



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

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File #: 21-0142, Version: 1

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### REPORT TO PLANNING COMMISSION

#### SUBJECT

##### **Proposed Project:**

**SPECIAL DEVELOPMENT PERMIT** to allow a 12-story mixed use development on Subblock 3 South in Block 18 of the DSP, adjacent to Redwood Square, with 479 units and approximately 30,000 square feet of ground floor retail/restaurant space and two levels of below grade parking.

**VESTING TENTATIVE MAP** to allow modifications to lot line locations and the creation of commercial condominium spaces.

**Location:** 200 S. Taaffe Street (APNs: 209-35-023 & 022)

**File #:** 2020-7262

**Zoning:** DSP (Downtown Specific Plan)/Block 18

**General Plan:** Downtown Specific Plan

**Applicant / Owner:** STC Ventures LLC (applicant and owner)

**Environmental Review:** No additional review required as per CEQA Guidelines 15168(c)(2) and (4) - environmental impacts of the project are addressed in the Downtown Specific Plan Program Environmental Impact Report (EIR) (State Clearinghouse #2018052020).

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

#### REPORT IN BRIEF

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

**Existing Site Conditions:** Vacant, Parking, Redwood Square

##### **Surrounding Land Uses**

**North:** Former Macy's Building

**South:** Target

**East:** Surface Parking

**West:** Residential, Structured Parking

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

**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 Special Development Permit and Vesting Tentative Map based on Findings in Attachment 3 and Recommended Conditions of Approval in Attachment 4.

#### BACKGROUND

##### Description of Proposed Project

The proposed project is located on Subblock 3 which is a part of Block 18 of the DSP. Block 18 includes the area between Mathilda Avenue, Sunnyvale Avenue, Washington Avenue and McKinley

Avenue, including existing office, retail and residential buildings.

Subblock 3 of the CityLine project is currently developed with the former Macy's building to the north, and Redwood Square and a small parking lot to the south. The proposed project includes the redevelopment of the southern part of the block with a 12-story mixed-use building comprised of two structures, Building 1 (West Tower on Taaffe Street) and Building 2 (East Tower on Murphy Avenue). The ground floor would be comprised of approximately 30,000 square feet of restaurant and retail space facing Murphy Avenue, McKinley Avenue and Redwood Square. Residential access and amenity space would face Taaffe Street. The remaining upper floors would contain 479 residential units, and open space and amenities for future residents. Two levels of parking would be located beneath the building and would contain 470 parking spaces and other residential amenities. The project also includes improvements to the right-of-way (Murphy Avenue, McKinley Avenue, and Taaffe Street) and Redwood Square.

A new private road would be added at the northern extent of the proposed building and would be used to access the underground parking lots for the subject site and proposed project on the northern portion of Subblock 3.

A Special Development Permit is required for review and approval by the Planning Commission for site and architectural review. A Vesting Tentative Map is required to create commercial condominiums. The project includes the following deviations:

- Roof Top Mechanical Screening over 25% of roof area;
- Parking adjustment to allow reduced parking and increased compact spaces;
- Trash chutes over 150 feet away from residential units; and
- Residential lockable storage.

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

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

The site is located within the former Town Center site, which is located in Block 18, Subblock 3, of the Downtown Specific Plan. All of Block 18 has been subject to various Special Development Permits based on various proposals for redevelopment. The following are more recent actions on the site:

- Three Special Development Permits (2016-7290, 2016-7968, and 2017-7527) were approved for modifications to the master list of conditions of approval, and architectural changes to the theater/Whole Food building and residential units facing Iowa Avenue.
- A Landmark Alteration Permit (2020-7603) was recently approved in November 2020 for the removal of the northernmost Redwood Tree within Redwood Square.
- A Development Agreement (DA) was approved for Block 18 (Ord. No. 3164-20), which granted increased dwelling units, increased office square footage, and increased site specific building height. Specifically, the DA allowed twelve (12) stories, a height of 142 feet and additional dwelling units to allow the 479 units proposed for the Subblock 3 South site. The City would receive 53 below market rate units, improvements to Redwood Square as a publicly accessible park, point of sale (construction/development taxes benefits to the City), and all electric appliances in the residential units.

