



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

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File #: 20-0924, Version: 1

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### REPORT TO HERITAGE PRESERVATION COMMISSION

#### SUBJECT

**Proposed Project:** Related applications on a 3.34-acre site:

**LANDMARK ALTERATION PERMIT AND TREE REMOVAL PERMIT:** to remove one Heritage Tree (northernmost redwood tree) from the existing redwood grove located in former Town Center, now CityLine Redwood Square

**Location:** 200 S Taaffe Street (APN:209-35-023)

**File #:** 2020-7603

**Zoning:** DSP Block 18

**Applicant / Owner:** STC Venture, LLC/Travis Duncan (applicant/owner)

**Environmental Review:** The project is exempt from additional environmental review pursuant to CEQA Guidelines Section 1568, Program EIR, as the proposed project was evaluated in the certified DSP EIR (SCH # 2018052020) and a Statement of Overriding Consideration was made for the removal of the tree.

**Project Planner:** Shaunn Mendrin, (408) 730-7431, smendrin@sunnyvale.ca.gov

#### REPORT IN BRIEF

**General Plan:** Downtown Specific Plan (DSP)

**Existing Site Conditions:** Retail and Redwood Square

#### **Surrounding Land Uses**

**North:** Retail

**South:** Retail

**East:** Vacant

**West:** Mixed Use (Residential, Ground Floor Retail and Parking)

**Issues:** Consistency with the Downtown Specific Plan and Parking

**Staff Recommendation:** Make the required Findings required to approve the CEQA determination that the project is consistent with the Downtown Specific Plan's Program Environmental Impact Report and no additional environmental review is required, and approve the Landmark Alteration Permit and Tree Removal Permit based on the Findings in Attachment 2 and subject to the Recommended Conditions of Approval in Attachment 3.

#### BACKGROUND

The existing site is bound by West Washington and West McKinley Avenue and South Taaffe Street and South Murphy Avenue. The site is currently developed with the former Macy's building, two parking lots and grassy area around the Heritage Grove (located on the southern half of the site). Future development of the site would split the site into two halves with the northern half being comprised of an office building with ground floor commercial space and the southern half being comprised of residential with ground floor restaurants, retail and public park area around the existing redwood trees. See Attachment 1 for a map of the vicinity and mailing area for notices.

### **The Heritage Grove**

Sunnyvale's old City Hall was in the center of downtown at the corner of Murphy and McKinley Avenues. The five largest redwood trees in the Heritage Grove were planted between 1930 and 1945 on the old City Hall grounds to commemorate various events in Sunnyvale history. The Heritage Grove originally included two cedar trees, one of which was lost sometime before 1984. The other cedar was removed after 1984 because of ill health. The sixth redwood tree was planted in 1978 at the groundbreaking of the Sunnyvale Mall and dedicated to Manuel Vargas, a longtime Sunnyvale resident who planted the "Vargas Redwoods" at the corner of Mary Avenue and Carson Drive. The Sunnyvale Mall was built on land that included the former site of the first City Hall building; construction of the mall preserved a relatively small space around the grove of trees. The City designated the grove as a Heritage Resource in 1984 (see Attachment 7). Subsequently, the Sunnyvale Mall was demolished in 2008-2009, and the Heritage Grove was fenced off for several years while efforts to redevelop the site were stalled as result of the financial crisis and subsequent litigation related to the redevelopment. In 2017, the new developer of the site (STC Venture LLC, also known as CityLine) re-opened Redwood Square with temporary improvements to create a park-like setting. The current proposal for the build-out of DSP Block 18 would preserve the five oldest trees in the Heritage Grove and create approximately one acre of publicly-accessible open space that extends to the corner of McKinley and Murphy Avenues. To achieve the ideal layout of the buildings and open space and to avoid extensive underground construction near the five other trees, the northernmost redwood tree (see Attachment 4) in the Heritage Grove would need to be removed.

