



City of Sunnyvale

Agenda Item-No Attachments (PDF)

File #: 16-1079, Version: 1

SUBJECT

File #: 2013-7609

Locations: 615, 629, 689, 691 N. Mathilda Ave., 525, 535, 555 Del Rey Ave., 650 Vaqueros Ave. (APNs: 165-43-014, -023 through -029)

Zoning: PPSP/IEF

Proposed Project: PEERY PARK PLAN REVIEW to redevelop 8 parcels by combining the site into one 7.5-acre site and construct two new 4-story office R&D buildings with a total of 330,668 s.f. (includes 13,988 s.f. amenities area) resulting in 100% FAR, and serviced by a new 5-level parking garage. The project is located in the Peery Park Specific Plan area.

Applicant / Owner: Sequoia Del Ray LLC. / Sequoia Del Ray LLC

Environmental Review: The project is exempt from additional CEQA review per CEQA Guidelines section 15168(c)(2), (3) and (4). The project is within the scope of the Peery Park Specific Plan Program EIR. The environmental impacts associated with the proposed development are adequately addressed and analyzed in the Peery Park Specific Plan Program EIR and/or can be substantially mitigated with the imposition of uniformly applied development policies and standards.

Project Planner: Shetal Divatia, (408) 730-7637, sdivatia@sunnyvale.ca.gov

REPORT IN BRIEF

General Plan: Peery Park Specific Plan

Zoning: Peery Park Specific Plan

Subdistrict: Innovation Edge/Futures Sites

Existing Site Conditions: The site is comprised of eight separate parcels that are developed with several one-story buildings totaling approximately 109,305 square feet that include office R&D, light industrial uses, and a restaurant with a drive-through facility (McDonalds).

Surrounding Land Uses:

North: R&D office building in Innovation PPSP Innovation Edge/Futures Sites Zoning District.

South: R&D office building in Innovation PPSP Innovation Edge/Futures Sites across Del Rey Ave Zoning District

East: Commercial uses including restaurant, hotels in PPSP - Mixed Commercial Edge and Highway Commercial/Planned Development Zoning Districts (across Mathilda Ave)

West: Industrial Office and R&D uses in PPSP - Mixed Industry Core Zoning District (across Vaqueros Ave)

Issues: Implementation of Peery Park Specific Plan and views from nearby residential neighborhoods.

Staff Recommendation: Make the required Findings to approve the CEQA determination that the project is within the scope of the Peery Park Specific Plan Environmental Impact Report (EIR) and no additional environmental review is required; and approve the Peery Park Plan Review Permit subject

to PPSP Mitigation Monitoring and Reporting Program in Attachment 6 and recommended conditions of approval noted in Attachment 4.

BACKGROUND

The applicant had initially submitted an application for two office R&D buildings at 80% FAR in July 2013. The project was placed on-hold pending the development and approval of Peery Park Specific Plan (PPSP). The project was included in the near-term projects considered in the PPSP EIR. Since then, the applicant has modified the project as proposed (100%FAR).

Description of Proposed Project

The project proposal is to combine eight parcels into one 7.5 acre site, demolish all existing structures, and construct two new 4-story office buildings with 330,353 s.f. total floor area (includes 13,988 s.f. of amenities area) at 100% FAR. This is considered a Tier 2 project in the Peery Park Specific Plan (PPSP) and requires Defined and/or Flexible Community Benefits with Planning Commission review and approval.

The newly configured project site will have frontages on three streets: Mathilda, Del Rey and Vaqueros Avenues. The common area (internal courtyard) is planned between the buildings, and a parking structure is proposed on the rear portion of the site along Vaqueros Avenue.

