



# City of Sunnyvale

## Agenda Item

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18-1054

Agenda Date: 1/28/2019

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### REPORT TO PLANNING COMMISSION

#### **SUBJECT**

**Proposed Project:** Consideration of an application for a 6.4-acre site:

**MOFFETT PARK-SPECIAL DEVELOPMENT PERMIT:** to allow expansion of an existing 173-room hotel through partial demolition and construction of a new 11-story tower resulting in a total of 358 rooms, new meeting areas, spa facility, restaurants and bars; and a new 3-level parking structure.

**Location:** 1100 N. Mathilda Ave. (APN:110-27-025)

**File #:** 2017-8044

**Zoning:** MP-C (Moffett Park - Commercial)

**Applicant / Owner:** DoveHill Capital Management LLC (applicant) / S of-X Sunnyvale Owner LP (owner)

**Environmental Review:** Mitigated Negative Declaration

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

#### **REPORT IN BRIEF**

**General Plan:** Moffett Park

**Existing Site Conditions:** 173-room hotel and restaurant with surface parking

#### **Surrounding Land Uses**

**North:** Office R&D (Moffett Place)

**South:** Off-ramp from SR 237 (across Moffett Park Drive)

**East:** Office R&D (across Bordeaux Drive)

**West:** Foothill College - Sunnyvale Center (former Onizuka Airbase) (across Mathilda Avenue)

**Issues:** Traffic and design

**Staff Recommendation:** Make the findings required by CEQA in Attachment 3, adopt the Mitigated Negative Declaration; approve the Moffett Park - Special Development Permit based on the findings in Attachment 3 and subject to the recommended conditions of approval in Attachment 4

#### **BACKGROUND**

**Previous Approval:** An expansion project for this site was approved in 2014 but was not built. The new property owners are proposing this project, which is significantly different from the previously approved project and is considered a new project that requires approval from the Planning Commission.

**Planning Commission Study Session:** The proposed site and architectural design was presented to the Planning Commission at a Study Session on September 24, 2018. The Commission had generally positive comments on the architectural design of the project.

#### **Description of Proposed Project**

The project site is 6.4 acres in size and is currently developed with a 173 room Sheraton Hotel. The

current hotel includes amenities (pool, fitness center, restaurant (approx. 10,000 s.f.) and meeting facilities (approx. 5,500 s.f.). The proposal seeks to expand and renovate the existing hotel which includes demolition of 85 rooms, the front lobby, restaurant and meeting areas. Three existing buildings are proposed to remain with 88 units to be renovated.

The expansion includes construction of 270 rooms in a new 11-story tower, a new parking structure and several one-story buildings. The project includes meeting areas located in the tower as well as on the top of the parking structure. The project includes 18,021 square feet of meeting areas, 9,529 square feet of food and beverage service areas, and 8,241 square feet of spa facility. The project will be served by a 3-level parking structure with 203 parking spaces and 85 surface parking spaces for a total of 288 parking spaces on the site.

The new 11-story tower will be located on the north and east portion of the site with an internal courtyard formed between the new and existing buildings, a raised entry podium with the main access from Mathilda Avenue and a secondary access from Bordeaux Avenue on the east. Moffett Park Drive along this portion of the site will no longer be accessible by car as this portion of the road will be closed to vehicular traffic as part of the Mathilda Avenue SR237 and 101 interchange improvement project. The proposed parking structure is located on the south side of the site, and the top deck will include a meeting venue with 124,516 square feet of indoor space and outdoor space. Other associated improvements include landscaping and installation of sidewalks on Mathilda Avenue and Bordeaux Drive.

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

The Sunnyvale Municipal Code (SMC 19,29,050) states that a hotel use in the MP-C zoning district can be permitted through the City's Miscellaneous Plan Permit (MPP), a staff level review and approved by the Director of Community Development. Hotels may exceed the seventy-five-foot height limit with an approved Moffett Park-Special Development Permit. Due to the scope and location of the project and the potential impact on the environment as per CEQA, staff has determined that the project should be considered through a Major Moffett Park Special Development Permit (MP-SDP) with review by the Planning Commission.

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

Staff Level Permits: Numerous tree removal permits and sign permits have been issued to this site in the last 34 years.

The hotel was built in 1980 and has had minor façade upgrade in 1998 (MPP 1988-1071). A similar hotel expansion project was considered and approved by the Planning Commission in 2014 (2013-7607), but that project was not built.

