



City of Sunnyvale

Agenda Item-No Attachments (PDF)

File #: 14-0587, Version: 1

REPORT TO CITY COUNCIL

SUBJECT

File #: 2014-7117

Location: 815 W. Maude Ave. (APN: 165-41-033):

Zoning: M-S (Industrial and Service) Zoning District

Proposed Project: Consideration of an application for a 0.97-acre site:

USE PERMIT to allow a new 23,340 square foot, three-story office/R&D building resulting in approximately 55% Floor Area Ratio (project modified and Variance no longer required).

Applicant / Owner: ArchiRender Architects / Fregida, LLC

Environmental Review: Mitigated Negative Declaration

Staff Contact: Noren Caliva-Lepe, 408-730-7659, ncaliva-lepe@sunnyvale.ca.gov

REPORT IN BRIEF

General Plan: Industry

Existing Site Conditions: Vacant site

Surrounding Land Uses

North: Office/R&D

South: Office/R&D across Maude Avenue

East: Office/R&D LinkedIn campus totaling 96% FAR across Pastoria Avenue

West: Office/R&D

Issues: Floor area ratio (FAR)

Planning Commission/Staff Recommendation: Adopt the Mitigated Negative Declaration and approve the Use Permit with the Conditions of Approval in Attachment 4.

BACKGROUND

Description of Proposed Project

The Planning Commission considered the project on July 14, 2014. At that time, the Use Permit application included a Variance to allow a 25-foot front setback along the Maude Avenue frontage, where a 35 foot minimum is required (see previous site plan in Attachment 14). The Planning Commission unanimously recommended approval of the Use Permit and denial of the Variance. Since the Planning Commission hearing, the applicant has withdrawn the Variance request and modified the proposed project to comply with Planning Commission recommendation and the front setback requirement. The size and design of the building are unchanged from the previous project. The building shifted back 10 feet along the Maude Avenue frontage to allow for a 35-foot front setback (see Attachment 6 for the revised site plan). Other minor site modifications from the previous project include changes to the landscaping plan and parking lot. The staff report addresses the revised project without a Variance.

The project site is approximately 0.97 acres in size and is currently developed with a one-story 14,540 square foot office/R&D building at 34% floor area ratio (FAR). The proposed project involves demolition of the existing building and construction of a new 23,340 square foot, three-story office/R&D building. The project will result in approximately 55% FAR. Projects exceeding 35% FAR (or 45% with Green Building incentives) require Use Permit approval by the City Council. 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 property was part of a larger area used for agricultural purposes up until the late 1960s. The building was constructed in the early 1970s as part of an office complex made up of four parcels that extended north to Del Rey Avenue. At that time, the front setback requirement along Maude Avenue was a minimum of 25 feet and a Variance was approved to allow 17 feet. Justifications included the encumbrance of two front yards, angular lot shape, and minimal building protrusion into the setback (70 square feet).

In 1980, the City Council increased the front setback requirement within industrial zones to 35 feet for properties fronting a public street with a right-of-way width of at least 86 feet, due to higher traffic speeds and the lack of sidewalks within industrial areas. The right-of-way width is 90 feet on Maude Avenue and 66 feet on Pastoria Avenue. Under the current requirement, a minimum of a 35-foot front setback is required on Maude Avenue and 25 feet is required on Pastoria Avenue. Therefore, the existing front setback along Maude Avenue is currently considered to be legal non-conforming.

EXISTING POLICY

General Plan Goals and Policies: The following are key goals and policies from the Land Use and Transportation Chapter of the General Plan which pertain to the proposed project:

Goal LT-6: Sustain a strong local economy that contributes fiscal support for desired City services and provides a mix of jobs and commercial opportunities.

Policy LT-6.2: Balance land use and transportation system carrying capacity necessary to support a vital and robust local economy.

Policy LT-6.4: Encourage sustainable industries that emphasize resource efficiency, environmental responsibility, and the prevention of pollution and waste.