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

EXISTING POLICY

The project site is subject to the purpose, intent and policies of the PPSP adopted by the Sunnyvale City Council on September 20, 2016. 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 Environmental Impact Report (EIR) was prepared for the PPSP which identifies potential impacts resulting from the proposed development intensities in the Plan. Certification of the EIR included a mitigation monitoring program with provisions to reduce the potentially significant impacts to a less than significant level, although some impacts will remain as significant unavoidable after mitigation. Statements of Overriding Consideration were adopted in conjunction with the General Plan Amendment and the Specific Plan (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 Mitigation Monitoring and Reporting Program (MMRP) monitoring program for each subsequent project that includes the approved mitigation measures of the EIR (PPSP EIR MMRP - Attachment 6).

The project is within the scope of the PPSP Program EIR and is therefore exempt from additional

CEQA review per CEQA Guidelines section 15168(c)(2) and (4). The City has completed a checklist and determined that no new anticipated environmental impacts will occur and no new mitigation measures are required (Attachment 5). The Program EIR Mitigation Monitoring and Reporting Program has been included as applicable for this project.

DISCUSSION

Present Site Conditions

The site is comprised of eight separate parcels that are developed with several one-story buildings totaling approximately 109,305 square feet. The buildings fronting N. Mathilda Avenue are occupied by a drive-through restaurant (McDonalds), an auto-repair shop, a medical office building, and a construction and design company. Buildings fronting Del Rey and Vaqueros Avenues include Class C office buildings that are occupied as offices or currently vacant. A new location for the restaurant with drive-through (McDonalds) was approved across Mathilda Avenue by the Planning Commission at its November 7, 2016 public hearing.

Peery Park Plan Review Permit

The subject property is located in the PPSP Innovation Edge/ Futures subdistrict, which requires a Peery Park Plan Review Permit (PPPRP) with final approval by the Planning Commission (appealable to the City Council).

Use:

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

Green Building Requirements:

The project (including exterior building shells and internal tenant improvements) will meet a minimum Platinum LEED green building level to obtain Community Benefit points required for the project.

Floor Area Ratio:

The project includes a floor area ratio (FAR) of 100% and is located in Zone 2, which is identified in the PPSP as a Tier 2 project. This zone allows a baseline FAR of 55% and allows for a maximum of 120% FAR with the provision of Community Benefits. Any additional floor area over 55% requires community benefits up to the proposed FAR. Given the proposed 100% FAR, the project must achieve the remaining 45% FAR by providing Community Benefits. The Community Benefit requirement can be met using Defined and/or Flexible points.

Community Benefits:

The Community Benefits Program of the PPSP establishes the necessary elements of community facilities, services or impact fees by development applicants in exchange for added development capacity or intensity. The contributions as defined by the Plan's Community Benefit Goals include:

- Provide settings that bring people together
- Provide new district amenities and uses
- Contribute to community sustainability
- Place priority on TDM and alternative transportation
- Enable feasible development and provide clear direction for investors

The proposed project anticipates 45 incentive points, as shown in Attachment 7. In order to attain 45 points, the applicant generally proposes the following:

Defined Benefits (32 points total attained):

- Over 30% of site landscaped (5 points attained);
- Over 1,000 square feet of publically accessible recreation area with the inclusion of series (5) of public plazas, of approximately 2,600 total square feet, that include exercise stations, seat walls and a game table. (5 points attained);
- The use of structured parking (5 points attained);
- LEED Platinum with USGBC certification (17 points attained).

Flexible Benefits (13 point required):

- The 13 points is equal to 13% of the total building area proposed;
- Fee is \$30.00 per square foot of percent required to be met;
 - Fee calculation: 13% of total building area multiplied by \$30.00 (330,668 sf x 13% x \$30.00 = \$1,289,605)
- The applicant proposes to add trees along the east side and the median area of Mathilda Avenue between Maude Avenue and San Aleso Avenue;
 - Cost of design and installation of trees will be credited to total fee amount (estimated to be approximately \$100,000).
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Total Community Benefits Points needed/achieved is 45 points for the proposed 100%FAR project. The project is conditioned to meet the Community Benefits Program.