### **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-11:** Supportive Economic Development Environment - Facilitate an economic development environment that supports a wide variety of businesses and promotes a strong

economy within existing environmental, social, fiscal, and land use constraints.

- **POLICY LT-11.1:** Provide existing businesses with opportunities to grow in Sunnyvale and provide opportunities to expand into new technologies.
- **POLICY LT-11.2:** Support a full spectrum of conveniently located commercial, mixed-use, public, and quasi-public uses that add to the positive image of the community.
- **POLICY LT-11.3:** Promote business opportunities and business retention in Sunnyvale. LT-11.3a: Encourage conveniently located retail, restaurant, and other supportive land uses near business areas.
- **POLICY LT-12.4:** Attract and retain a diversity of commercial enterprises and industrial uses to sustain and bolster the local economy and provide a range of job opportunities.
- **POLICY LT-12.5:** Encourage land uses that generate revenue while preserving a balance with other community needs, such as housing
- **POLICY LT-12.9:** Consider the importance of tax generation (retail, hotel, auto, and business-to-business uses) to support the fiscal health of the community and to fund municipal services.
- **POLICY LT-13.2:** Improve the visual appearance of business areas and districts by applying high standards of architectural design, landscaping, and sign standards for new development and the reuse or remodeling of existing buildings

**Moffett Park Specific Plan:** The Specific Plan encourages targeted development that includes corporate headquarters, office and R&D facilities for high tech companies. Other supporting and complementary uses including lodging are also encouraged. Hotels are encouraged to be located in the Moffett Park area to service business travelers; high quality hotels that provide hospitality services and conference facilities or other amenities benefitting business are encouraged.

**Applicable Design Guidelines:** The City's design guidelines provide recommendations for site layout, architecture, and design. The following guidelines have been applied to the project in the discussion and analysis noted in this report.

Moffett Park Specific Plan Design Guidelines: The Moffett Park Specific Plan includes Design Guidelines (Chapter 6) that provide recommendations for site planning, architecture, landscaping and site amenities, sustainable design and green building techniques, and artwork in private development.

Bird Safe Building Design Guidelines: The City's Bird Safe Building Design Guidelines 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 provides citywide guidelines. The project location is outside the specific criteria noted above and therefore is subject to the citywide guidelines as summarized below:

- Avoid: large expanse of glass near open areas and tall landscaping; funneling of open space towards a building face, and transparent glass walls at building corners
- Reduce glass at top of buildings when incorporating a green roof
- Shield lighting to cast light down (no up-lighting);
- Prohibit glass skyways or free standing glass walls and up-lighting or spotlights;
- Create smaller zones for internal lighting layouts
- Turning off lights at night for commercial buildings or incorporate blinds into window treatment.

**Parking Structure Design Guidelines:** The proposed parking structure is subject to these guidelines with the following design principles:

- Design parking structures to complement nearby structures.
- Subordinate parking structures to the primary buildings.
- Enhance the pedestrian environment
- Minimize vehicular/pedestrian conflicts.
- Promote efficient site circulation and street access.
- Design parking structures with strong architectural integrity.
- Integrate substantial landscaping into all projects.
- Minimize impacts to adjacent neighbors.

## **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 the project could result in several potential effects on the environment with increased traffic that can impact the roadway system, construction related noise, and the potential for discovery of historical artifacts or remains during excavation. Implementing mitigation measures for each of these potential significant impacts prior to and during construction will reduce these impacts to less than significant. The Mitigation Measures have been noted in the Mitigated Negative Declaration (see Attachment 5) and incorporated as Conditions of Approval (see Attachment 4).

## **DISCUSSION**

### **Present Site Conditions**

The project site is located at the corner of Mathilda Avenue, Moffett Park Drive and Bordeaux Drive. The site is currently developed with a 173-room hotel (Sheraton Sunnyvale) which includes a restaurant, meeting facilities, a fitness center and a pool. The hotel consists of seven 1 and 2-story buildings including the 10,000 square-foot restaurant building and 5,000 square feet of meeting room facility. The buildings are arranged around a central pool area and are served by surface parking lots that occur along its three street frontages. The entrance lobby and restaurant face Mathilda Avenue. The site has access from all three streets with its main entrance driveway from Mathilda Avenue that is shared with the adjacent office R&D development on the north (Moffett Place). The site has a significant number of mature trees along Moffett Park and Bordeaux Drive frontages.