## **EXISTING POLICY**

**Downtown Specific Plan (DSP) Goals and Policies:** The vision, key goals and policies from the Downtown Specific Plan which pertain to the proposed project have been included in the Findings in Attachment 3.

**Applicable Design Guidelines:** The DSP includes Design Guidelines in Chapter 6 which are broken down by General Design Guidelines, Building Type-Specific Guidelines and the Commercial Core Design Guidelines. The proposed project is consistent with the design guidelines and they are included in the Findings for Approval in Attachment 3.

## **ENVIRONMENTAL REVIEW**

A part of the review of the amendments to the Downtown Specific Plan (DSP), the City prepared a Draft and Final Environmental Impact Report (collectively, "EIR") (State Clearinghouse #2018052020) pursuant to the California Environmental Quality Act (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 development proposed by the applicant. Certification of the EIR included a Mitigation Monitoring and Reporting Program (MMRP) with provisions to reduce the potentially significant impacts to a less than significant level, although some impacts would 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 project 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)). The Macy's and Redwood Square Specific Development MMRP has been incorporated into the Recommended Conditions of Approval in Attachment 4.

## **DISCUSSION**

### **Present Site Conditions**

The existing site is 3.34 acres in size and is developed with Redwood Square, site landscaping and a surface parking lot. The former Macy's building occupies the north parcel of Subblock 3 and is under a separate permit application (2020-7110) for redevelopment, which would be reviewed by the Planning Commission in the near future. The perimeter of the site includes streetscape improvements on Taaffe Street and temporary improvements on McKinley and Murphy Avenues. No other improvements or development exist on the site.

### **Development Standards**

**Development Intensities:** The DSP provides a total allocation of 817 dwelling units, 709,000 square feet of office and 642,000 square feet of commercial space for Block 18. The Development Agreement provides an additional allocation of 268 dwelling units and 265,801 square feet of office space for the four projects proposed in Block 18, this includes Subblock 1, Subblock 3 North, Subblock 3 South and Subblock 6. The following table identifies the current remaining development potential of the 2020 DSP plus the approved Development Agreement, as well as the remaining

potential for the other three projects in Block 18.

	<b>Residential Units</b>	<b>Commercial SF</b>	<b>Office SF</b>
<b>2020 DSP Base</b>	525	181,931	387,000
<b>DA Allowance</b>	268	0	265,801
<b>Total</b>	<b>793</b>	<b>181,931</b>	<b>652,801</b>
<b>Subblock 3S 2020-7262</b>	479	29,355	0
<b>Remaining</b>	<b>314</b>	<b>152,576</b>	<b>652,801</b>

**Lot Coverage:** The DSP does not provide a maximum lot coverage; however, it allows for review of proposed lot coverage through the Special Development Permit process. The proposed development would cover 48.2% of the parcel. The proposed lot coverage is less than what is expected downtown since the site includes Redwood Square parcel.

#### **Architecture and Site Layout:**

The architecture for the project would be contemporary in style and mixed-use residential in character. This is achieved through a balanced ratio of window openings to solid wall space to give a sense of openness at the ground level and privacy consistent at the upper levels. A varied rhythm of window size and spacing is used to reflect the variety of space within. The ground floor includes storefront glazing with thicker mullions with varying depths and architectural alcoves to provide additional recesses and shadow lines. The residential windows would generally be contained with bay windows elements which provide a ten-inch recess with divided windowpanes with a four-inch mullion. The bay window elements would also include a beveled blue vertical element to provide color, variation and interest. Other residential windows would be located on primary wall faces with similar divided windowpanes and four-inch mullions. The exterior of the buildings would be a curtain wall system including glazing, metal panels, and Glass Fiber Reinforced Concrete (GFRC) panels. See project plans in Attachment 5.

