the Regional Water Quality Control Board has upgraded stormwater regulations that mandates the treatment of impervious surface created or replaced within public right-of-way as part of the project, including new sidewalks and driveway approaches. The applicant has collaborated with Department of Public Works (DPW) staff to ensure the proposed stormwater management plan aligns with the updated requirements.

Additionally, a condition of approval mandates the undergrounding of the proposed transformer along Fremont Avenue frontage (Condition BP-36, Attachment 4).

Trash and Recycling Access

The project proposes a new commercial solid waste and recycling enclosure on the southwest part of the site, adhering to City standards (SMC Section 19.38.030).

The applicant has worked with Environmental Services Department (ESD) staff to ensure that the internal circulation satisfies the requirements for solid waste and recycling collection vehicles. The trash enclosures would have concrete masonry unit (CMU) finish with a metal roof and doors, which is compatible with the design of the proposed building and adheres to the City's standards.

FISCAL IMPACT

No fiscal impacts other than standard fees and taxes are expected. The project is subject to payment of housing mitigation and transportation impact fees. The project is exempt from the public art requirement because the site is less than two acres.

PUBLIC CONTACT

Neighborhood Outreach meeting

The applicant conducted a virtual neighborhood outreach meeting on January 10, 2024, which was attended by four participants. Attendees inquired about the construction timeframe, the prospective tenant for the proposed takeout restaurant, hours of operation, and requested deviations. Some attendees raised concerns about the location of the trash enclosure, 24/7 operating hours of the convenience store, potential lighting overspill, and noise and traffic impacts.

In response to the feedback, the applicant proposed planting three 48-inch box canary island pine trees to minimize the visual impact of the trash enclosure. Per City Standards, the trash enclosure would have a metal roof. A ten-foot-wide landscape buffer and the existing eight-foot-tall masonry wall would further minimize visual impacts on the adjacent multi-family residences.

The applicant has provided a preliminary photometric study showing no lighting overspill onto the adjacent residential property. Staff included conditions of approval (Condition BP-15, Attachment 4) requiring an exterior lighting plan and photometric plan that comply with Non-Residential Design Guidelines and standards, subject to the Director of Community Development's review and approval.

A noise assessment study prepared by Salter Inc. confirms the project will not exceed 50 dBA during nighttime or 60 dBA during daytime at residential property lines, complying with the residential noise limits in SMC 19.42.030. Condition of approval BP-18, Attachment 4, requires a review of the construction plans by the project noise consultant to confirm compliance with their recommendations, and follow-up field verification testing is required before occupancy per condition PF-3.

Planning Commission Study Session

On February 12, 2024, the Planning Commission reviewed the project's site plan and architecture. The following comments and questions were raised:

- Widening of Wolfe Road
- Status of the related General Plan Amendment (GPA) application
- Operation of the convenience store and takeout restaurant
- Electric Vehicle (EV) charging spaces
- Parking adjustment
- Lighting impacts on neighboring residential units
- Details of fueling tank replacement
- Bicycle parking location

In response to the feedback, the applicant has proposed a Class II bicycle rack adjacent to the takeout restaurant entrance along Wolfe Road frontage and a Class I bicycle parking locker adjacent to the proposed trash enclosure.

Public Comments

At the time of staff report preparation, six comment emails were received on the project (see Attachment 8). The commenters expressed concerns about potential noise and traffic impacts, 24/7 operation of the convenience store, odors from the trash enclosure and lighting overspill onto adjacent residential units.

Notice of Planning Commission Public Hearing

Public contact was made by posting the Planning Commission meeting agenda on City Hall's official notice bulletin board. In addition, the agenda and this report are available at the NOVA Workforce Services reception desk located on the first floor of City Hall at 456 W. Olive Avenue (during regular business hours) and on the City's website.

The City sent 401 notices to surrounding property owners and residents within 300 feet of the project site, consistent with Council Policy 1.1.18, in addition to standard noticing practices, including advertisement in the Sunnyvale Sun Newspaper, and on-site posting.

ALTERNATIVES

1. Make the required Findings to approve the CEQA determination that the project is consistent with the LUTE EIR and no additional environmental review is required pursuant to Public Resources Code Section 21083 and California Environmental Quality Act (CEQA) Guidelines 15183(a) and 15168(c)(2), (3) and (4) as noted in Attachment 3 and approve the Special Development Permit subject to the Recommended Findings in Attachment 3 and Recommended Conditions of Approval in Attachment 4.
2. Make the required Findings to approve the CEQA determination that the project is consistent with the LUTE EIR and no additional environmental review is required pursuant to Public Resources Code Section 21083 and California Environmental Quality Act (CEQA) Guidelines 15183(a) and 15168(c)(2), (3) and (4) as noted in Attachment 3 and approve the Special Development Permit subject to the Recommended Findings in Attachment 3 with modified Conditions of Approval in Attachment 4.
3. Do not make the required findings and direct staff where changes should be made.
4. Deny the project.

STAFF RECOMMENDATION

Alternative 1: Make the required Findings to approve the CEQA determination that the project is consistent with the LUTE EIR and no additional environmental review is required pursuant to Public Resources Code Section 21083 and California Environmental Quality Act (CEQA) Guidelines 15183 (a) and 15168(c)(2), (3) and (4) as noted in Attachment 3 and approve the Special Development Permit subject to the Recommended Findings in Attachment 3 and Recommended Conditions of Approval in Attachment 4.

The proposed project aligns with the goals and objectives of the General Plan by providing conveniently located retail and dining options while enhancing the aesthetics of the existing commercial site. The project complies with the Non-Residential Design Guidelines and the conditions of approval ensure compatibility with the surrounding neighborhood. Additionally, the off-site improvements would benefit the neighborhood and the pedestrian environment. The requested deviations are reasonable and not expected to negatively impact adjacent properties.

LEVINE ACT

The Levine Act (Gov. Code Section 84308) prohibits city officials from participating in certain decisions regarding licenses, permits, and other entitlements for use if the official has received a campaign contribution of more than \$250 from a party, participant, or agent of a party or participant in the previous 12 months. The Levine Act is intended to prevent financial influence on decisions that affect specific, identifiable persons or participants. For more information see the Fair Political Practices Commission website: www.fppc.ca.gov/learn/pay-to-play-limits-and-prohibitions.html

A check or “Y” in the checklist below indicates that the action being considered falls under a Levine Act category or exemption:

SUBJECT TO THE LEVINE ACT

- Land development entitlements
- Other permit, license, or entitlement for use
- Contract or franchise

EXEMPT FROM THE LEVINE ACT

- Competitively bid contract
- Labor or personal employment contract
- General policy and legislative actions

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Reviewed by: George Schroeder, Principal Planner
Approved by: Shaunn Mendrin, Planning Officer

ATTACHMENTS

1. Noticing and Vicinity Map
2. Project Data Table
3. Recommended Findings
4. Recommended Conditions of Approval
5. Architectural and Site Plans
6. Link to Environmental Checklist prepared by DJP, Inc.
7. Project Description and Justification Letter by the Applicant
8. Public Correspondence