### **Moffett Park - Special Development Permit**

**Use:** The proposed hotel expansion intensifies the existing hotel use at the site, which is in keeping with the use encouraged in this zoning district.

**Floor Area Ratio:** Hotels are not subject to FAR in Moffett Park Specific Plan area.

**Site Layout:** The site is somewhat triangular in shape with frontages along three streets (Mathilda Avenue, Moffett Park Drive and Bordeaux Drive). Moffett Park Drive will no longer be accessible along this portion of the site after completion of the Mathilda SR 237 101 interchange project. The project includes removal of three buildings that include the main lobby and the two buildings on the

north side of the site. The new tower building will be facing Mathilda Avenue and the new parking structure will be located near the Mathilda Avenue and Moffett Park Drive corner. The hotel entrance is located off a curved driveway off the Mathilda Avenue driveway at the second story level of the tower. The first story will function like a basement with infill dirt around it (ramp on Mathilda side and a terraced courtyard on the east side). This basement-like first story is counted as a story and is counted towards the building height of the tower. The new parking structure includes three levels of parking and a top deck that includes indoor and outdoor meeting areas in a roof top garden.

The new and saved buildings create an internal courtyard while the pool will be located on the roof top of the 11-story tower (130 feet tall measured from top of curb). Other small one-story structures will occur in other parts of the site including a multi-purpose meeting area located at the corner of Mathilda Avenue and Moffett Park Drive in close proximity to the parking structure; spa facility in a group of buildings near the Bordeaux Drive side and a beer-bar. A majority of the meeting areas occur at the 4<sup>th</sup> level of the tower building and the parking structure.

The service areas are mainly located near the Moffett Park Drive side of the site and have access from Bordeaux Drive. This portion of the site has surface parking and includes mature and smaller sized trees along the street frontages. Some of these mature trees are proposed to be saved (detailed discussion in the Landscaping section).

Moffett Park Design Guidelines: The following relate to site planning were considered in the analysis of the proposed site design:

*S2. Buildings located on corner parcels should be placed at or near the setback lines of each street. A strong pedestrian connection to the street should be established through the use of open plaza areas and enhanced landscaping, lighting, artwork, and pedestrian amenities.*

Although the tower building is setback more than 200 feet from Mathilda Avenue, the project has several smaller, one-story buildings in addition to the parking structure which are located at the minimum required setback lines. The one-story buildings provide pedestrian connections and an appropriate pedestrian scale from public streets. The project also includes other pedestrian level site upgrades to landscaping, exterior lighting, bicycle parking, internal walkways and new public sidewalks and street trees that will provide a strong pedestrian connection to the neighboring sites and light rail stations.

*S3. Buildings near transit stations should orient their main entrances towards the stations and provide convenient pedestrian connections between the two.*

The expanded hotel will continue to utilize the main entrance which faces Mathilda Avenue, which is oriented to the light rail stations (Lockheed Martin Station to the north and Moffett Park Station to the west), each of which are about 2,000 feet away from the site.

*S4. When multiple buildings are proposed for a site, they should be grouped to provide functional open spaces, plazas, and courtyards. Strong pedestrian connection should link buildings and open spaces. Consider daylight opportunities through building orientation and separation of buildings.*

The new 11-story building replaces several 2-story buildings and continues the original concept of a central courtyard. The additional one-story buildings on the periphery provide a

stronger pedestrian connection to the site.

*S5. Loading areas and service yards should be located to the rear of the site and completely screened.*

All service areas are either located away from view or will be appropriately screened.

**Architecture:** The new L-shaped 11-story tower is facing Mathilda Avenue and the north side of the site and the new parking structure is located at the corner of Mathilda Avenue and Moffett Park Road which make them very visible from Mathilda Avenue. The proposal also includes renovation of the existing two-story buildings to be compatible with the new buildings.

The proposed architectural style can be best described as modern farmhouse with craftsman style elements that utilizes warm natural colors and materials (lapboard siding, metal roofs, stone, cement plaster, and other natural materials). The applicant describes their design ethos is to create a “country retreat” amongst the modern glass and steel buildings in Moffett Park.

The 11-story tower will be 130 feet tall and includes a pool on its roof deck while the 61-foot tall, 3-level parking garage includes a meeting facility (ballroom) on its top deck. The height of the tower is similar to that approved for the adjacent six 8-story office R&D buildings at Moffett Place (129 feet to top of mechanical screen, 114 feet to the top of building parapet) on the site’s north and east side. The Federal Aviation Administration (FAA) has cleared the proposed height (up to 130’) through the issuance of Determination of No Hazard to Air Navigation clearance. Staff believes that the presence of other tall buildings in the project vicinity provides a visual context for the proposed tall building.