### **Downtown Specific Plan EIR Review**

On July 22, 2020, the Heritage Preservation Commission (HPC) considered amendments to the Downtown Specific Plan (DSP), the associated Environmental Impact Report (EIR) and associated Mitigation, Monitoring and Reporting Program (MMRP). The DSP Amendments generally considered increases in floor area and the allowed number of dwelling units for six projects within the DSP boundary. The EIR evaluated the proposed increases in floor area and units and found that the only potential impact related to HPC review was an impact to Heritage Resources. Specifically, the northernmost redwood tree in the Heritage Grove was noted for possible relocation or removal. This was considered a "significant and unavoidable impact" under the California Environmental Quality Act (CEQA). Even if an attempt is made to relocate the tree, it might not survive. Similarly, memorializing the tree by photography, installing a plaque, or planting a replacement tree will only partially mitigate the loss of the tree.

The HPC moved (see Attachment 6- Draft HPC Minutes) to recommend that the City Council certify the EIR; make the findings required by CEQA and approve a Statement of Overriding Considerations for the relocation or removal of one of the trees included the Heritage Grove, a City Heritage Resource; approve an MMRP for the DSP amendments and future development projects as they pertain to Heritage Resources; and approve the amended DSP as it relates to Heritage Resources, with the following additional condition (related to the tree removal):

- 2) Make best efforts to reach out to the Vargas family to notify them of the project.

Therefore, in order to certify the EIR, the City Council made the finding that there are social, economic, environmental, or other benefits of the Project that outweigh the loss of the tree (known as

a Statement of Overriding Considerations). Refer to the Environmental Review section for more information. On August 11, 2020, the City Council certified the EIR, made the required findings, and approved the DSP amendments.

Although the City Council approved the DSP Amendments and certified the EIR, a Landmark Alteration Permit and Tree Removal Permit are required to consider the removal of the northernmost redwood tree from the Heritage Grove. The HPC is the review authority for both permits because the tree is a heritage resource.

### **Previous Actions on the Site**

The project site is a 3.34-acre site which is part of the larger area known as Block 18 of the DSP. As part of the DSP Amendments and the associated EIR, the Block 18 property owner entered into a Development Agreement (DA) with the City of Sunnyvale. The DA guarantees a specific amount of Office and Commercial/Retail floor area, number of dwelling units, and maximum building heights. As part of the DA, the City is guaranteed a minimum of 88 affordable units and a contribution of \$10.6 million towards the City's Community Benefit Fund. There have been additional previous actions on the site that have been put on hold or will be superseded with current development proposals.

### **EXISTING POLICY**

The following General Plan policies relate to the protection of City cultural and heritage resources and should be considered in the Commission's decision.

- CC-5.1 Preserve existing landmarks and cultural resources and their environmental settings.
- CC-5.3 Identify and work to resolve conflicts between the preservation of historic resources and alternative land uses.

The proposed tree removal would modify the existing Heritage Grove due to the proposed project design and underground construction. The proposed alteration would result in one tree being removed from the Heritage Grove. The proposed development around the Heritage Grove would include improvements to retain open area around the Heritage Grove, increase visibility down McKinley (from the west), provide active uses around the west and north sides of the grove, and would plant two large specimen redwood trees adjacent to the Heritage Grove to further enhance the existing cluster of redwoods (refer to pages 11-14 in Attachment 4).

Staff has reached out to remaining Vargas family members and they are aware of the proposal. Staff has recommended that one of the new redwood trees be dedicated to Manuel Vargas and that the appropriate plaque be placed near the new redwood tree.

### **ENVIRONMENTAL REVIEW**

As noted above, as part of the review of the amendments to the DSP, the City prepared a Draft EIR (State Clearinghouse #2018052020) pursuant to CEQA. The EIR provided a program-level review of the environmental impacts of the DSP amendments as well as a project-level review of six specific development proposals within the DSP, including the proposed removal of the northernmost redwood tree. Certification of the EIR included an MMRP with provisions to reduce the potentially significant impacts to a less than significant level, although some impacts will remain significant and unavoidable after mitigation. A Statement of Overriding Considerations for significant unavoidable impacts to cultural and historic resources, noise, utilities, and traffic was adopted by the City Council as part of its action on the EIR. An adopted Statement of Overriding Considerations is deemed by the

certification of the EIR to be applicable to subsequent projects that are consistent with or that implement the DSP's goals and objectives. As the lead agency, the City of Sunnyvale implements the adopted MMRP for each subsequent project that includes the approved mitigation measures of the EIR.