The ground floor would be two-stories in volume (18-foot plate height) and primarily comprised of restaurant and retail space. The ground floor would be defined through the use of concrete in varying textures, limestone in larger tiles, stacked stone elements, metal accents and storefront glazing. The proposed colors would provide darker finishes at the base and lighter limestone to provide support and texture to the ground floor. The residential lobby would be located on the Taaffe Street frontage and comprised of a two-story element defined by beveled limestone and a Porte Cochere. The ground floor would also be split, providing a four-story gateway, to align with the Frances extension on Subblock 3 north and to provide clear pedestrian access and line of site between the Redwood Square and Caltrain Station. The upper residential floors would be comprised of a curtain wall system with glazing and GFRC panels. The curtain wall system would provide thicker bay elements that would provide verticality and movement in the upper facades. The bay elements include two levels of

glazing and a blue beveled accent panel for interest.

The façade provides additional setbacks from the Murphy Avenue frontage with five feet at the second level and seventeen feet at the eighth and tenth levels. The McKinley Avenue façade (near Taaffe Street) has been pulled back to ensure a clear line of sight down McKinley Avenue, looking east from Mathilda Avenue, to Redwood Square. The Taaffe Street frontage provides smaller upper floor setbacks with five feet at the second floor and two feet at the ninth floor and maintains an average of 20-foot sidewalk width. The north façade, facing the new private street would be primarily service area and garage access. This façade has been treated to the extent feasible at the pedestrian level with similar ground floor materials and variations in orientation of the material to provide movement. The upper floors have been treated with the same architectural elements to provide verticality and movement in the façade. Staff notes that the applicant has provided the following additional attachments:

- **Balcony Relocation** (Attachment 6): The residential balconies proposed on the northwest corner of the building have been relocated from the new private street side to the Taaffe Street side. This was due to fire safety issues and the building proximity to the property line. A condition has been included requiring this change to be reflected in the building permit plans.
- **New Private Street Renderings** (Attachment 7): Additional renderings have been provided for the proposed new street on the north side of the site. The renderings have been provided to illustrate the streetscape with both buildings proposed on Subblock 3. The renderings illustrate a cohesive design effort between both sides of the street as they relate to the building and how the services areas located along new street affect the design.

Site improvements would include the excavation for a two-level underground garage located under the proposed building for the residential units. The north side of Subblock 3 (former Macy's building) would also include a two-level underground garage which would be used for nonresidential uses, including a proposed office building and ground floor commercial space (tentatively to come to Planning Commission in February). It is anticipated that both garages would be excavated at the same time and then the foundations and structures for each site would occur separately. The north garage would be also be available to the public in the evenings and weekends.

Other site improvements include perimeter sidewalk, streetlights and street trees per the Downtown Specific Plan standards. Street trees would be Sycamores to provide height and scale adjacent to the proposed building. The ground floor around Redwood Square would include areas for outdoor seating. The archway linking from the proposed Frances Street extension would be anchored with additional planters and specimen trees for visual interest. The existing planters on the south side of McKinley Avenue would be replaced with cement planters and trees to match the improvements on the north side of McKinley Avenue. Raised, or tabled, crossings would be utilized at the new private street and Murphy Avenue, McKinley Avenue and Murphy Avenue, and at Frances Street and the new private street. This treatment is consistent with what has been done at Murphy Avenue and Washington Avenue. Redwood Square would be improved as required in the approved DA and it would be maintained by the applicant (see discussion below for more detail on Redwood Square).

The project is subject to the General Design Guidelines, Building Type Guidelines and Commercial Core Guidelines in Chapter 6 of the Downtown Specific Plan. A table has been included in the Findings for Approval in Attachment 3. Approximately, one hundred and eight (108) design guidelines were compiled. Of these, thirteen (13) were not applicable either due to specific site references or

land use typology. Staff found that the project complied with the remaining ninety-five (95) applicable design guidelines. Refer to the findings in Attachment 3 for staff narrative and justification.

**Setbacks:**

The required setbacks for this block are zero on all frontages. The proposed building provides zero setbacks on the new street, and average of twenty feet on Taaffe Street and Murphy Avenue and forty-five feet on McKinley Avenue. As noted above, the increased setback on McKinley Avenue provides a clear line of site down McKinley Avenue to Redwood Square and provides a large area for outdoor dining.

**Building Height:**

The maximum building height allowed in Block 18 in the DSP is 75 feet. The approved DA, however, allows the height to increase up to 142 feet for Subblock 3 south and notes that deviations may be considered for mechanical equipment. The proposed building height would be 142 feet at the tallest building parapet element.