The architecture of the tower building includes changes in planes and materials, and the upper 3 levels are further setback in on the ends to reduce visual mass and provide increased opportunity for vertical landscaping. The design also includes projecting balconies with landscaping. The building appears ‘organic’ with warm tones of building materials and colors and the asymmetrical and nonuniform exterior as compared to a typical hotel building. The architectural design wraps the building on all its sides and does not favor only the front façade.

The parking structure’s exterior façade will include horizontal wooden slats with gaps and will be interspersed with planter boxes and landscaping. The top level (4<sup>th</sup> level) of the structure includes a barn-like building and outdoor area with landscaping to function as an indoor-outdoor meeting area. Staff has encouraged the applicant to incorporate the required public art on the parking structure’s Mathilda Avenue façade.

The corner of Mathilda and Moffett Park Road will include a smaller one-story meeting area with the barn-like architectural style which would be similar to other one-story buildings proposed for the site. This smaller building will be located close to the street and is intended to provide interest at the street and pedestrian level of the project where a large portion of the Mathilda Avenue frontage is dominated by a vehicle ramp at the first story level.

The following Moffett Park Design Guidelines related to architecture were considered in analysis of the proposed architectural design of the building:

*A1. Large scaled elements of undifferentiated mass make buildings appear bulky and monotonous. The following techniques should be considered as a means to reduce the potentially bulky appearance:*

- *Differentiate, the three traditional parts of the building; base midsection and top*
- *Vary the planes of exterior walls and provide articulation through use of color, change in materials and arrangement of façade elements.*

*Create buildings of varying heights and roof lines.*

The proposed architectural design breaks up the mass of the building through articulation with use of different building materials and arrangement of façade elements.

*A3. Architectural design and detailing should be consistent on all elevations of the building and between different buildings within the same complex.*

The proposed architectural style and detailing is consistent on all elevations of the building. The existing buildings that will be saved will be renovated to provide consistency of design style.

*A4. Throughout Moffett Park a diversity of building types, colors, and materials is encouraged to create a pleasing mixture of styles and forms.*

The proposed architectural style with the modern farmhouse and craftsman style is a significant departure from the glass office buildings in the vicinity and provides diversity of building types, colors and materials.

*A6. Roof forms shall be consistent with the design theme of the building and should continue all the way around the building to complete the design.*

The proposed roof form includes flat and metal gabled roofs forms that are integrated with the design theme.

**Landscaping:** The project is designed with approximately 42% of the lot area as landscaping, which complies with the 20% minimum landscaping requirement in the SMC. The project includes landscaped roof tops which accounts for another 6% for a total of 48% of landscaped area.

An arborist report was prepared for the project, which evaluated 155 trees, 100 of which are considered to be protected by the Sunnyvale Municipal Code (tree trunk greater than 38 inches in circumference as measured 4.5 feet from grade). Most of the trees are located along the perimeter of the project site, including the three street frontages. Of the 100 protected trees, 67 trees will be removed and 33 trees will be saved. Most of the saved trees are along Moffett Park and Bordeaux Drive frontages. Some of the mature trees that are being removed on the Bordeaux Drive frontage are due to their species (Eucalyptus) or location within or near the required sidewalk which will meander to save as many trees as possible. Other trees that are being removed are because of their location (in the footprint of the new buildings or modified site plan) or they are not in good condition.

A conceptual landscaping plan shows about 170 new tree plantings distributed throughout the site and within the 15-foot wide landscaped strips along street frontages (as required by SMC). The proposal will also include plantings of street trees in the park-strips located between the sidewalk and road in the public right of way on Mathilda Avenue and Bordeaux Drive. The new tree plantings will be about 2.5 times over the one for one replacement for the trees to be removed.

Additionally, the Sunnyvale Municipal Code requires that at least 50% of the parking areas must be

shaded within 15 years after the establishment of the lot. The conceptual landscape plan demonstrates compliance with this requirement by providing 59% shading.

The proposal also includes plantings on the roof of the tower building as well that of the parking structure. The site will utilize recycled water received through the purple pipe to the extent feasible. A Final Landscaping and Shading plan will be reviewed as noted in the Conditions of Approval (No. BP-12).

