



DATE: September 22, 2020

CATEGORY: Public Hearing

DEPT.: Community Development

TITLE: **Hotel Development at 2300 West El Camino Real**

RECOMMENDATION

1. Adopt a Resolution Conditionally Approving a Planned Community Permit and a Development Review Permit to Construct a New Four-Story, 75,358 Square Foot, 153-Room Hotel, Replacing an Existing 71-Room Hotel; a Provisional Use Permit to Allow a Hotel Use and a Parking Reduction; and a Heritage Tree Removal Permit to Allow Removal of One Heritage Tree on a 0.97-Acre Site Located at 2300 West El Camino Real, to be read in title only, further reading waived (Attachment 1 to the Council report).
2. Adopt a Resolution Ordering the Vacation of a Public Service Easement at 2300 West El Camino Real, to be read in title only, further reading waived (Attachment 2 to the Council report).

BACKGROUND

Site Location and Characteristics

The approximately 0.97-acre project site is located on the north side of West El Camino Real, between Ortega Avenue and South Rengstorff Avenue. The surrounding land uses include four two-story, multi-family buildings to the north, single-story commercial buildings to the west, a four-story apartment complex to the east, a Carl's Jr. restaurant, and a two-story, multi-tenant commercial building across El Camino Real to the south.



Figure 1 – Project Location

The site is currently developed with two three-story hotel buildings (totaling approximately 31,072 square feet), which would be demolished to accommodate the proposed project.

Previous Entitlements

This project was previously reviewed by the [EPC on May 3, 2017](#) and approved by the [City Council on June 6, 2017](#) (see Attachment 3 and Attachment 4). Due to issues with the construction drawings, the applicant was unable to complete the building permit process and the original planning permit expired.

The current application for the same project remains relatively unchanged with minor modification to the central open-space programming and a reduction in the number of rooms from 157 to 153. The proposed changes are minor, and the proposed design continues to comply with the El Camino Real Precise Plan and General Plan.

Environmental Planning Commission

The EPC held a public hearing to review the project on September 2, 2020 (see [Attachment 5—EPC Staff Report Dated September 2, 2020](#)) where the EPC unanimously recommended approval of the project with a modification to Condition of Approval No. 6 pertaining to the community benefit contribution amount and removing Condition of Approval No. 43 for on-site tree relocation (see Attachment 1, Exhibit A—Conditions of Approval). The community benefit amount presented in the EPC report had a calculation error, and the tree location condition is removed because the project is not proposing any tree relocation at this time.

The EPC directed the applicant to work with staff to explore larger-canopy, native trees in place of two palm trees currently proposed along the eastern property line as part of the building permit submittal.

ANALYSIS

This report outlines the project's consistency with the General Plan and El Camino Real Precise Plan; describes the proposed development; evaluates the project architecture, open space, landscaping, trees, sustainability, and transportation; and provides a summary of the environmental review process which was completed for the project.

General Plan

The project site has a General Plan Land Use Designation of Mixed-Use Corridor for the parcels fronting El Camino Real, which allows heights up to four stories. The Mixed-Use Corridor designation envisions a diverse mix of commercial and residential uses making the transit corridor a vibrant, landscaped, comfortable, and convenient place for gathering. Buildings in this area are required to transition appropriately to adjacent residential neighborhoods. The proposed project is consistent with the Mixed-Use Corridor Land Use Designation and the following General Plan policies:

- *LUD 3.1: Land use and transportation. Focus higher land use intensities and densities within one-half mile of public transit service and along major commute corridors.*
- *LUD 6.3: Street presence. Encourage building facades and frontages that create a presence at the street and along interior pedestrian paseos or pathways.*
- *LUD 8.2: Streets friendly to bicyclists and pedestrians. Encourage a network of streets friendly to bicyclists and pedestrians that create a safe and comfortable environment and include convenient amenities and features.*

Zoning

The project is located in the El Camino Real Precise Plan in the Medium-Intensity Corridor sub-area, which allows a base floor area ratio (FAR) of 1.35 and maximum height of 45' or three stories. This zoning designation allows a Tier 1 bonus up to 1.85 FAR, height up to 55' or four stories, if the project includes public benefits. The proposed Tier 1 project has a FAR of 1.80, height of four stories, and a community benefit contribution of \$637,898, which is discussed later in this report. Additionally, hotel use is a provisionally permitted use in this zoning district.