The Zoning Code limits rooftop mechanical equipment to 25% of the roof area and it allows an additional 25 feet in height for such equipment. Building 1 (West Tower on Taaffe Street) would have approximately 30.5% mechanical equipment occupying the roof and Building 2 (West Tower on Murphy Avenue) would have approximately 29.0%. The combined percentage would be 29.6%. The intent of this requirement is to minimize additional bulk on the roof resulting from mechanical equipment and associated enclosures. Both buildings would have approximately 5% over the max allowed by the Zoning Code. The proposed height of the tallest mechanical area would be thirteen feet, which is twelve feet less than the maximum allowed. To the extent feasible, the equipment has been located at the center of the building roofs except for the elevator cores. The proposed 5% increase in area could be supported since the equipment would be approximately half the allowed height, generally located at the center of the roofs, and the screening has been incorporated into the architectural design.

**Parking:**



in Attachment 4. Additionally, as part of the DSP Amendments consideration, a Downtown Parking Analysis was also considered. It included a list of short-term and long-term techniques to improve the operations of the Downtown Parking Management Assessment District. One long-term recommendation was the formation of a Transportation Management Association (TMA) for Downtown. Staff has included a condition of approval requiring the applicant/ownership to participate in the TMA when it is established in the future.

- **Parking Adjustment**

### **Reduced Parking**

The DSP requires one assigned space per unit and a percentage of an unassigned parking space based on the number of bedrooms in the dwelling unit. Additionally, the DSP requires two (2) parking spaces per 1,000 square feet for retail mixed use and nine (9) parking spaces per 1,000 square feet for restaurants without a bar and thirteen (13) parking spaces per 1,000 square feet for restaurants with a bar. The DSP also requires a parking analysis for projects located downtown and within the Parking Assessment District. Lastly, the Zoning Code allows for adjustments to parking requirements based on specific findings.

The following tables provides a breakdown of the required and proposed parking for the project.

<b>Residential Parking Breakdown</b>					
Type	Unit Count	Parking Ratio		Parking Required	
		Assigned	Unassigned	Assigned	Unassigned
Studio	36	1	0.5	36	18
J 1bed	79	1	0.5	79	39.5
1 bed	202	1	0.5	202	101
2 bed	137	1	0.7	137	95.9
3 bed	25	1	1	25	25
<b>Total</b>	<b>479</b>			<b>479</b>	<b>279</b>
<b>Residential Parking Proposed</b>				<b>470</b>	



<b>Non-Residential Parking Breakdown</b>			
Type	Square Feet	Parking Ratio	Parking Required
Restaurant (w/out Bar)	8,388	9 per 1,000 sf	<b>75.49</b>
Restaurant (with Bar)	16,551	13 per 1,000 sf	<b>215.16</b>
Retail	4,162	2 per 1,000 sf	<b>37.46</b>
<b>Total</b>			<b>328.11 (329)</b>
<b>Non-Residential Parking Proposed On-Site</b>			<b>0</b>

The proposed project would provide 470 parking spaces on-site for the residential units, with nine (9) designated spaces located in the “Orange” parking garages on Taaffe Street. The project includes a parking adjustment to allow the following:

- To allow nine (9) designated residential spaces, off-site.
- To allow 279 unassigned residential guest spaces, off-site; and
- To allow 329 non-residential spaces, off-site.
- *Total of 617 spaces located off-site, within Block 18.*

As noted in the parking analysis, Block 18 provides 817 extra spaces during the weekdays and 1,745 spaces during evening hours and weekends due to complementary uses, off-site employee parking and close proximity to Caltrain and VTA bus hub. Therefore, staff finds that the parking reduction on this site can be absorbed by the extra parking spaces within Block 18. To ensure parking supply would be efficiently managed and potential spillover parking would be reduced, a parking management plan would be required to identify parking locations for the nine (9) assigned residential spaces within the PD-2 (Orange) garage and residential guests and employees, and non-residential employees and patrons within PD-2 (Orange) and PD-1 (Pear) garages.