Site Layout:

The site is 420 feet wide along Mathilda and Vaqueros Avenues and approximately 520 feet long on Del Rey Avenue. The proposed buildings are generally placed perpendicular to Mathilda Avenue and are 115 feet wide across Mathilda Avenue and 230 feet deep. The parking structure is 297 feet long along Vaqueros Avenue. All buildings meet the Peery Park Specific Plan building frontage standard of a maximum of 375 feet.

Setbacks

The PPSP requires a minimum of 30 foot and a maximum of 40 foot setback on Mathilda and Del Rey Avenue frontages. The proposed setback of 79 feet 8 inches on Mathilda Avenue and 86 feet 8 inches on Del Rey Avenue exceeds the maximum 40 foot setback allowed as per PPSP standards. The buildings have increased setbacks to minimize the visual impact of the project from the residential neighbors on east side of Mathilda Ave. The Peery Park Plan Review Permit allows consideration of deviations for setback and staff supports this deviation in order to provide additional distance from the residential area behind the commercial properties on the east side of Mathilda Avenue. The office R&D buildings and the parking structure meet all other required setbacks for street frontages and to the neighboring property on the north.

Parking

The project has 966 parking spaces at a ratio of 3 spaces per 1000 s.f. The PPSP parking standard requires a minimum of parking ratio of 3.3 per 1000 s.f. (1,044 spaces) and a maximum of 4 per 1000 s.f. (1,266 spaces). The project will have 77 surface parking spaces and 889 spaces in the five-level parking structure. The proposed parking is underparked by 78 parking spaces and requires approval of a deviation. PPSP allows consideration of reduced parking requirements in conjunction with a Transportation Demand Management (TDM) plan. The project is required to provide a TDM to

achieve a 30% trip reduction goal and also includes a private bus pickup-drop off facility in anticipation that many employees will utilize this form of transportation. Staff is supportive of the decreased parking proposed for the project.

The project also includes 50 bicycle parking spaces as required (5% of the total parking provided); with 38 spaces (75%) to be Class 1 (secured) and 12 spaces (25%) to be Class 2 (bike racks). A majority of the Class 1 spaces would be located in the parking structure. Class 2 spaces must be placed near building entrances.

Vehicle and Pedestrian Circulation

The project site has vehicular access from three streets; one access driveway on Mathilda Avenue, two access driveways (includes one service and fire emergency access) on Del Rey Avenue, and two access driveways into the parking structure on Vaqueros Avenue.

The site has several pedestrian access pathways from the sidewalks along all three streets.

Landscaping and Tree Preservation

The proposal includes a conceptual landscape plan that results in 33.5% of the site to be landscaped where a minimum of 20% is required. The landscaping will consist of existing and new trees, new shrubs and ground cover.

The site has 95 existing trees, which include 50 protected trees (circumference equal to or greater than 38 inches). Of these protected trees, 4 trees will be saved or transplanted, while 46 will be removed. A majority of the trees that are proposed to be removed are located within the proposed building footprint or driveways.

The surface parking areas facing Mathilda and Del Rey Avenues will be required to be shaded in 15 years.

Architecture:

The proposed architectural style is considered contemporary and is consistent with the PPSP. The proposed office R&D buildings use high quality materials of stone veneer, spandrel glass, metal mullions, and glazing. The fourth story is stepped back 6'10" from the third story and the façade treatment makes the buildings visually appear like three-story buildings. A balcony extends in front of the fourth floor office space projecting towards Mathilda Avenue. Staff recommends the balconies facing towards Mathilda Avenue be removed in order to avoid potential privacy issues with nearby residential areas east of the property.

The shape of the office buildings includes angles and recessed portions to provide a change in planes and architectural interest to the building elevations. The Mathilda Avenue frontage has an entrance feature that ties the two buildings and provides a focal entry point to the site.

The parking structure faces Vaqueros Avenue and includes a bus pick-up/drop off facility within the structure. A portion of the structure's exterior includes stone finish to match that of the office buildings. The parking structure also includes an amenities area on the upper level along which includes outdoor seating areas and landscaping.