Floor Area Ratio: The standard FAR permitted in the M-S Zoning District is 35%. There are several zoning tools that allow FAR above the standard:

1. A Use Permit or Special Development Permit may be granted by the City Council through a public hearing for projects proposed to exceed 35% FAR (unless #2 below applies).
2. A 10% FAR bonus (up to 45% FAR for this site) may be granted if Leadership in Energy and Environmental Design (LEED) certification at a Gold level is achieved; subject to a staff-level approval (no public hearing).
3. Properties can be rezoned to raise the standard FAR level, which also requires City Council action at a public hearing.

The proposed project is utilizing option #1. To assist the decision makers in considering approval of higher FAR developments, *Review Criteria for Projects Greater than 35% FAR* were developed by the City Council in 1999. These criteria are required as part of the findings to approve the Use Permit

and are contained in Attachment 3.

Policies Related to Peery Park: The project site is located in the Peery Park District. The District is currently an industrial park. The City is currently undergoing a study for a Specific Plan for Peery Park to establish land use policies for reinvestment in the area, define appropriate development standards (including FARs), develop area-wide traffic demand management (TDM) strategies, potentially establish a development reserve and cap, and plan for public infrastructure improvements. The background research and community outreach began in 2013; visioning will continue in 2014 and public hearings to consider adoption of a Specific Plan are currently anticipated in 2015. The City Council has decided to continue accepting development applications while the Specific Plan is being created.

On October 8, 2013, the City Council adopted the Peery Park District (PPD) Ordinance to allow for the processing of existing development applications and submittal of new applications during the preparation of the Specific Plan. The PPD Ordinance sets forth the review procedures for development applications and for increased public noticing based on building stories. The proposed project would have been processed in the same manner (Planning Commission recommendation and City Council action) under the prior regulations. The notice of public hearings complies with the Council direction for PPD of 1,000-foot public noticing (minimum requirement for three to five-story buildings).

There have been several projects with FARs greater than 35% approved within the Peery Park area in the last three years. A map showing these projects is included in Attachment 10.

- **February 2012:** the former post office site at 580 N. Mary Ave. was approved for a new Class A, 124,000 s.f. office/R&D building at 55% FAR; the building has been constructed and is currently leased by LinkedIn.
- **April 2012:** a staff level design review approval was given for a 72,000 s.f. 45% FAR building using the Green Building incentive for 307 N. Pastoria Ave. The site is now occupied by Mercedes.
- **June 2012:** the City Council rezoned a 14.2-acre campus on the northwest corner of Mathilda Avenue and Maude Avenue from 70% FAR to 100% FAR, and approved buildings totaling 99.4% FAR; the application was amended by the Planning Commission in November 2012 when an additional property was added to the campus and the total project was for 96% FAR (643,947 square feet). The new buildings are currently under construction and advertised as the future home for LinkedIn.
- **October 2012:** further south at 600 W. California Ave., an additional building of 106,617 square feet was approved for an existing office campus, totaling 47.8% FAR.
- **November 2013:** a 53% FAR project (213,216 square feet) with two buildings of three and four-stories was approved by the City Council. The site, located at 433 N. Mathilda, is owned by Christensen Holdings and is a half block south from the subject site (and it extends through to Pastoria Ave.).
- **March 2014:** the City Council rezoned an 8.3-acre site at 645 Almanor Dr. to allow 100% FAR for the construction of a six-story R&D building (172,675 square feet) and five-story parking structure for St. Jude Medical.
- **July 2014:** the City Council approved a 52,394 square foot office/R&D building at 55% FAR on a 2.17-acre site at 479 N. Pastoria Ave. (a half block south of the subject site).

Industrial Design Guidelines: The City's Industrial Design Guidelines (1993) provide recommendations for site planning, architecture, and design. These guidelines are referenced in the discussion and analysis below.

