



City of Sunnyvale

Agenda Item

19-0047

Agenda Date: 1/28/2019

REPORT TO PLANNING COMMISSION

SUBJECT

Proposed Project: Related applications on a 3.54-acre site:

PEERY PARK PLAN REVIEW PERMIT AND VESTING TENTATIVE PARCEL MAP: to redevelop three sites into an office development consisting of a new 123,000 square foot, four-story office building with a 4.5-level parking structure and associated site work and landscaping. The project will result in 80% FAR.

Location: 275 N. Mathilda Avenue (APNs: 165-27-007, 008, 009)

File #: 2018-7432

Zoning: Peery Park Specific Plan - Innovation Edge and Mixed Industry Core

Applicant/Owner: Irvine Company

Environmental Review: The project is exempt from CEQA review per CEQA Guidelines Section 15168 (c)(2) and (4) Public Resources Code Section 21094 (c). The project is within the scope of the Peery Park Specific Plan Program EIR as no new environmental impacts are anticipated and no new mitigations are required.

Project Planner: Margaret Netto, (408) 730-7628, mnetto@sunnyvale.ca.gov

REPORT IN BRIEF

Existing Site Conditions: Three-existing single-story buildings (51,075 square feet)

Surrounding Land Uses

North: Office and Commercial in PPSP Innovation Edge (across Central Expressway)

South: Office in PPSP Innovation Edge

East: Office in PPSP Mixed Industry Core

West: Multi-family across Mathilda Avenue

Issues: Implementation of the Peery Park Specific Plan

Staff Recommendation: Recommend that the Planning Commission make the required Findings to approve the CEQA determination that the project is within the scope of the Peery Park Specific Plan (PPSP) Environmental Impact Report (EIR) and no additional environmental review is required in Attachment 3; make the Findings for the Peery Park Plan Review Permit, Vesting Tentative Parcel Map and Sense of Place Fee in Attachment 3; and approve the Peery Park Plan Review Permit subject to the PPSP Mitigation Monitoring and Reporting Program in Attachment 6 and recommended conditions of approval set forth in Attachment 3.

BACKGROUND

The project includes redevelopment of a 3.54-acre site with an existing three-building development totaling 51,075 square feet in floor area. The total building area would be 123,000 square feet and would increase the Floor Area Ratio from 33.1% to 80% and supported by a 4.5 level parking structure. The project is in FAR Zone 1 and categorized as a Tier 2 Project in the Peery Park Specific Plan (PPSP), where sites may develop up to 80 percent FAR with the provision of Defined and/or Flexible Community Benefits, subject to Planning Commission approval (see findings required to

grant a PPPRP in Attachment 3). See Attachment 1 for a map of the vicinity and mailing area for notices and Attachment 2 for the Data Table of the project. Attachment 9 contains the site and architectural plans for the proposed project.

EXISTING POLICY

The project site is subject to the purpose, intent and policies of the PPSP. The PPSP includes guiding principles, district policies, and a design framework. Projects in the PPSP are subject to a Plan specific development code, design guidelines, and an implementation plan. The purpose of the PPSP is to guide both private and public investment activities in the Plan area, and to support and promote the type of investment that will enhance the beauty and vitality of this major Sunnyvale workplace district.

ENVIRONMENTAL REVIEW

A Program-level EIR was prepared for the PPSP which identified potential impacts resulting from the proposed development intensities in the Plan. Certification of the EIR included a Mitigation Monitoring and Reporting Program (MMRP) with provisions to reduce some of the potentially significant impacts to a less than significant level, although some impacts remain significant unavoidable after mitigation. Statements of Overriding Consideration were adopted in conjunction with the General Plan Amendment and the PPSP in acknowledgment of the presence of the remaining significant and unavoidable impacts. The adopted Statements of Overriding Consideration are deemed by the certification of the EIR to be applicable to subsequent projects that are consistent with or that implement the PPSP's goals and objectives. As the lead agency, the City of Sunnyvale implements the adopted MMRP for each subsequent project that includes the approved mitigation measures of the EIR (MMRP/Attachment 6).