Building Height/Stories

According to the PPSP, the maximum height of development along Mathilda Avenue is limited to four stories or 60 feet for a distance of 300 feet from the property line. The proposed 60 foot tall office buildings meet this standard. Screen walls and architectural projections can extend above the building height providing the extension does not exceed 25% of the roof area. The additional 10 feet of roof screen meets this provision. The buildings maintain the same 60 feet height for areas beyond the 300 foot area required by the PPSP.

The parking structure will be 50 feet tall and 59 feet 7 inches to the top of the stairwells, which meets the building height standards.

Solar Energy Access

The project does not shade more than 10% of the adjacent structures and meets the City's solar access requirements.

Design Guidelines

The proposal meets the Design Guidelines in the PPSP as noted below:

- Buildings designed to shape and activate streets and public spaces;
- Articulation of building height and length massing treatments that recognize the character and development increments of residential and mixed use districts in Peery Park;
- Frontages, entrances and pathways that create pedestrian-friendly settings;
- A network of varied open spaces that promote activity, greenery and livability;
- Design articulation of elements at facades and roofs to relate to human scale;
- Sustainability in building and site design.

Off-site Development/Improvements:

The project is required to install sidewalks and landscaped areas including planting of street trees along all street frontages to meet the PPSP standards and must provide the required right-of-way easements. The proposal also includes tree plantings in the median and along the right-of-way on the east side of Mathilda Avenue as proposed by the applicant to partially satisfy some of the Flexible Community Benefits requirements.

Conformance with Peery Park Specific Plan:

The Goals and policies for Peery Park Specific Plan are as follows:

- Align both public and private interests with workplace and market trends
- Make Peery Park a center for knowledge and innovation
- Allow innovative businesses and workers to thrive
- Foster a dynamic mix of uses
- Provide settings that bring people together
- Project adjacent neighborhoods
- Enable feasible development and provide clear direction for investors
- Contribute to community sustainability

Peery Park Specific Plan's vision for this Innovation Edge district is a focus on synergistic mix of workplace and commercial uses that orients grand entrances and public facades onto major arterials (such as Mathilda Avenue). This district will display the cutting-edge workplace character of the

district along while maintaining an appropriate relationship with existing neighborhoods. 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 proposal conforms with the Specific Plan as the project:

- Combines and redevelops eight sites into one site;
- Develops a new workplace;
- Addresses neighborhood issues by limiting the height and number of stories to four and increasing the building setbacks on Mathilda and Del Rey Avenues to limit visibility of the project from residential neighborhood on the east;
- Includes streetscape improvements along the project site;
- Improves streetscape by the addition of tree plantings on Mathilda Avenue (east side and median) for increased visual screening and;
- Provides on-site amenities such as the transit center, amenities area, and the central open space.

Moffett Airfield Compatibility:

A portion of the project site is located within the Airport Influence Area (AIA) of Moffett Federal Airfield's Turning Safety Zone and is consistent with the Santa Clara County Airport Land Use Commission (ALUC) height and safety policies as defined in the in the Moffett Federal Airfield Comprehensive Land Use Plan (CLUP). The project is required to provide an avigation easement as the site is located within the AIA.

The project has been issued a Clearance Certificate from the Federal Aviation Administration (FAA) and no additional action is required.

Easements and Utilities:

The project requires dedication of air easement (Avigation Easement) as noted by ALUC. This easement is included in the Conditions of Approval and shall be filed with the County of Santa Clara. The project is also required to provide Right of Way (ROW) easements as per Peery Park Specific Plan standards. Additionally, the project will also provide Public Access Easements to include the public plazas (on Vaqueros Avenue) as proposed in the Community Benefits Program.

Fees:

In connection with adoption of the Peery Park Specific Plan, 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 Mitigation Monitoring and Reporting Program adopted in connection with the Program EIR requires each project to fund its fair share of improvements to water infrastructure need to support the new development. The required findings for the Sense of Place and Water Infrastructure fees, including information to show how the fees were calculated, are included in Attachment 4 (Findings).