Bird Safe Building Design Guidelines: The City recently adopted Bird Safe Building Design Guidelines, which include recommendations for sites within 300 feet of a body of water larger than one acre in size or located adjacent to a landscaped area, open space or park larger than one acre in size, and also provides citywide guidelines. The project site does not meet the first criteria and is subject to the citywide guidelines for bird safe building design. These guidelines are referenced in the discussion and analysis below.

ENVIRONMENTAL REVIEW

A Mitigated Negative Declaration has been prepared in compliance with California Environmental Quality Act (CEQA) provisions and City guidelines (see Attachment 5). An Initial Study determined that construction of the proposed project has the potential to result in significant effects on biological resources (possible disturbance of nesting birds) and cultural resources (possible discovery during excavation). Implementing mitigation measures during the construction phase will reduce these impacts to less than significant. The Mitigation Measures have been incorporated as Conditions of Approval (see Attachment 4).

DISCUSSION

Present Site Conditions

The project site is 0.97 acres in size and is located on the northwest corner of Maude Avenue and Pastoria Avenue. The site currently contains a one-story 14,540 square foot office/R&D building situated towards the corner of the lot, surrounded by surface parking and landscaping. Driveway access to the site is currently off both Maude Avenue and Pastoria Avenue. The driveway facing Pastoria Avenue has been historically shared with the adjacent property at 575 N. Pastoria Ave., with approximately half of the driveway on each property.

Use Permit

Use: The applicant proposes the construction of a Class A office building, intended for office/R&D uses. A description of office class levels is included in Attachment 7. Either a single tenant or multiple smaller tenants could be accommodated within the building. Future tenants would be subject to zoning requirements for permitted uses and would be subject to the conditions of approval of this permit.

Floor Area Ratio: The proposed project will result in approximately 55% FAR, which is approximately 8,500 square feet more than the 35% threshold. The Review Criteria for Projects Greater than 35% FAR are located in the Recommended Findings in Attachment 3 along with staff's discussion of the criteria. Key project features meeting these criteria include high-quality architecture and site design, green building certification, and a Transportation Demand Management (TDM) Program to reduce trips generated by the project. The current proposed FAR has not changed from the previous design reviewed by the Planning Commission.

Site Layout: The project will generally retain the existing site layout with the proposed building sited towards the corner of the lot and existing driveway locations to remain. The proposed building will be three-stories in height, designed as a ground-level podium building with half of the first floor containing surface parking and the other half as enclosed building area. Additional surface parking

will be provided around the building and new landscaping will be installed throughout the site. A shared driveway will be maintained with the adjacent property on Pastoria Ave. Compared to the previous design, the current proposed building has been shifted back 10 feet along the Maude Avenue frontage and now complies with all setback requirements.

The following Guidelines were considered in analysis of the site design:

Industrial Design Guidelines (Site Design)	Comments
<i>A1. New development shall enhance the character of its surrounding area through quality architecture, and landscaping and appropriate site arrangement.</i>	The proposed project will enhance the site and surroundings with the introduction of high-quality architecture and substantial landscaping.
<i>A2. New development in an area with an established character shall be compatible with its surrounding development in intensity, design, setback, building form, scale, material, color and landscaping unless there are specific planning goals to change the character of an area.</i>	The proposed project is consistent with the character of new Class A office buildings in the area that have been developed with higher FAR. Redevelopment with Class A buildings in Peery Park is consistent with City policy.
<i>B1. Site components such as structures, parking, driveways, and out-door functions shall be arranged and located to emphasize the aesthetically pleasant components of the site such as existing mature trees and views, or superior architectural features, and disguise its less attractive scenes such as service facilities, outside storage and equipment areas, and trash enclosures through placement and design of structure and landscaping.</i>	The proposed building will be located towards the corner of the site with parking tucked towards the back of the site and under the building, which helps to soften the appearance of the parking. Many existing mature trees will be maintained and additional landscaping will enhance the streetscape. The proposed trash enclosure is located towards the back of the site.