The project is within the scope of the PPSP EIR and is therefore exempt from additional CEQA review per CEQA Guidelines section 15168(c)(2) and (4) and Public Resources Code Section 21094 (c). The City has completed an initial study and determined that no new environmental impacts are anticipated to occur and no new mitigation measures are required (Attachment 5). The EIR MMRP is included by reference for this project (Attachment 6).

DISCUSSION

Present Site Conditions

The combined 3.54-acre site is located at 275 Mathilda Avenue near Central Expressway and Mathilda Avenue. The site has frontages along N. Mathilda and Sobrante Way. The surrounding uses are office and R&D buildings. The PPSP was recently adopted to guide the transformation of the area into an innovative, cutting-edge workplace district. The site is currently used as an office/commercial development consisting of three single-story buildings.

Vesting Tentative Parcel Map: A Vesting Tentative Parcel Map is necessary to merge the lots to redevelop the three sites into an office development. The Vesting Tentative Parcel Map shows the location of the proposed lot lines, public and private streets and other improvements (see Attachment 8). A Vesting Tentative Parcel Map vests the developer's right to build the project for the life of the map and secures the approved project against future Sunnyvale Municipal Code (SMC) amendments that might otherwise affect the project. The Vesting Tentative Parcel Map is valid only in conjunction with the approved site plan and conditions of approval. The Vesting Tentative Parcel Map conditions

of approval are listed in Attachment 4. The Vesting Final Map is approved by the Director of Public Works and must be in substantial conformance to the Vesting Tentative Parcel Map.

Site Design and Architecture

The PPSP's vision for the IE subdistrict is a synergistic mix of workplace and commercial uses, with small, visible and accessible lunch-oriented activity clusters. Development will be focused on enabling people to walk and bike to and from their workplaces and nearby amenities. Buildings will display contemporary architecture and reinforce an attractive street environment embellished with landscaping improvements. As new buildings are constructed, the present pattern of isolated low amenity developments will transform towards the entire district functioning as an integrated innovation campus.

The PPSP's vision for the MIC subdistrict is concentrations of cutting edge startups, small scale R & D, prototyping, and production business. Development will maintain intimate, small scale feel with frequent street-facing entrances from ground floor spaces that are configured for small scale, industrial and R & D oriented tenants.

Designed as a contemporary, high quality work place environment, it includes richly landscaped outdoor amenity and workspaces that foster work and play, convenient street facing front entrance on Mathilda Avenue, and building entries provide safe accessible pedestrian connections between site and nearby streets support walking, biking and transit modes.

Site Layout: The project consists of one four story office building, facing N. Mathilda Avenue and a four and half-level detached parking structure at the northwestern end of the site with a direct entrance off Sobrante Way (See Site and Architectural Plans in Attachment 8). Pedestrian entrances to the building are provided on two sides of the building. A landscaped area is located between the building and the parking structure and some surface parking is on the southern entrance of the building. A landscaped promenade and pavilion flank the main entry from the surface parking lot.

Architecture: The proposed architectural style is considered contemporary, which is consistent with the PPSP vision. Site and architectural plans are in Attachment 8 and further described below:

Office: The general form of the building is rectangular with painted aluminum panels, painted plaster and clear vision glass on N. Mathilda Avenue. The building façade is almost entirely composed of panels of high performance vision glass with painted aluminum framing. The main entry is highlighted by framed panels with aluminum canopy expressed from the rest of the building. The entry has an identifiable lobby entry facing N. Mathilda Avenue, the entry doors are highlighted by its clear vision glass and an aluminum panel canopy with an aluminum shadow box behind is the main focal point. The design is consistent with the Bird Safe design guidelines. The architectural building lines are a mix of vertical and horizontal expression which are compatible with the parking structure and add texture, aesthetic interest and scale. The roofline is varied on the front façade facing N. Mathilda with a roof deck with steel and cable guardrails.

The office building will have a variety of painted metal and accent colors and other devices and details that further enhances its architectural aesthetics. In addition, concrete and metal panels, metal panel overhangs, bands of painted plaster, steel and cable guardrails and entry portals are used as accent materials.

Parking Structure: The 4.5-level parking structure will utilize painted aluminum panels with painted metal vertical fins. The garage design is contemporary using the design concepts in the office building. Painted vertical fins with a tower element are proposed on the façade of the structure along with green screen panels on the east elevation. The structure meets the Parking Structure Design Guidelines by providing variation in forms and detail with high quality materials. Special attention is given to the enhanced entry by providing a tower element with an accent color. The north elevation highlights a full-height vine planting adding warmth and texture to the structure.