Project Overview

The applicant is proposing a four-story, 153-room, U-shaped hotel building fronting on El Camino Real with an underground parking garage (see Attachment 6 – Project Plans). The underground parking garage takes access from a single driveway off of El Camino Real.

The ground floor of the hotel includes a restaurant with an outdoor patio, guest lounge, and reception areas which face El Camino Real. From the center to the east side of the ground floor are supportive uses such as hotel offices, restrooms, and entry lounge.

Guest rooms are located on all four floors. A fitness area, a spa and fire pit with lounge seating is proposed in the central courtyard. Landscaping is proposed along the perimeter of the project site and in the central courtyard.

The proposed architectural style is modern, with exterior building materials consisting of trespas panels, smooth plaster walls, smooth plaster frames, and metal frame trellises. The front elevation along El Camino Real has smooth plaster-framed vertical elements which break up the four-story building mass and provides an attractive building articulation. Along the ground floor, a mix of decorative wood trespas paneling, a prominent and well-defined hotel entrance, and storefront windows provide an attractive and welcoming pedestrian experience.



Figure 2 – Site Plan



Figure 3 – View to the Northeast from El Camino Real

The project uses commercial setbacks for the restaurant portion of the building and is designed as per the commercial building design requirements set forth in the Precise Plan. The building steps down to two stories at the rear to conform to zoning requirements. This creates a good transition to the two-story apartments abutting the rear property line.

The project complies with the development standards and guidelines of the Precise Plan, including FAR, lot coverage, building placement, building massing, and height, with one

minor exception to allow side-yard encroachments by the upper-level balconies. The Precise Plan provides flexibility in meeting the development standards if this results in a superior project design which meets the intent of the Precise Plan.

The Precise Plan calls for minimum 15' building side-yard setback for all the upper floors. The applicant requests an exception to allow 1'4" balcony projections into the side-yard setback area along the western property line. The Precise Plan allows upper-floor architectural projections, such as balconies and porches, to encroach up to 2' into the side-yard setback area. The balconies have an open design which softens the appearance of the encroachment in the setback area. Staff finds that the requested exception is reasonable given the site constraints, open design of the balconies, and that the balconies provide architectural interest along the western facade.

Open Space and Landscaping

The project proposes 44 percent or 18,536 square feet of open area, which complies with the minimum requirement of 40 percent per the Precise Plan. Proposed amenities consist of a spa with lounge seating, an outdoor patio, fitness area, and a fireplace feature with surrounding seating. Landscaped open spaces and pedestrian pathways can be found surrounding the proposed building, softening the hardscapes and providing shade and visual interest. Open areas along the project street frontages are consistent with an urban streetscape, featuring outdoor dining and pedestrian walkways. In-ground plantings in these areas are limited to street trees and intermittent landscape buffers given the minimal building setbacks and the Precise Plan's recommended streetscape design. Proposed plant species have low-water-use demands, complying with the City's Water Conservation in Landscaping requirements.

Trees

An arborist report was prepared by certified arborist Donald W. Cox to evaluate the existing trees on-site and consider options for preservation. The site has six existing trees, including three Heritage trees. The Heritage trees are in fair to poor condition and are scattered throughout the project site. Some of these trees are located within the proposed excavation area for the garage, the footprint of the proposed building, or in the area where on- and off-site improvements will take place. Because of this, the arborist report recommends removal of one Heritage tree while retaining the remaining two Heritage trees. The City arborist has reviewed the report and agrees with the consulting arborist's recommendations. Approximately 17 new 24" box trees will be planted throughout the project site.

The existing canopy coverage of the site is 1 percent. After project construction and the planting of the proposed landscape improvements, the anticipated tree canopy coverage after five years of planting would be 4 percent and at maturity or 15 years would be approximately 11 percent of the site.

Parking

The proposed project provides 131 parking spaces, including 19 spaces at ground level and 112 spaces in the underground garage. The underground garage is proposed to include 96 tandem spaces. These spaces would not be available for self-parking and the applicant is proposing to provide full-time valet service at the proposed hotel, allowing all the spaces, including tandem and stacker parking spaces, to be fully utilized.