Architecture: The proposed Class A building uses high quality architecture constructed of glass and steel, and is oriented towards the corner of the site. The architectural style is considered to be contemporary, with an elongated oval form that is reminiscent of other buildings constructed at the former post office site at 580 N. Mary Ave., the Mercedes headquarters located at 307 N. Pastoria Ave., and a recently-approved building at 479 N. Pastoria Ave. The defining features of the proposed building include a cascaded form with terraces on the second and third floors, curved spandrel glass throughout, and metal mullion bands at each floor height to create a horizontal emphasis. The application of materials, off-set oval form, and exterior staircase at the back of the building distinguish this building from the others listed above. A roof screen is incorporated into the architecture of the building, using similar materials and forms.

The ends of the oval-shaped building include decorative glass, which helps to reduce glass transparency to comply with citywide Bird Safe Design Guidelines. Architectural plans are included in Attachment 6 and perspective drawing from the street corner is included in Attachment 12. No change to the design of the building has been proposed with the shift in location to eliminate the

variance request. The following Industrial Design Guidelines were considered in the analysis of the project architecture:

Industrial Design Guidelines (Building Design)	Comments
<i>B1. New buildings shall maintain diversity and individuality in style while improving aesthetic character of their surrounding area.</i>	The proposed architectural style is reflective of other new buildings within the vicinity while also providing an innovative and unique design with high quality materials.
<i>B2. Roof equipment shall be fully screened by parapets, roof screens or equipment wells.</i>	The proposed design includes an integrated roof screen composed of glass, mimicking a building floor, which will effectively shield all roof-mounted equipment from view.
<i>B5. Main entrances of the buildings shall be well defined.</i>	The main entry of the building is oriented to the corner of the lot, creating a prominent feature that is easily accessible from both street frontages. The proposed landscaping helps to further enhance the entrance to the site.
<i>B6. New buildings shall have at least one major focal point and minor focal point. Focal points should be achieved through horizontal and vertical lines, change in material, change in color, changing the form and shape of a portion of the building, etc. Combining the main entrance and the focal points is encouraged.</i>	The building's forms provide several architectural focal points. The rounded elongated oval form creates a focus on the east and west facades. The cascaded form, roof terraces, and metal mullion bands help to showcase the strong horizontal lines of the building. The prominent corner orientation creates a strong sense of arrival from the street frontages. The off-set oval shape and exterior staircase at the back of the building provide a distinct form not seen in other buildings within the Peery Park District.
<i>E1. A comprehensive material and color scheme shall be developed for each site.</i>	The proposed building will be constructed of curved glass and steel with metal mullion bands at each floor height. The building exterior will be composed primarily of glass in a blue color, with metal support columns at the base.
<i>E3. Large expanses of high reflective surface and mirror glass exterior walls shall be avoided to prevent heat and glare impacts on the adjacent public streets and properties.</i>	The proposed office building will utilize clear glass and spandrel glass along exterior facades to minimize reflection on public streets and adjacent properties. Mirror glass is not proposed. The project site is not adjacent to residential uses.

Landscaping: The project is designed with approximately 34% of the lot area as landscaping, which complies with the 20% minimum landscaping requirement. Landscaping will be dispersed throughout the site and will include a variety of groundcover, shrubs and trees. Plant species have been

designed to comply with the Sunnyvale Municipal Code (SMC) water-efficient landscaping requirements and the proposed placement of trees comply with the Bird Safe Design Guidelines. The proposed landscaping amount is the same as the previous design; landscaping was shifted from the back of the building to the front.