Vehicle and Pedestrian Circulation: Vehicular access to the site will be attained at two locations off N. Mathilda Avenue and Sobrante Way. One access point leads directly to the parking structure at the western end of the site from Sobrante Way. Another access from N. Mathilda Avenue leads to the surface parking lot and to the parking structure. Pedestrian walkways will lead to the building entrance from the public sidewalk along each street. Pedestrian access is also provided from walkways from the public sidewalk to the surface parking lot and between the parking structure and the building. The landscaped green space between the structures will be constructed to create ease of pedestrian circulation and connection between the different structures and landscape amenities on the campus.

The property is approximately ½ mile from the Sunnyvale Downtown Caltrain station (an approximately 10-minute walk).

Use

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

Community Benefits

The PPSP Community Benefits Program allows projects to contribute community facilities, services, impact fees or other features that help achieve the overall purpose and character envisioned for the Peery Park area in exchange for added development capacity. These contributions are defined by the PPSP's Community Benefit goals, which include providing an environment that brings people together, amenities and uses that support the workplace district, community sustainability, transportation demand management and alternative transportation. A project must achieve a certain number of points in the program to attain the desired FAR. The adopted Community Benefits Program includes a list of provisions with defined points ("Defined Community Benefits") and a list of provisions where the points are flexible or can be achieved by a contribution to the Community Benefits Fund ("Flexible Community Benefits"), off-site improvements and other project features that benefit the community. Tier 2 projects with a baseline FAR of 35 percent can achieve an additional maximum 45 percent FAR through the provision of Defined Community Benefits (for a total of 80 percent FAR) and or Flexible benefits. The proposed Community Benefit Plan is anticipated to achieve a minimum of 45 points is required to achieve the desired 80 percent FAR (Attachment 8). The applicant proposes the following: (see Attachment 7)

Defined Benefits (80 points maximum allowed)

- Approximately 40 percent of the site is open space/landscaping (7 points)
- 409 parking spaces are provided in an above grade parking structure (5 points)
- Project, including tenant improvements, will commit to achieve LEED Gold with U.S. Green Building Council (USGBC) certification (10 points)

Fiscal Impact

Normal fees and taxes are expected. Standard fees for higher intensity office development projects in Sunnyvale include Transportation Impact Fees and Housing Mitigation Fees as well as all building permit related fees and taxes. Additionally, projects within the PPSP are required to pay: the PPSP Infrastructure Fee for water, PPSP Fee, PPSP Sense of Place Fee and fair share contributions towards Transportation Mitigation Fees (noted in the PPSP EIR). Standard fees are established in the annually adopted fee resolution and ad hoc fees are calculated on a project by project basis. The estimated fees required for this project are included in the Conditions of Approval in Attachment 4.

In conjunction with the adoption of the PPSP, the City Council directed staff to impose appropriate fees for Sense of Place Improvements. The Mitigation Fee Act (Gov. Code Section 66001(a) provides that when development impact fees are imposed as a condition of approval, the public agency must identify the purpose of the fee and the use of which the fee will be put, and determine how there is a reasonable relationship between the development project the fee's use and the public facilities required by the project. The Sense of Place fees will fund bicycle and pedestrian improvements designed to reduce automobile transportation by workers and residents of Peery Park, thereby helping to mitigate the impact of the higher density development on traffic, greenhouse gases and noise. In addition, the MMRP adopted with the Program EIR requires each project to fund its fair share of improvements to support the new development. The required findings for the Sense of Place fee are in Attachment 3

In addition, new non-residential construction is required to pay school impact fees as determined by local school districts (in this case the Sunnyvale School District and the Fremont Union High School District).

Development Standards

The proposed project conforms with the PPSP development standards such as building length, height, setback, and landscaping. Deviation to development standards may be considered with the PPSP with the required findings. The following section includes details on the project compliance with development standards.