FISCAL IMPACT

Normal fees and taxes are expected. Standard fees for projects in Sunnyvale include Traffic Impact Fees and Housing Mitigation Fees. Additionally, projects within the PPSP are required to pay: PPSP Infrastructure Fee for Wastewater, PPSP Fee, and fair share towards Transportation Mitigation Fees (noted in PPSP EIR). Standard fees are established in the annually adopted fee resolution. PPSP fees are ad hoc fees and are calculated on a case-by-case basis. Project specific fees and payment at the time of Building Permit issuance is included in the Conditions of Approval.

PUBLIC CONTACT

As of the date of staff report preparation, staff has received two comments from neighbors, tenants or property owners or the general public. They are requesting that the public hearing for the project be moved to a later date to allow them adequate time to address their concerns (Attachment 9).

On October 12, 2016, a public outreach meeting was held. Twelve members of the public attended this meeting. Comments received included: concern about upper floors nighttime lighting, access to the parking structure from the rear, and view to and from the residential neighborhood. Although the applicant's photo simulations showed street trees during spring months, there was expressed concern about those trees being deciduous and the decreased/lack of adequate screen during fall and winter months.

At a study session on November 7, 2016, the Planning Commission reviewed and commented on the project's site plan and architecture. Their comments included: more onsite trees should be saved, taller tree species to be planted, curved architecture element is furniture-like, good architecture and use of materials including the enhanced entryway on Mathilda Avenue, transit center for the buses is a good aspect of the project, and the architectural style of the buildings is busy. Additionally, a member of the public made a brief presentation on the effect of the office buildings at 605 N. Mathilda (which is located south of the project site) on their TV antennas and their concern about the impact of the proposed project on theirs and their neighbors TV reception that utilizes antennas. As discussed at a recent Planning Commission hearing, the City does not have policies to address over-the-air television transmission. It is a difficult issue to address on an ad hoc basis, and staff recommends any potential conflict concerns and potential remedies be discussed between the affected homeowners and the applicant.

1,660 notices were sent to property owners within 2,000 feet of the project site.

Notice of Public Hearing, Staff Report and Agenda:

- Published in the *Sun* newspaper
- 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

ALTERNATIVES

1. Make the required Findings to approve the CEQA determination that the project is within the scope of the Peery Park Specific Plan Environmental Impact Report (EIR) and no additional environmental review is required; and approve the Peery Park Plan Review Permit subject to PPSP Mitigation Monitoring and Reporting Program in Attachment 6 and recommended

- conditions of approval noted in Attachment 4.
2. Make the required Findings to approve the CEQA determination that the project is within the scope of the Peery Park Specific Plan Environmental Impact Report (PPSP - EIR) and no additional environmental review is required; and approve the Peery Park Plan Review Permit subject to PPSP Mitigation Monitoring and Reporting Program in Attachment 6 and modified conditions of approval as noted by the Planning Commission.
 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

Alternative 1: Make the required Findings to approve the CEQA determination that the project is within the scope of the Peery Park Specific Plan Environmental Impact Report (EIR) and no additional environmental review is required; and approve the Peery Park Plan Review Permit subject to PPSP Mitigation Monitoring and Reporting Program in Attachment 6 and recommended conditions of approval noted in Attachment 4.

Prepared by: Shetal Divatia, Senior Planner

Reviewed by: Gerri Caruso, Principal Planner

Reviewed by: Amber Blizinski, Principal Planner

Approved by: Andrew Miner, Planning Officer

ATTACHMENTS

1. Vicinity and Noticing Map
2. Project Data Table
3. Recommended Findings
4. Recommended Conditions of Approval
5. Compliance with Program EIR CEQA checklist
6. PPSP EIR - Mitigation Monitoring and Report Program (MMRP) for Project
7. Proposed Community Benefits Program Table
8. Letter from Applicant
9. Public Comment
10. Proposed Site and Architectural Plans