An arborist report was prepared for the project, which evaluated 22 trees, 19 of which are considered to be *protected* by the SMC. Protected trees are defined by the SMC as any tree greater than 38 inches in circumference as measured 4.5 feet from grade. All of the trees evaluated are located along the two street frontages. Of the 19 protected trees, six trees are proposed for removal (see Sheet L-1 in Attachment 6). One European Birch, one Magnolia and two Coast Redwood trees are proposed for removal due to poor health. A European Birch tree and a Blue Atlas Cedar tree are also proposed for removal due to conflicts with the current design of the required accessible walkways around the building and public sidewalk. As a result of the modified front setback, an additional five protected trees will be saved as compared to the previous design. As conditioned, the applicant will also be required to replace all of the protected trees that are removed with a minimum of 36-inch boxed specimen trees. The final landscaping and tree protection plan will be reviewed by staff prior to building permit submittal.

SMC Section 19.37.070 states that at least 50% of the parking areas must be shaded within 15 years after the establishment of the lot. The preliminary landscaping plan demonstrates compliance with this requirement by providing 50% shading. The following Guidelines were considered in the analysis of the project landscaping:

Industrial Design Guidelines (Landscaping)	Comments
A2. <i>All areas not in use by structures, driveways, and parking spaces shall be properly landscaped.</i>	Landscaping is dispersed through the site, with most of the landscaping located along the two street frontages between the sidewalk and building. Most of the protected perimeter trees will be retained and additional trees will be planted to help create a well-landscaped parking lot and streetscape.
A5. <i>Walls and fences shall be integrated into landscape design.</i>	No walls or fences are proposed. An existing 6-foot tall hedge located along west property line will remain.

Parking/Circulation: SMC 19.46.100 requires a minimum of two parking spaces per 1,000 square feet and a maximum of four spaces per 1,000 square feet, which results in a minimum requirement of 47 spaces and a maximum of 94 spaces for the project. Shifting the building to eliminate the variance resulted in removing four parking spaces. However, the proposed project continues to exceed minimum parking requirements by providing 61 parking spaces, most of which surround the building. Approximately 17 parking spaces are covered by the building. The preliminary parking lot striping plan shows compliance with parking lot design requirements, such as universal stall dimensions, double-striping, wheel stops, loading space and maintenance of driveway vision triangles. As conditioned, a final parking lot striping plan demonstrating conformance to SMC 19.46 and Design Guidelines will be reviewed by staff prior to submittal of a building permit.

SMC 19.46.150 requires a minimum number of bicycle parking spaces equal to 5% of the number of parking spaces provided, or four bicycle parking spaces for the project. A minimum of 75% of the bicycle parking spaces must also be secured or lockable, such as bike lockers, or three secured bicycle parking spaces for the project. The project exceeds the minimum bicycle parking requirements by providing eight bicycle parking spaces, six of which are secured lockers and two bike racks. The applicant proposes to place the bicycle rack near the main corner entrance and the bicycle lockers within the secondary entrance underneath the building. These locations comply with the Design Guidelines to encourage visibility and ease of access to the bicycle parking spaces.

TDM Program: Based on the reductions required for other higher-intensity projects, staff recommends the implementation of a Transportation Demand Management (TDM) Plan that will achieve a minimum of 20% reduction in total daily vehicle trips and a 25% reduction in daily peak hour trips.

The applicant has submitted a draft TDM Plan in compliance with the trip reduction requirements, which has been conceptually approved by the Department of Public Works (see Attachment 11). The draft TDM Plan consists of measures that are based on existing and proposed infrastructure and physical attributes of the site, including proximity and access to transit, bicycle parking, bike lanes, sidewalks, and showers in the proposed buildings. The plan promotes sustainable modes of transportation, such as carpool/vanpool programs and transit subsidies. An annual report to the City is required to monitor compliance. A penalty clause for non-compliance is included; a per-trip monetary penalty would be assessed for any trips exceeding the allowable number, as determined through the annual driveway counts. The requirement to implement and manage a TDM Plan in conjunction with the occupancy of the buildings is typically included in tenants' lease agreements, which are reflected in a Condition of Approval. A final TDM Plan is required to be submitted for review and approval by staff prior to issuance of building permits; and will be further refined and tenant-specific prior to completion of tenant improvements.