### **Compact Spaces**

The project applicant has proposed 66 striped compact spaces or 14% of the total underground parking. Section 19.28.100(a) limits compact spaces to 10% for guest spaces only. The proposed project is not providing residential guest spaces on-site. Therefore, the compact spaces would be considered through a parking adjustment per Section 19.46 of the Zoning Code. All parking would be located in a two-level underground parking structure. Due to the column support system, some parking spaces fall short of the required standard dimensions. Since the parking would be for residents only, property management can adjust compact space versus standard space on the needs of the residents.

The Zoning Code includes additional findings for parking adjustments, in which case, one or more need to be made. In this case, the project meets the following findings: provides off-site employee parking; uses have complementary peak hours; and the project is located within 1,000 feet of the Caltrain Station and VTA bus hub. Therefore, staff can support the parking adjustment for the reduced parking and increased compact spaces.

### **Traffic:**

The proposed project and density were evaluated in the Downtown Specific Plan (DSP) Amendment Environmental Impact Report (EIR). The EIR identified potential traffic impacts with mitigations included in the Mitigation Monitoring and Reporting Program (MMRP). The proposed project would be responsible for fair share contributions to several intersections and roadway improvements. The project would also contribute to the City's Transportation Impact Fee which covers projects identified in the City's Capital Improvement Projects.

#### **TDM Measures:**

The proposed project would comply with the City's Multi-Family Residential Transportation Demand Management (TDM) Program. The project would be required to achieve 10 points using the adopted TDM strategies. The project can receive 10 points based on location to transit, proximity to commercial uses and by providing on-site bicycle parking facilities. No additional measures are required.

#### **Usable Open Space:**

The DSP requires 50 square feet of usable open space per dwelling unit, and 196 dwelling units have private balconies or decks that meet the required 50 square foot requirement. The remaining 286 units would require 14,300 square feet of common open space. The project would provide 15,018 square feet of open space. Two common open areas are located at the second level, one on each tower. The east tower includes a pool and outdoor deck area and the west tower includes outdoor common area with seating and passive open space. The third space is located on the eleventh floor of the west tower and includes an outdoor kitchen and seating area. The project also includes three additional interior spaces for residents to use. Overall, the project meets the requirements for usable open space for the residents. Staff notes that Redwood Square is also located on the site and would be available for use, but since it's a public park, it does not count towards the usable open space provided for the project.

#### **Landscaping and Tree Preservation:**

The existing remaining redwood trees would be retained and protected during construction. The northernmost redwood was approved for removal by the Landmark Preservation Commission in November 2020. The oak tree on the corner of Taaffe Street and McKinley Avenue would also be retained. The remaining street trees on Taaffe Street would be removed as part of the project and replaced with a larger specimen tree (Sycamore or alternative as approved by the City Arborist). The large planter barrels with the citrus trees on the south side of McKinley Avenue would also be removed and replaced with planters that complement the landscape improvements associated with Redwood Square. Staff notes that providing inground planters on the south side of McKinley Avenue is limited due to existing underground utilities. As noted above, Redwood Square would be improved to provide raised planters around the Redwood trees and would include wall seating. Other improvements include decking material through the grove, play area, outdoor dining zone and a water feature. The interior perimeter of Redwood Square would be flanked by outdoor dining on the ground floor of the new building.

#### **Redwood Square Improvements:**

As noted above, Redwood Square would also be updated and improved to provide raised planters, seating areas, decking area, play area, water feature and outdoor dining area/activity area. Two additional redwood trees would be planted closer to McKinley Avenue to add to the existing grove of Redwoods, one of which would be rededicated to Manual Vargas as required by the Heritage Preservation Commission. The proposed park improvements were reviewed by City parks staff and

they did not have any comments on the proposed layout or programming. The final park improvement plans would be subject to review and approval by the Community Development Director and Public Works Director, since the park will be maintained by the applicant. Refer to the landscape sheets of the project plans in Attachment 5.

### **Green Building Requirements:**

The proposed project would be LEED Gold with USBC Certification and all-electric appliances in the residential units. The project would not be requesting any incentives as part of the Green Building Program, these have been achieved through the approved DA.