Floor Area Ratio (FAR):

The project includes a FAR of 80 percent and is in "Zone 1", which is identified in the PPSP as a "Tier 2" project requiring Planning Commission review and approval. This zone allows a development baseline FAR of 35 percent and a maximum of 80 percent FAR with the provision of community benefits per the PPSP Community Benefits Program. The existing site has an FAR of 33.1 percent which is proposed to be demolished. The project includes an additional FAR of 46.9 percent for a total of 80 percent FAR.

No deviation is requested for FAR.

Setbacks: The project meets all setback requirements. The office building is located approximately 30 feet from the front property line facing N. Mathilda Avenue and 16'-4" from the closet property line along Central Expressway. The parking structure is in the rear portion of the site approximately 15 feet from the rear property line and 77'-3" from the side property line.

No deviation is requested for setbacks.

Building Heights/Stories: New buildings in the Peery Park Specific Plan within the Airport Influence Area (AIA) for Moffett Federal Airfield shall maintain consistency with the land use compatibility guidelines and policies in the Santa Clara County CLUP including height, open space and person density per acre. The project site is within the Outer Safety Zones and within the 65 dBA CNEL noise contour. The project is subject to a maximum height limit of 182-feet above mean sea level or approximately 74.5 feet. The building height is 65 feet to the top of the roof parapet and the parking structure is 57.5 feet to the top of the tower. Both structures meet the height limit.

No deviation is requested for building/height stories.

Moffett Federal Airfield Compatibility: The project site is located within the Moffett Federal Airfield Airport Influence Area (AIA) defined by the County of Santa Clara's Comprehensive Land Use Plan (CLUP) for Moffett Federal Airfield. The site is in the Outer Safety Zone (OSZ) and in the 65-dba zone. The project meets the allowable CLUP density of a maximum of 250 people per acre within the OSZ. The project is consistent with the CLUP safety, height and noise policies. The project is required to provide an Avigation Easement as the site is located within the AIA (Attachment 10).

The Federal Aviation Administration (FAA) has determined that the proposed project and building heights will not be a hazard to air navigation and no additional action is required.

Parking: The PPSP requires a minimum vehicular parking ratio of 3.3 spaces/1,000 square feet for corporate office/R&D uses. The project includes a 4.5-level parking structure and surface parking. A total of 409 vehicular spaces are proposed where a minimum 406 spaces are required for the entire campus. Bicycle parking is required at five percent of vehicular spaces required. The new building requires a minimum of 21 bicycle spaces -of which 21 must be secured. The project includes 50 bicycle parking spaces (25 secured and 25 short term) to encourage biking as an alternative mode of travel to and from the site. Bicycle racks are located near the building entrance at N. Mathilda Avenue and the entry off the surface parking lot. The secured bicycle parking is located on the northern portion of the site between the building and the parking structure.

No deviation is requested for parking.

Open Space/Landscaping and Tree Preservation: The PPSP envisions a network of varied open spaces that promote activity, greenery and livability in the Plan Area. The proposed plans show 40 percent of the site area as open space or landscaping where 20 percent is the minimum required in the PPSP; this project obtains Defined Community Benefits by exceeding this minimum. These areas include the Olive Bosque and Promenade and landscaped area between the structures.

An arborist report was completed by Hort Science, dated April 20, 2018. There are 58 trees on the project site (includes street trees), and 25 which are considered "protected". Twenty protected trees are proposed to be removed. The trees proposed for removal are in poor health or within the building footprints. The site is designed to preserve the existing mature Redwood trees which define the streetscape along Sobrante Way and an Olive tree on Mathilda Avenue. The six off-site trees along Central Expressway will be maintained. Consistent with the PPSP EIR, the project is subject to the City's Tree Preservation Ordinance and current Tree Replacement Policy. Sixty replacement trees, minimum 24-inch box size would be planted. The project will not result in new or more significant

impacts to aesthetics than disclosed in the PPSP EIR.

Off-site Development/Improvements: The project is required to install new sidewalks, curb and gutter along N. Mathilda Avenue and Sobrante Way.

Transportation Demand Management: Transportation Demand Management (TDM) is an adopted environmental mitigation in the PPSP. The Mitigation Monitoring and Reporting Program requires individual property owners to join a Transportation Management Association (TMA) to help facilitate TDM programs for tenants within the PPSP area (Attachment 6). The PPSP has a 25% trip reduction goal for a project of this size.

Easements: The project is required to provide the necessary right-of-way easements for public sidewalks.