Green Building: Green building standards require non-residential construction that exceeds 5,000 square feet to attain LEED Silver level. Attaining a LEED Gold level with certification allows a 10% FAR bonus. The proposed project seeks approval of 55% FAR, which exceeds the maximum 45% FAR permitted with the bonus and requires City Council approval.

On other higher intensity developments, the City has required applicants to achieve the LEED Gold level (Core and Shell and Commercial Interiors) instead of the minimum LEED Silver level required. Exemplary design is one of the review criteria to be considered by the City Council in granting FAR over 35% and "green" or sustainable features are typically considered to be an element of design quality. The higher level will ensure that the project design is exemplary in terms of sustainability. Staff recommends that the applicant strive for Platinum level, but no less than Gold certification. A similar requirement was placed on other recently-approved projects within the Peery Park District.

The applicant has submitted a LEED checklist demonstrating that the proposed building would achieve a minimum of 66 points with the possibility of achieving 80 points (see Attachment 8). LEED Gold requires 60 to 79 points, while LEED Platinum requires 80 to 110 points. As a condition of approval, staff will work with the applicant and future tenants to comply with the green building requirements.

Art in Private Development: Sites over two acres in size are subject to the Art in Private

Development requirements of SMC Chapter 19.52. The project is less than 2 acres in size and is not subject to the Art in Private Development requirement.

Stormwater Management: The current Municipal Regional Permit for stormwater discharge requires all treatment be achieved through Low Impact Development (LID) measures such as infiltration, harvesting/use, and biofiltration and limits the use of mechanical treatment. A preliminary Stormwater Management Plan (SWMP) has been provided, which demonstrates compliance with LID requirements by incorporating an underground water storage system into the landscaped area. The proposed condition of approval requires third-party certification of a final SWMP prior to issuance of building permits.

Easements/Undergrounding: All utilities are required to be placed underground and easements are required to be kept clear of any structures. As noted in other sections of the report, an existing shared driveway along the north property line will be maintained. While it does not appear that a formal agreement for shared use and maintenance was created for this driveway, staff recommends that the agreement be created as a condition of approval of this project (see Attachment 4).

Industrial Sidewalks: Currently there are no sidewalks along the property frontage. A new 11-foot wide sidewalk with a planting strip will be installed in accordance with City standards and will be located primarily within the public right-of-way. Portions of the sidewalk meander in efforts to save existing trees. For portions of the sidewalk that are located within private property, an easement will be created to allow for public use.

Expected Impact on the Surroundings

Visual: The proposed project is compatible with more recent projects approved and constructed within the vicinity, both in terms of architecture and massing. The contemporary architectural style includes interesting building forms and high quality materials, similar to those found in the vicinity. The proposed building is three stories in height, with perimeter trees that help to minimize the visual impact from the street. A perspective drawing from the street corner is included in Attachment 13. The building is lower in height than other recently approved projects, which have ranged between four and six stories. As previously discussed and shown in Attachment 10, the proposed project FAR is within the range of other similarly approved projects within the Peery Park District.

The nearest residential properties are located approximately 1/4 of a mile away to the east, across Mathilda Avenue. The proposed three-story building will be minimally visible from residential properties as the site is located one block west of Mathilda Avenue (over 1,000 feet) and beyond the five and six-story buildings at 505 N. Mathilda Avenue.

