



COUNCIL REPORT

DATE: August 30, 2022
CATEGORY: Public Hearing
DEPT.: Community Development
TITLE: **Mixed-Use Development at 590 Castro Street**

RECOMMENDATION

1. Adopt a Resolution of the City Council of the City of Mountain View Approving a Planned Community Permit and Development Review Permit to Construct a New Four-Story, 105,264 Square Foot Mixed-Use Commercial Building with Two Levels of Underground Parking, Including Reduced Parking (from 314 to 255 spaces); Heritage Tree Removal Permit to Remove Nine Heritage Trees; and Finding the Project to be Categorically Exempt Pursuant to CEQA Guidelines, Section 15332 ("In-Fill Development Projects") at 590 Castro Street, to be read in title only, further reading waived (Attachment 1 to the Council report).
2. Adopt a Resolution of the City Council of the City of Mountain View Approving a Preliminary Parcel Map to Combine Five Lots into One Lot; and Finding the Project to be Categorically Exempt Pursuant to CEQA Guidelines, Section 15332 ("In-Fill Development Projects") at 590 Castro Street, to be read in title only, further reading waived (Attachment 2 to the Council report).

BACKGROUND

The approximately 0.97-acre project site is located on the northwest corner of Castro Street and Church Street, immediately south of the Mountain View City Hall, and shares its western property line with the Mountain View Chamber of Commerce building and Pioneer Memorial Park. The site is comprised of five parcels and is currently developed with a single-story vacant commercial building and associated surface parking lot, which would be demolished to accommodate the proposed project.



Figure 1: Project Location

To the east and southeast of the project site, across Castro Street, are two recently constructed four-story office buildings, one with ground-floor retail space. To the south, across Church Street, is a five-story mixed-use building with staggered heights ranging from three to five stories.



Figure 2: Site Plan

Project Overview

The applicant, The Sobrato Organization, proposes to redevelop the project site with a four-story, 105,264 square foot commercial building over two levels of underground parking. The three upper floors of the building are proposed to include office space, and the ground floor includes space for retail, restaurant, or other uses permitted in the Downtown Precise Plan, an elevator lobby, and other common areas. A single-vehicle driveway is proposed from Church Street providing access to the underground parking garage, and a new public plaza connecting Castro Street to Pioneer Park is proposed along the north side of the building, adjacent to City Hall (see Attachment 3—Project Plans).

Previous Meetings

Development Review Committee

The project was reviewed by the Development Review Committee (DRC), which provided design recommendations on several iterations of the project design. The project received a final recommendation of conditional approval from the DRC on October 20, 2021.

The DRC recommended approval of the project with design conditions for the applicant to continue to work with staff on refinement of the building roofline, enhancement of project entry design at the corner of Castro Street and Church Street, and refinement of other minor design details as part of the building permit review process, reflected in Condition of Approval No. 17.

The applicant has addressed some of the DRC recommendations in the current plans and will work with staff to implement the remaining recommendations in the building permit if the project is approved.

Neighborhood Meeting and Public Comments

The applicant held a community meeting on October 12, 2021 to introduce the project, seek feedback on the design, listen to concerns, and provide updates on the project status and development schedule. Approximately five people attended, and no comments or concerns were conveyed. Meeting attendees provided their support for the project and the proposed building design.

Since the neighborhood meeting, the City has received a number of comments expressing concerns about the following topics. Staff responses are provided in italics.

- Proposed office use—*The proposed project and office use is consistent with the General Plan and permitted uses in the Downtown Precise Plan. This issue is discussed in greater detail later in this Council report.*
- Parking impacts to the neighborhood—*The project proposes a parking reduction from the standard number of parking spaces required by the Zoning Code for the proposed uses. A parking study was conducted by Hexagon Transportation Consultants, Inc., to evaluate whether that the amount of parking proposed in the project was adequate for the proposed office use, consistent with the process described in the Downtown Precise Plan. This topic is addressed in greater detail later in this Council report.*

- *Tree removals—The City’s tree ordinance (City Code Chapter 32, Article II) provides a framework for tree removals and replacements for development projects. As discussed later in this Council report, the project proposal is consistent with the ordinance and provides a 2.8:1 replacement ratio with trees that are native and drought-tolerant and will increase the existing tree canopy within 15 years.*
- *Office use on the ground floor creating inactive spaces—The applicant has revised the project to remove the request for a Provisional Use Permit for ground-floor office space.*

Parks and Recreation Commission

There is a City-owned 30’ wide property along the western project boundary, which is improved with a driveway and six public parking spaces. The existing parking spaces do not conform to minimum parking space dimensions and encroach into the required driveway width. The project parcel has an existing ingress-egress easement over this property, which allows access over this drive-aisle to serve the property.