### **Solid Waste:**

Solid Waste pick up would occur on the new private street, similar to other multi story mixed-use buildings in the downtown. Bins would be moved out onto the new private street via a service and loading area. The applicant would be solely responsible for maintenance and operation of all solid waste on site (including Redwood Square). The proposed project is requesting a deviation from Zoning Code Section 19.38.30, to allow thirty-five (35) of the residential units to be more than 150 feet from the solid waste and recycling chute. This would occur only in Building 2 (east tower) on the west side of floors 3 through 12, above the passthrough. These units would be approximately 190 feet from the trash and recycling chute and are indicated on sheets T0.4 and T0.5 in the plan set. The requested deviation is acceptable as the trash and recycling chute would be located adjacent to the main elevator and stair well which connects these floors to the two levels of underground parking and would be within the common daily path of travel in the building.

### **Lockable Storage:**

The Zoning Code requires 200 cubic feet of lockable storage for the studios, junior one bedroom and one-bedroom units and 300 cubic feet for two- and three-bedroom units. This would require 317 of the 200 cubic foot storage units and 162 of the 300 cubic foot storage units. The proposed project is requesting a deviation from this requirement to provide 317 of the 200 cubic foot lockable storage units and zero 300 cubic foot storage lockers. The proposed lockable storage would be assigned to the studio, junior one-bedroom and one-bedroom units and primarily located in the parking garage with some storage lockers located in the Building 2 (east tower) on floors one through eight. The storage lockers located within the parking garage (193) would need an additional deviation from the minimum height due to fire sprinkler requirements (see sheet A1.16 of the plan set). These storage units would still provide the minimum of 200 cubic feet. The two- and three-bedroom units are proposed to not have any separate lockable storage units. These units generally have two walk-in closets and an entry closet. The combination of the proposed closet space provides additional storage within the unit, with 166 to 743 cubic feet of additional storage area beyond a standard non walk-in closet size of 115 cubic feet. Sheet A1.15 illustrates the proposed storage area for the two- and three-bedroom units. Similar deviations have been supported for other mixed-use projects in the downtown (Solstice and Loft House). A Condition of Approval has been included to allow the applicant the option to propose adjustments to allocations of the storage lockers in the future if the demand shifts. The proposal would be reviewed at a staff level.

### **Public Art:**

The applicant is working with Art Commission staff with Library and Recreation Services for placement of art throughout Block 18. The project would be required to provide artwork on the site based on the valuation of the non-residential uses on the site. Staff has encouraged the applicant to work with Arts Commission staff to look at artwork under the pass-through near the new street and an

element in Redwood Square. Ultimately, the final art pieces and locations would be subject to review and approval by the Arts Commission.

### **Bird Safe Design:**

The proposed project was evaluated against the City's Bird Safe Design Guidelines by H.T. Harvey and Associates (date May 22, 2020, see Attachment 9). The evaluation found that location of the building is not in an area of high potential bird strikes due to its urban setting. The study noted that proposed facades include enough change in materials, that bird strikes should not be an issue. The proposed glass railing located on the balconies and the perimeters of the rooftop open spaces would need to be fritted to address bird strikes, which the applicant has agreed to. Overall, the project complies with Option 2 of the City's Bird Safe Design Guidelines. The study did note a concern with the transparent corners located adjacent to landscape vegetation. Staff has included a condition of approval to comply with H.T. Harvey and Associates study and to work with on the treatment options for the transparent corners near vegetation on the upper floors.

### **Vesting Tentative Map:**

The proposed project includes a Vesting Tentative Map for condominium purposes. This would allow for the future creation of commercial condominium spaces for the ground floor and parking garage and the creation of a separate parcel for Redwood Square. As part of the proposed Vesting Tentative Map, the project would be making adjustments to existing street easements and parking pull outs to accommodate an improved pedestrian realm on Murphy Avenue and drop-off and pick-up area on Taaffe Street. The project would be required to record a public access easement and ingress and egress easement from Subblock 3 North, which are currently shown on the Draft Vesting Tentative Map for Subblock 3 North. Findings for the Vesting Tentative Parcel Map approval have been included in Findings in Attachment 3.