The following Moffett Park Specific Plan Guideline was considered in the analysis of the project landscaping:

*L1. Landscaping serves a variety of purposes and shall be designed to serve multiple needs - retain natural features; provide focal points at site and building entrances; shade parking lots, pedestrian walkways, plazas and seating areas; define circulation routes; screen parking lots; provide visual interest and contrast with uniform shapes of buildings; provide areas of recreation; satisfy Stormwater Runoff and infiltration BMP requirements.*

The proposed landscape plan will upgrade the site with new plantings, save some of the mature trees, and includes significant landscaping on the new buildings (tower and parking structure). The landscape plan will also provide focal points such as the corner of Mathilda Avenue and Moffett Park Drive and the lobby entrance and will include trees to shade the parking lot. The landscape plan also incorporates stormwater management best practices features.

**Parking and Circulation:** The City's required parking ratio for the hotel considers associated uses including restaurant and bar uses, conference and meeting facilities, recreational uses and employee parking. The proposal provides a total of 288 parking spaces translating to 0.8 parking spaces per hotel guest room (SMC 19.46.100 requires a min. of 0.8 and a max. of 1.2 spaces per room, or 287-430 spaces). Of the 288 parking spaces, 203 parking spaces will occur in the 3-level parking structure and the other 85 spaces as surface parking on the site. Of the 203 parking spaces in the garage, 70 parking spaces are tandem spaces which the hotel proposes to use for their valet services. The hotel proposes to disallow self-parking and would require their guests to valet park.

As conditioned, a final parking lot striping plan demonstrating conformance to SMC 19.46, Parking and Circulation Design Guidelines, and deviation for the tandem spaces (if approved), will be reviewed by staff prior to submittal of a building permit.

The proposal includes a total of 21 bicycle parking spaces Class I (secured) and 18 spaces will be Class II (as defined by VTA Guidelines).

**Traffic:** The project site is in close vicinity to VTA's Mathilda Avenue SR 237 and US 101 Interchange Improvement project that is expected to start construction in 2019 and complete in 2020. This interchange project includes modification to an intersection (referenced as #5 in the TIA), on and off-ramps, other roadways, and to bicycle and pedestrian facilities in this area. This interchange project also affects the roadways adjacent to the project site with a portion of Moffett Park Drive south of the site to be closed to vehicular traffic. Moffett Park Drive will only allow access to pedestrians and bicyclists. Vehicular traffic on Moffett Park Drive will be redirected to travel north on Bordeaux Drive. The site will lose access to and from Moffett Park Drive.



A Traffic Impact Analysis (TIA) has been prepared for the proposed project by Kimley Horn dated August 2018 (Attachment 7). The report notes that based on the Institute of Transportation Engineers' (ITE) Trip Generation Handbook, the project is estimated to generate a total of 2,088 weekday trips with 103 net new AM (7-9 am.) and 150 net new PM peak hour (4-6 p.m.) trips. The report considers the Mathilda/SR 237/101 Interchange project to be completed for the five scenarios below. The interchange project is expected to be under construction during 2019-2020 and is expected to be completed in 2020. The study examined the project's impact on 17 intersections and 7 freeway segments (ramps) based on the following five scenarios:

- Existing Conditions
- Existing Plus Background
- Existing Plus Background Plus Project Conditions
- Cumulative
- Cumulative Plus Project Conditions

Project Impacts and Mitigation Measures:

The project is expected to result in the following impacts and would need the following mitigation measures:

- Intersection #5 (Mathilda Ave/Moffett Park Dr) - Existing Plus Background Plus Project Conditions and Cumulative Plus Project Conditions - exacerbates a LOS F intersection
- Intersection #16 (Bordeaux Dr/east Project Driveway) - Inadequate onsite driveway storage capacity

Mitigation Measures: Pay fair-share contribution towards VTA's intersection improvement project (Intersection #5) and add an onsite eastbound left-turn lane (min. storage length of 50 feet) in the parking lot driveway on Bordeaux Drive (Intersection #16).