The City's parking standards require a total of 167 parking spaces (153 spaces for hotel guests and 14 spaces for 28 employees). A parking study evaluated conditions at similar hotels in the area as well as the expected effects of the project's Transportation Demand Management (TDM) Plan and found actual parking demand is estimated to be no more than 114 parking spaces on weekdays and 123 parking spaces on weekends; therefore, the applicant's proposal of 131 spaces should provide sufficient vehicle parking.

Transportation

Traffic Study

A site-specific traffic analysis was prepared by Hexagon Transportation Consultants, Inc., for the proposed project and provides a supplemental traffic analysis which builds upon the El Camino Real Precise Plan Environmental Impact Report (EIR) certified in November 2014. Potential impacts were evaluated in accordance with standards set forth by the City and the VTA Congestion Management Program (CMP).

In accordance with SB 743, the City has recently adopted standards and thresholds related to Vehicle Miles Travelled (VMT) in preparation for replacing the level of service (LOS) significance criterion with VMT. According to the CEQA Guidelines, projects within one-half mile of either an existing major transit stop or stop along an existing high-quality transit corridor should be presumed to cause a less-than-significant transportation impact. The project is located within one-half mile of the existing stops along high-quality transit stops such as VTA Routes 22 and 522 running on El Camino Real with 15-minute and 12-minute headways, respectively, during peak commute hours. Therefore, the project is expected to have a less-than-significant impact of Vehicle Miles Traveled (VMT).

Supplemental LOS analysis was conducted for informational purposes to understand the intersection-level operating conditions. The LOS analysis at the intersection of El Camino Real and Distel Circle was supplemented with an assessment of the need for signalization of the intersection. The analysis revealed that the traffic volumes on the minor stop-controlled approaches would not satisfy the signal warrant. Based on the significance criteria applied to unsignalized intersections, the project impact on this intersection was determined to be less than significant.

For these reasons, the proposed project was determined not to result in any new or substantially increased intersection impacts than those described in the El Camino Real Precise Plan EIR; would not conflict with an applicable plan, ordinance, or policy established measures of effectiveness for the performance of the circulation system; and complies with the Santa Clara County Congestion Management Program.

Pedestrian and Bicycle Improvements

The project frontage is designed to be consistent with the El Camino Real Precise Plan and the El Camino Real streetscape. The project would provide a 12' wide sidewalk along the project's frontage on El Camino Real and two pedestrian entrances along the sidewalk. A pedestrian network would run through the project site and would provide access between El Camino Real, the project buildings, other on-site facilities, and the parking garage. The project would also provide surface-level bicycle parking near the main project entrance along the El Camino Real frontage. As a condition of approval, parking would be prohibited along the El Camino Real project frontage to facilitate the bike route along this portion of El Camino Real. Painted red curb would be installed along the entire El Camino Real project frontage to discourage loading and unloading on the street and to remove on-street parking in the interim of bike lane improvements.

Transportation Demand Management (TDM)

The Precise Plan requires all Tier 1 developments to develop and implement TDM plans to reduce vehicle trips associated with new development consistent with the Greenhouse Gas Reduction Program (GGRP). The GGRP requires a 4 percent reduction in peak-hour drive-alone trips. The project applicant has proposed a TDM plan that includes free transit passes for employees and guests, financial incentives to employees who use other transportation modes, and free shuttle services for guests. A condition of approval also requires the hotel ownership to join the Mountain View Transportation Management Agency (TMA) and remain a member for the life of the project.

The proposed TDM measures are expected to result in a reduction in peak-hour drive-alone trips. To ensure the long-term effectiveness of the TDM plan and its ability to meet

the requirements, a monitoring program will be established for the site. Failure to meet the established reduction would result in corrective actions being required and may result in fines.

Public Service Easement Vacation

The applicant has requested the City vacate the unused Public Service Easement for such uses as public utilities, cable television, and other similar uses to allow for the proposed development. The streets and easements have been unused for public use for more than five consecutive years and are not needed by the City for present or prospective public use. PG&E, AT&T, and Comcast have confirmed that they have no objections to the vacations.

In accordance with the Streets and Highways Code, if the City wishes to give up rights in easements dedicated to the City, they are to be vacated and all property rights returned to the underlying property owner. If the easement has not been used for their intended purpose for five consecutive years immediately preceding the proposed vacation or is superseded by relocation, a summary vacation may be ordered by the City.