### **Planning Commission Study Session:**

On September 28, 2020, staff presented the proposed project to the Planning Commission for comments. Site and architectural plans were discussed. The Planning Commission generally liked the direction of the proposed project and provided the following comments regarding: bike parking; Redwood Square and its associated improvements; larger species of trees to better match the scale of the building; signage; definition of the base, middle and top; the uppers stories and movement in the building form; materials proposed on concrete; gateway treatment; too much concrete; and reuse of the redwood tree that would be removed. Comments from the applicant have been included in Attachment 10. Generally, the applicant has responded to the Planning Commission comments and concerns. Some elements such as signs would be addressed at a later point and the applicant has indicated that they would not be providing a public restroom.

### **FISCAL IMPACT**

No fiscal impacts other than normal fees and taxes are expected. The project would be contributing a Traffic Impact Fee estimated at \$1,139,873.47, a Housing Mitigation Fee estimated at \$254,895.40, Park In-Lieu fee of \$20,367,250.80 and a Public Art equivalent estimated at \$39,170.97. The project would also be contributing towards the projects fair share (\$464,765) for traffic related improvements identified in the Downtown Specific Plan Environmental Impact Report. The project would also register all construction sales tax for the project with the State which would direct that revenue back to the City of Sunnyvale. Staff notes that the approved Development Agreement locks in the project Impact Fees based on the 2019-2020 fiscal year until March 2023.

## **PUBLIC CONTACT**

### **Notice of Public Hearing**

- Published in the *Sun* newspaper
- Posted on the site
- 1,733 notices mailed to property owners and residents within 1,000 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 received letter in support of the project from Amit Rajgarhia, Dr. Larry Gold, and Livable Sunnyvale. Additionally, a letter from the Laborers International Union of North America was received on December 8, 2020 originally in opposition of the project. A second letter from the Laborers International Union of North America was sent, on December 21, 2020, noting that the issues had been resolved and that they had no further objections to the project. All letters in response to the project have been included in Attachment 11.

## **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 Special Development Permit and Vesting Tentative Map based on Findings in Attachment 3 and Recommended Conditions of Approval in Attachment 4.
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 Special Development Permit and Vesting Tentative Map based on Findings in Attachment 3 and Recommended Conditions of Approval in Attachment 4 subject to modified Conditions of Approval.
3. Deny the Special Development Permit and Vesting Tentative Map 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 Special Development Permit and Vesting Tentative Map based on Findings in Attachment 3 and Recommended Conditions of Approval in Attachment 4.

The proposed mixed-use building would provide 479 dwelling units and approximately 30,000 square feet of ground floor commercial space within a twelve-story building. The ground floor uses would

continue commercial activity down Murphy Avenue around Redwood Square to McKinley Avenue. The project also includes improvements to Redwood Square to add in more seating areas, green space, water feature and play area. The combined project and improvements are consistent with the vision of the Downtown Specific Plan by enhancing Redwood Square and public realm and by providing additional residential units in proximity to transit. The proposed project is located in the center of downtown and would provide an anchor to the commercial core and would have minimal impacts to the nearby residential neighborhoods. The proposed design substantially complies with the Downtown Design Guidelines and outlined in the attached findings. The requested deviations for mechanical equipment, lockable storage and trash chute locations can be supported through the Special Development Permit Process as these deviations would be located either within the building and would not impacts adjacent sites or uses. The requested Parking Adjustment for the number of parking spaces and compact spaces can be supported as it would be managed through a parking management plan and contained within Block 18.

Prepared by: Shaunn Mendrin, Principal Planner

Reviewed by: Noren Caliva-Lepe, Principal Planner

Approved by: Andrew Miner, Assistant Director of Community Development

#### **ATTACHMENTS**

1. Site, Vicinity and Public Notice Mailing Map
2. Project Data Table
3. Recommended Findings
4. Recommended Conditions of Approval
5. Proposed Site and Architectural Plans
6. Balcony Relocation Exhibit
7. New Street Exhibit
8. Walker & Associates 100 Altair Parking Study, dated November 23, 2020
9. H.T. Harvey and Associates Study, dated May 22, 2020
10. Applicants Response to Planning Commission Study Session
11. Letters from the Public, various