The proposed removal of the northernmost redwood tree is within the scope of the DSP EIR and is therefore exempt from additional CEQA review, because the proposed project was specifically analyzed in the EIR and because it has no additional significant impacts that were not analyzed as part of the programmatic EIR for development in the DSP area (CEQA Guidelines Section 15168(c) (2) and (4) and Public Resources Code Section 21094(c)). Specific mitigation measures related to the removal of the redwood tree have been included in the Recommended Conditions of Approval in Attachment 3.

## **DISCUSSION**

### **Landmark Alteration Permit and Tree Removal Permit**

The project applicant is seeking approval of a Landmark Alteration Permit and Tree Removal permit to allow the removal of the northernmost redwood tree in the Heritage Grove. As noted above and in the applicant's project description, the request to remove the tree would allow for a more efficient underground parking garage design and reduce any additional impacts to the remaining redwood trees. A preliminary arborist report was prepared to evaluate the existing trees on the site (see Attachment 5). The report evaluated existing street trees and the six redwood trees. The redwood trees are generally in good health and some may need additional maintenance to repair issues with the trunks. The arborist evaluated redwood tree number six (northernmost redwood) and found that it is in good health, but did not recommend relocation as there is no guarantee that the tree would survive the stress of the relocation. The arborist recommended replacement redwoods to mitigate the removal. The replacement trees would be better suited to supplement the existing five redwoods in the Heritage Grove. The City Arborist has reviewed the report and concurs with the recommendation for removal and replacement trees.

As noted above, redwood tree number six was dedicated to Manuel Vargas in 1978. Staff has contacted Gary Vargas, grandson of Manuel Vargas, to inform him that the tree is proposed to be removed and that staff is recommending that one of the new redwood trees be dedicated to Manuel Vargas. The project applicant has offered to have the redwood tree milled and the wood may remain on site for a period of time for either the Vargas family to use, or to use in the restaurants or for any heritage resource rehabilitation/repairs that require redwood. Depending on timing and use of the milled wood, the applicant can coordinate with the Sunnyvale Heritage Park Museum if an alternate location is needed for any of the remaining wood.

### **FISCAL IMPACT**

No fiscal impacts other than normal fees and taxes are expected.

### **PUBLIC CONTACT**

#### **Notice of Public Hearing**

- Published in the *San Jose Mercury News* newspaper
- Posted on the site
- 733 notices mailed to property owners and residents within 300 feet of the project site, the Charles

Street 100, Sunnyvale West and Heritage District Neighborhood Associations and the Downtown Sunnyvale Associations.

### **Staff Report**

- Posted on the City's website

### **Agenda**

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

**Public Contact:** Staff has not received any correspondence or phone calls from neighbors at the time of writing of this report.

### **ALTERNATIVES**

1. Make the required Findings required to approve the CEQA determination that the project is consistent with the Downtown Specific Plan's Program Environmental Impact Report and no additional environmental review is required, and approve the Landmark Alteration Permit and Tree Removal Permit based on Findings in Attachment 2 and Recommended Conditions of Approval in Attachment 3.
2. Make the required Findings required to approve the CEQA determination that the project is consistent with the Downtown Specific Plan's Program Environmental Impact Report and no additional environmental review is required, and approve the Landmark Alteration Permit and Tree Removal Permit based on Findings in Attachment 2 and Recommended Conditions of Approval in Attachment 3 subject to modified Conditions of Approval.
3. Deny the Landmark Alteration Permit and Tree Removal Permit and provide direction to staff and applicant on where changes should be made.

### **STAFF RECOMMENDATION**

Alternative 1:

Make the required Findings required to approve the CEQA determination that the project is consistent with the Downtown Specific Plan's Program Environmental Impact Report and no additional environmental review is required, and approve the Landmark Alteration Permit and Tree Removal Permit based on Findings in Attachment 2 and Recommended Conditions of Approval in Attachment 3.

Prepared by: Shaunn Mendrin, Principal Planner

Reviewed by: George Schroeder, Senior Planner

Approved by: Andrew Miner, Assistant Director of Community Development

### **ATTACHMENTS**

1. Site, Vicinity and Public Notice Mailing Map
2. Recommended Findings
3. Recommended Conditions of Approval
4. Project Description and Plans
5. Arborist Report
6. Draft Heritage Preservation Commission Minutes, dated July 22, 2020

7. Heritage Resource Designation for the grove, dated 1984