Traffic and Circulation: Development proposals require preparation of transportation impact analysis (TIA) if more than 100 peak hour trips in either the AM or PM peak hour are estimated. The Transportation and Traffic Division estimates that 19 AM and 10 PM new peak hour trips would be generated by removing the existing 14,540 square-foot general office building and replacing it with a new 23,340 square-foot general office building (Institute of Transportation Engineers (ITE) Trip Generation Manual 9th Edition, Land Use 710 - General Office Building). Therefore, a TIA is not required for this project. The ITE Trip Generation Manual is the standard reference document prescribed by the Santa Clara County Congestion Management Program TIA Guidelines for estimating trip generation from land development. These guidelines are used by all cities in Santa

Clara County for determining the necessity for traffic analysis. Therefore, a TIA is not required and transportation impacts are expected to be less than significant. Staff reviews projects exempt from the formal requirement for a TIA to assess the project's traffic impacts.

Based on review of service levels in the project area, a lack of any known unusual operating conditions of geometric hazards, and the relatively low level of trips added to the street system by the project, it is expected that the existing street system can absorb the incremental increase in traffic associated with the project. With the implementation of a TDM Plan, vehicular peak hour trips and average daily trips to and from the site further will be reduced. The project is required to pay a traffic impact fee towards cumulative traffic impacts and resultant improvements identified by the City's Transportation Strategic Program, based on the addition of new trips to the roadway system.

In addition, existing public transit facilities will serve the site, with a Route 54 bus stop located approximately a 1/4 of a mile away on Mathilda Avenue, a Mary/Moffett Caltrain shuttle stop 1/4 of a mile away at Mary and Maude Avenues, a Route 32 Community Bus stop located 1/2 of a mile away at Mathilda/Indio, the Caltrain Sunnyvale station slightly over a mile away and a Light Rail Train station located less than two miles away. The new public sidewalk along the project frontage will also help to enhance pedestrian amenities. Bike lanes exist along the Maude Avenue frontage.

Citywide Development Pool: In 1999 the City Council adopted policies for considering projects in industrial zoning districts that exceed the threshold FAR for the zone. The 26 review criteria are included in the Findings (Attachment 3). The Council also adopted a Citywide Development Pool from which higher FAR projects would draw square footage for their project. The pool applies to industrially zoned properties outside of the Moffett Park Specific Plan area and started with 3.4 million square feet (as adjusted after the Moffett Park Specific Plan was adopted in 2004). The pool was created by credited floor area of industrial sites developed with non-industrial/office uses such as places of worship, hotels and utilities. The pool is adjusted when a Use Permit for an industrial/office project is approved, when sites are rezoned to a higher FAR and when a non-industrial use is eliminated. This project would remove 8,484 square feet from the pool, leaving a balance of about 1.9 million square feet (including the project at 479 N. Pastoria Ave. approved by City Council on July 15, and not including other pending applications).

Balanced Growth Profile: The most updated Balanced Growth profile (June 2014) is included as Attachment 9. The profile reflects: 1) projects built; 2) projects approved; and, 3) this pending project. The Balanced Growth Profile helps illustrate the project on a citywide basis.

FISCAL IMPACT

The proposed project is anticipated to have a positive fiscal impact on the City. Redevelopment of the site as proposed will increase the assessed value of the property and is estimated to result in the City receiving an additional \$12,666 in property taxes annually. The County, school districts and other agencies would also see increased property tax revenue. In addition, the proposed office/R&D building is designed to attract high-quality tenants such as corporate headquarters of technology companies. Such tenants will generate positive economic impacts by providing jobs and enhancing the image of the City. Employees that will occupy these buildings will patronize local Sunnyvale businesses, and visitors may stay in Sunnyvale hotels as well.

Transportation Impact Fee: Projects resulting in net new peak hour vehicle trips are subject to a transportation impact fee (TIF). The TIF is estimated to be \$13,455.20 and must be paid prior to

issuance of a building permit. When sidewalks are installed as part of a project, the cost of the sidewalk installation may be credited to the TIF amount, per SMC 3.50.100. The TIF amount is subject to the fee schedule in place at the time of payment and may be recalculated with any credit given for the sidewalk installation.