The applicant will be required to pay the fairshare contribution and has provided a modified site plan to include this left-turn lane on Bordeaux Drive which results in an additional 18 tandem parking spaces as Alternative Site Plan (Attachment 8 - Site and Architectural Plans)

Expected Queuing Deficiencies and associated improvements: The City considers queuing issues as operational deficiencies (but does not consider it as an impact for CEQA consideration). The project is expected to exacerbate queuing deficiency at the following locations:

- Queuing at Intersection #5 (Mathilda Ave/Moffett Park Dr) and at Intersection #15 (Bordeaux/Innovation Way)

Fairshare Contribution: The project is required to pay a fair-share contribution and make the required site plan modifications as noted above. The fair-share contribution to address the impacts and Queuing deficiencies is estimated at \$138,900.13.

Above noted mitigation measures are included as Conditions of Approval (MM-1). Additionally, the

project is subject to City of Sunnyvale's Traffic Impact Fee (TIF) of \$661,375.00 as required by SMC (Conditions of Approval - BP 9 and MM - 1.) The project is subject to the above noted Mitigation Measures and Fairshare contributions to reduce its impacts to less than significant level.

**Noise:** The site is near SR 237 and its off-ramp that produces noise from traffic that would be audible to the hotel and its outdoor areas. Sunnyvale has noise standards noted in the Municipal Code and in its General Plan. The code notes that noise from a project shall not exceed 60dBA during nighttime and 70dBA during daytime as measure at the property line. The General Plan standards notes that a hotel use be not subject to noise greater than 45dBA (interior) and 60 dba (exterior), and conditionally acceptable up to 75 dBA (exterior). The California Building Code also requires that interior habitable space shall have a maximum of 45dB (with doors and windows closed) and 50 dB for meeting rooms, ballrooms, restaurant, bar, spa, and other amenity spaces.

When noise levels are greater than the prescribed maximum, the project would require to incorporate appropriate noise mitigations to reduce noise and meet the prescribed standard.

A noise assessment study was conducted by M. Salter Associates, dated May 16, 2018. The study addresses existing and future noise impacts, and compliance with the City standards. The study notes that the dominant existing noise at the site is created by the traffic on SR 237 (which is approx. 230 feet south of the site). The study notes the following:

- Existing Exterior Noise: The study assessed the existing ambient noise environment at the site ranged from 68 to 76 dB DNL (Day-Night Level) and that there was no aircraft noise louder than 75dBA recorded for the site - Project will be subject to Building Code requirements to include appropriately rated windows and doors to meet interior noise standards of 45dBA.
- Expected Operational Noise: Noise levels expected from the hotel operation (existing and new mechanical equipment and traffic) would be inaudible at the property boundary lines and meets Sunnyvale noise standards.
- Temporary - Construction Noise: Noise from project construction is expected to be significant (greater than 3 dBA increase as per CEQA guidelines and Sunnyvale General Plan) and be would be required to include mitigation measures to reduce noise during construction. These mitigation measures are located in the Conditions of Approval (MM - 2).

**Green Building:** Green building standards require non-residential construction that exceeds 100,000 square feet to attain LEED Gold level. The proposed LEED score card for the project attains the Gold Level with 61 points. The project is conditioned to maintain a minimum of a LEED Gold rating.

**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. A Condition of Approval requires third-party certification of a final Stormwater Management Plan (SWMP) prior to issuance of building permits.

**Easements/Undergrounding and Sidewalks:** All utilities are required to be placed underground and easements are required to be kept clear of any structures. As noted on the site plan, the project site shares a main access driveway off Mathilda Avenue, and has a portion of the hotel's Fire Access

driveway on the neighboring property on the north (Moffett Place) that is developed with office R&D buildings. New sidewalks with landscaped parkway strips will be constructed along the two street frontages. Existing berms and landscaping will be modified to include meandering sidewalks if necessary (Condition of Approval No. PS-1). The project will be required to provide appropriate easements to be recorded by the applicant as noted in Conditions of Approval (No EP- 29).

**Solar Access and Shadow Analysis**

The shadow study for the new buildings demonstrates expected shading and its impact on the onsite and offsite buildings. The plan shows that the building has minimal shading impact on the neighboring property by casting shadow on their parking lot. The tower is expected to cast a significant shadow on the Winter Solstice (Dec 21<sup>st</sup>) on parts of the project site that include the central courtyard, the two-story buildings and the spa facility located on the eastern part of the site. Sunnyvale Municipal Code limits shading to a maximum of ten percent of the roof area of nearby properties and does not apply to on-site buildings

**Artwork in Private Development:**

The Moffett Park Specific Plan requires that all new development on sites over 2 acres in size shall include public artwork. The project plans provide inspiration from various types of artwork. Staff continues to encourage the applicant to consider artwork be incorporated in the parking structure façade that is visible from Mathilda Avenue. This phase has not yet identified artwork type or location. The artwork will be considered by the City's Arts Commission for approval. An in-lieu fee option is available.