PUBLIC CONTACT

Neighborhood Outreach Meeting: A neighborhood outreach meeting was held on July 12, 2018 from 6:00 PM to 7:00 PM. No members of the public attended.

Planning Commission Study Session: A study session was held with the Planning Commission for this project on September 24, 2018. Prior to the meeting staff worked with the applicant on defining the bottom, middle and top of the building and creating a prominent entrance on Mathilda Avenue. The applicant defined the bottom by the cantilevered painted aluminum panels and clear vision glass. The middle is the two floors of vision glass and the slab edge and railing to define the building top. A roof deck has also been added to highlight building activity.

Other discussion included tree species selection and the proximity to the adjacent historical structure. An analysis was prepared by Basin Research dated July 9, 2018 to determine any project impacts on the historic home. The report concluded 275 N. Mathilda would not significantly affect the extant character-defining features of the Crossman House that has been relocated from its original location within 221 N. Mathilda Avenue to the lot line adjacent to the south border of the proposed development. Currently the 1970s-concrete tilt-up building at 263-269 North Mathilda Avenue is within 35 feet of the north wall of the residence. The parking area proposed to replace the existing building will create a more open, less constricted area on the north when compared to the new buildings on the south and west near the rehabilitated residence. The addition of new trees and other landscaping will also shield views from the Crossman House parcel to the north. Also, large specimen trees were added to the landscaping. The drawings in Attachment 8 reflect the changes.

Notice of Public Hearing, Staff Report and Agenda:

- Published in the *Sun* newspaper
- Posted on the City of Sunnyvale's Web site
- Agenda made available at the Reference Section of the City of Sunnyvale's Public Library
- Agenda posted on the City's official notice bulletin board
- 1,551 notices were sent to property owners and tenants within 2,000 feet of the project site
- Email notice sent to the SNAIL neighborhood association
- A copy of the report was made available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website

As of the date of staff report preparation, and since the mailing of notices, staff has received no comments from the public.

ALTERNATIVES

Recommend that the Planning Commission:

1. Make the required Findings to approve the CEQA determination that the project is within the scope of the Peery Park Specific Plan (PPSP) Environmental Impact Report (EIR) and no additional environmental review is required in Attachment 5; make the Findings for the Peery Park Plan Review Permit, Vesting Tentative Parcel Map, and Sense of Place Fee in Attachment 3; and approve the Peery Park Plan Review Permit and Vesting Tentative Parcel Map subject to the PPSP Mitigation Monitoring and Reporting Program in Attachment 6 and recommended conditions of approval noted in Attachment 4.
2. Alternative 1 with modified conditions.
3. Do not make the CEQA Findings and direct staff as to where additional environmental analysis is required.
4. Deny the Peery Park Plan Review Permit and Vesting Tentative Parcel Map and state the reasons for denial.

RECOMMENDATION

Alternative 1: Recommend that the Planning Commission make the required Findings to approve the California Environmental Quality Act determination that the project is within the scope of the Peery Park Specific Plan (PPSP) Environmental Impact Report (EIR) and no additional environmental review is required in Attachment 5 to the Report; make the Findings for the Peery Park Plan Review Permit and Vesting Tentative Parcel Map, and Sense of Place Fee in Attachment 3 to the Report; and approve the Peery Park Plan Review Permit subject to PPSP Mitigation Monitoring and Reporting Program in Attachment 6 to the Report and recommended conditions of approval set forth in Attachment 4 to the Report.

As envisioned for the PPSP IE district and MIC, the proposed project provides a unique and high quality building design and layout that improves the visual streetscape and pedestrian experience at a prominent street section in Peery Park close to the Caltrain station.

Prepared by: Margaret Netto, Project Planner

Reviewed by: Gerri Caruso, Principal Planner

Approved by: Andrew Miner, Assistant Director, Community Development

ATTACHMENTS

1. Vicinity and Noticing Map
2. Project Data Table
3. Recommended Findings
4. Standard Requirements and Recommended Conditions of Approval
5. CEQA Checklist for PPSP EIR Compliance
6. PPSP EIR - Mitigation Monitoring and Report Program (MMRP) for Project
7. Proposed Community Benefits Plan

- 8. Site and Architectural Plans
- 9. ALUC Consistency Determination