Housing Mitigation Fee: Higher-intensity industrial projects are required to mitigate the demand for affordable housing created by the development through payment of a Housing Mitigation Fee (SMC 19.22.035). The current Housing Mitigation Fee requirement is \$9.49 per square foot of floor area over the allowed FAR of 35%. The required fee for this development is estimated at \$80,503.67 as indicated in the conditions of approval (see Attachment 4).

PUBLIC CONTACT

Planning Commission Study Session: Staff presented the project to the Planning Commission at the May 28, 2014 Study Session. The Planning Commission was supportive of the architectural style, and encouraged the applicant to preserve as many trees as possible and to incorporate artwork at the corner of the site for visual interest. Staff noted at the Study Session that the project is not subject to the Art in Public requirement. Several Commissioners also expressed concerns about making findings for a Variance to allow a reduced front setback.

Planning Commission Public Hearing:

The Planning Commission considered the previous project design on July 14, 2014, which included a Variance request to allow a 25-foot front setback on Maude Avenue where 35 feet minimum is required (see previous site plan in Attachment 14). Several Commissioners expressed concerns regarding removal of the mature trees along the project frontage and ability to make the Variance findings. Some Commissioners noted that reduced front setbacks may be easier to justify in order to create a more pedestrian-oriented street character under the future Peery Park Specific Plan; however, Commissioners stated that the site did not warrant approval of a Variance under the current setback requirements and Variance findings. One resident spoke in opposition to the project due to concerns regarding the drought.

A motion was made to recommend that the City Council approve the Use Permit and Variance, which failed on a 3-4 vote. A second motion was unanimously approved to recommend that the City Council approve the Use Permit and deny the Variance (see final minutes in Attachment 13).

Notice of Mitigated Negative Declaration and Public Hearing

- Published in the *Sun* newspaper
- Posted on the site
- 120 notices were mailed to property owners and tenants within 1,000 ft. of the project site as shown on Attachment 1.
- Notices were emailed to the following Neighborhood Associations: S.N.A.I.L.; Stowell-Orchard; Heritage District; Morse Park; and, Sunnyvale West.

Staff Report

- Posted on the City of Sunnyvale's Web site
- Provided at the Reference Section of the City of Sunnyvale's Public Library

Agenda

- Posted on the City's official notice bulletin board
- City of Sunnyvale's Web site

CONCLUSION

Findings and General Plan Goals: Staff was able to make the required Findings for the Use Permit. The Review Criteria for Projects Greater than 35% FAR were used to evaluate the application. Recommended Use Permit Findings and General Plan Goals are located in Attachment 3.

ALTERNATIVES

Recommend the City Council:

1. Adopt the Mitigated Negative Declaration and approve the Use Permit with the Conditions of Approval in Attachment 4.
2. Adopt the Mitigated Negative Declaration and approve the Use Permit with modified Conditions of Approval.
3. Adopt the Mitigated Negative Declaration and deny the Use Permit.
4. Do not adopt the Mitigated Negative Declaration and direct staff as to where additional environmental analysis is required.

RECOMMENDATION

Alternative 1: Adopt the Mitigated Negative Declaration and approve the Use Permit with the Conditions of Approval in Attachment 4.

Prepared by: Noren Caliva-Lepe, Associate Planner

Reviewed by: Trudi Ryan, Planning Officer

Reviewed by: Hanson Hom, Director of Community Development

Reviewed by: Robert Walker, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Vicinity Map with 1000 ft. Noticing Buffer
2. Project Data Table
3. Recommended Findings
4. Recommended Conditions of Approval
5. Mitigated Negative Declaration
6. Site and Architectural Plans
7. Description of Office Class Levels
8. LEED Checklist
9. Balanced Growth Profile, updated June 2014
10. Recently-Approved Peery Park Projects Map
11. Draft Transportation Demand Management Plan
12. Perspective Drawing
13. Planning Commission Public Hearing Final Minutes, July 14, 2014
14. Previous Site Plan (Reviewed by Planning Commission)