**Development Standards:**

The project meets all development standards as noted in the Project Data Table (Attachment 2). No deviation nor Variance is requested.

**Expected Impact on the Surroundings:**

Visual and Height - The proposed project's height and scale are compatible with the more recent office and R&D projects constructed in the vicinity. Visually, this new building provides an improved contextual scale with similar heights and mass. The contemporary, rustic farmhouse architectural style with a terracing form and the use of stone tile and wood is a distinct departure from the adjacent glass clad high rise buildings and provides architectural variety to this neighborhood. The building has articulation in form and utilizes a variety of high quality and new materials.

The residential neighborhood south of SR 237 is approximately 400 feet away. Although the elevated freeway and a sound wall between the hotel and this neighborhood helps reduce the visual impact of the project, the new buildings will be visible from this neighborhood.

Traffic - The project is in close vicinity to the Mathilda Ave/SR 237/US 101 interchange which is currently an impacted interchange. The project will increase traffic on the roadway system including the interchange and slightly increase wait times and queuing at three locations. The redesigned interchange is expected to be completed by 2020 to improve the Level of Service (LOS) and reduce congestion at the interchange and nearby roadways.

**FISCAL IMPACT**

The proposed project is anticipated to have a positive fiscal impact on the City. In addition to the increased revenues from assessed property tax for the site, the City will also receive additional Transit Occupancy Tax (TOT). The City has received about \$1.4 M (2017-18) from the existing hotel.

The expanded hotel will potentially double the TOT received by the City for this site. The project is also subject to normal entitlement and building permit fees. Additionally, the project will be required to pay Transportation Impact fee estimated at \$661,375.00 and a Housing Impact Fee estimated at \$1,793,343.75.

### **PUBLIC CONTACT**

**Community Outreach Meeting:** The applicant held a community outreach meeting on September 5, 2018, at the existing Sunnyvale Sheraton Hotel. The meeting was attended by two neighbors (residents); one of them expressed concern about the tower blocking the breeze in their backyard and the other neighbor wanted to know about the project and noted traffic concerns.

**Planning Commission Study Session:** Staff presented the project to the Planning Commission at its September 24, 2018 Study Session. The Planning Commission comments were generally supportive of the architectural style and the expanded hotel use at this site.

### **Notice of Mitigated Negative Declaration and Public Hearing**

- Published in the *Sun* newspaper
- Posted on the site
- 1,470 notices were mailed to property owners and tenants within 2,000 feet of the project as shown in Attachment 1
- Notices were emailed to the following Neighborhood Association: Morse Park Neighborhood Association.

### **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 could make the required Findings for the Moffett Park - Special Development Permit. Recommended Findings and General Plan Goals and Policies are in Attachment 3.

### **ALTERNATIVES**

1. Make the findings required by CEQA in Attachment 3, adopt the Mitigated Negative Declaration; approve the Moffett Park - Special Development Permit based on the findings in Attachment 3 and with the recommended conditions of approval in Attachment 4.
2. Make the findings required by CEQA in Attachment 3, adopt the Mitigated Negative Declaration; approve the Moffett Park - Special Development Permit with modified findings or conditions.
3. Make the findings required by CEQA in Attachment 3, adopt the Mitigated Negative Declaration; deny the Moffett Park - Special Development Permit.

4. Do not adopt the Mitigated Negative Declaration and direct staff as to where additional environmental analysis is required.

**RECOMMENDATION**

Recommend Alternative 1 - Make the findings required by CEQA in Attachment 3, adopt the Mitigated Negative Declaration; and approve the Moffett Park - Special Development Permit based on the findings in Attachment 3 and with the recommended conditions of approval in Attachment 4.

Prepared by: Shétal Divatia, Senior Planner

Reviewed by: Gerri Caruso, Principal Planner

Approved by: Andrew Miner, Assistant Director-Community Development Department

**ATTACHMENTS**

1. Site and Vicinity Map with 2,000 feet Noticing Radius
2. Project Data Table
3. Recommended Findings
4. Recommended Conditions of Approval
5. Mitigated Negative Declaration
6. Applicant's Project Description Letter
7. Traffic Impact Analysis (TIA)
8. Proposed Site and Architectural Plans