When an easement vacation is requested as part of a private development process, staff evaluates whether there is any value contributed to the developer by the vacation. In some cases, for example, vacating an easement will provide space for the development of additional floor area and could increase the value of the development. Staff also considers how the easements were created and their intended use. The Public Utility Easement on this property is a blanket easement everywhere except the building, which is typical of developments of this time frame, and the buyer of these properties would anticipate that it would be possible to reconfigure these easements as long as the benefit to the easement holder is the same. The easements and utilities that serve the subject property will be reconfigured when the property is developed.

Staff is recommending vacating the easements in Attachment 2 without compensation for three reasons: (1) the developer will dedicate Public Access Easements and Public Utility Easements as required by the City along El Camino Real; (2) the easements were dedicated to the City and not purchased by the City; and (3) the easements were intended as a general benefit to all public utility providers and were not granted to the City for the City's exclusive use (see Attachment 2—Resolution Ordering the Vacation of Public Service Easement). If these easements had been acquired by the City after paying market value (rather than being dedicated at no cost), and/or if the easements were exclusively for the benefit of the City, staff would recommend compensation for relinquishing the easements, but neither of these conditions apply in this case.

Public Benefits

The Precise Plan requires Tier 1 developments to provide significant public benefits for all square footage above the base 1.35 FAR. This is provided through community benefit contribution at the rate of \$24.01 (El Camino Real Precise Plan Community Benefit rate for Fiscal Year 2019-20) for net new square footage above 1.35 FAR. The project is proposing a 1.80 FAR, which amounts to a total of \$637,898 in community benefits. The Precise Plan identifies the provision of new affordable housing and pedestrian improvements as the highest-priority area for community benefit contributions. The project public benefit contribution is proposed to go towards the City's Affordable Housing Fund.

ENVIRONMENTAL REVIEW

The project qualifies as Categorically Exempt under the California Environmental Quality Act (CEQA), Section 15332 ("In-fill Development Projects") because it is characterized as an infill development which is consistent with the applicable General Plan and zoning designation; is on a project site that is less than five acres; contains no value as habitat for endangered, rare, or threatened species; would not result in any significant effects relating to traffic, noise, air quality, or water quality; and the site can adequately be served by all required utilities and public services.

FISCAL IMPACT

Based on the construction value information provided by the developer and estimated room rates and occupancy rates, the City may receive approximately \$700,000 in additional annual tax revenues from the combined property tax and Transient Occupancy Tax (TOT) sources. The actual amount of TOT revenues that will be generated from this property is difficult to project given the uncertainties caused by the COVID-19 pandemic and will be largely affected by the state of the economy and public health situation at the time the hotel opens for business.

As per the El Camino Real Precise Plan Tier 1 public benefit requirement, the project is also subject to a public benefit contribution amounting to a total of \$637,898.

The project is subject to the City's Affordable Housing Program and will pay a Commercial Housing Impact Fee of \$190,081 prior to issuance of building permits to satisfy the program requirements.

CONCLUSION

The proposed redevelopment of the project site with a four-story, 75,824 square foot, 153-room hotel, and a one-level underground parking structure is consistent with the General Plan and zoning requirements and would result in a project which furthers the vision and goals for the development of the El Camino Precise Plan area. The site layout and architecture of the building, including colors, materials, and architectural elements, are well-designed and compatible with the surrounding area. Additionally, approval of the project would not result in significant environmental impacts with implementation of the conditions of approval; therefore, the proposed project would not have a significant impact on the environment.

ALTERNATIVES

1. Approve the project with modified conditions of approval.
2. Refer the project back to the EPC and/or the DRC for additional consideration.
3. Deny the project.

PUBLIC NOTICING

The Council's agenda is advertised on Channel 26, and the agenda and this report appear on the City's website. All property owners and tenants within a 750' radius were notified of this meeting, as was the Old Mountain View Neighborhood Association.

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- Attachments:
1. Resolution Recommending Conditional Approval of the Planned Community Permit, Provisional Use Permit, Development Review Permit, and Heritage Tree Removal Permit with Conditions
 2. Resolution Ordering the Vacation of Public Service Easement
 3. [EPC Staff Report – May 3, 2017](#)
 4. [City Council Report – June 6, 2017](#)
 5. [EPC Staff Report-September 2, 2020](#)
 6. Project Plans