As part of the proposed development project, the existing driveway is proposed to be modified to provide a compliant driveway-access width with the relocation of the existing six public parking spaces. A portion of the relocated parking spaces will encroach into a small portion of Pioneer Park. The applicant is voluntarily proposing to fund and complete the construction of these six replacement public parking spaces. This necessitates the removal of one Heritage cherry tree in the park.

In June 2021, the project was presented to the Parks and Recreation Commission (PRC) for their input and recommendation on the location of the replacement public parking in the landscaped area, adjacent to the Chamber of Commerce building, and the potential removal of the Heritage cherry tree.

The PRC recommended the City Council approve the relocated parking spaces, removal of the Heritage tree, and planting of two new 24” box replacement trees in Pioneer Memorial Park.

Administrative Zoning and Subdivision Committee Meeting

The project was reviewed by the Zoning Administrator (ZA) and Subdivision Committee on February 23, 2022, where it was recommended for approval to the City Council. Nine members of the public spoke at the hearing. Public speakers expressed concerns with the project related to the reduced parking on-site, loss of existing mature tree canopy, and future ground-floor tenant spaces creating inactive areas along Castro Street. These issues are discussed later in this Council report. The Chamber of Commerce expressed their support for the proposed commercial development, which would support downtown restaurants and businesses and enhance the City’s economic vitality. Attachment 7 includes public comments received on the project.

ANALYSIS

General Plan

The site has a General Plan Land Use Designation of Downtown Mixed-Use, which encourages “an active mix and concentration of uses and public spaces in a main-street setting, including restaurants, offices, government services, housing, entertainment, and neighborhood-serving commercial uses.”

The proposed project is consistent with the General Plan’s vision for the area, which includes allowing a range of commercial uses, including office, and promotes the following General Plan policies:

- **LUD 3.2—Mix of Land Uses.** Encourage a mix of land uses, housing types, retail, public amenities, and public neighborhood open spaces accessible to the community.
- **LUD 3.7—Upgraded Commercial Areas.** Encourage the maintenance, enhancement, and redevelopment of older commercial districts, shopping centers, and corridors.
- **LUD 3.9—Parcel Assembly.** Support the assembly of smaller parcels to encourage infill development that meets City standards and spurs neighborhood reinvestment.
- **LUD 6.3—Street Presence.** Encourage building facades and frontages that create a presence at the street and along interior pedestrian paseos and pathways.
- **LUD 7.3—Human-Scaled Building Details.** Support new and renovated downtown buildings that include human-scaled details, such as transparent windows on the ground floor that face the street as well as awnings and architectural features to create a comfortable and interesting pedestrian environment.
- **LUD 9.4—Enhanced Pedestrian Activity.** Ensure commercial development enhances pedestrian activity through these strategies (implemented by the proposed project):
 - Encourage the first level of the building to occupy a majority of the lot’s frontage, with exceptions for vehicle and pedestrian access.
 - Allow for the development of plazas.
 - Encourage the majority of a building’s ground-floor frontage to provide visibility into the building by incorporating windows and doors.

- Require that ground-floor uses be primarily pedestrian-oriented.
- Ensure pedestrian safety and access when designing parking areas and drive-through operations.
- Minimize driveways.

Zoning

The site's zoning designation is P(19) Downtown Precise Plan and is located within Area I, Civic Center/Eagle Square/Gateway Block. The Civic Center block is envisioned as the focus for cultural and community activities with additional standards for two privately owned properties on the block, including the current site.

The project complies with the applicable Precise Plan Development Requirements for the site in Area I, including:

- The project is consistent with the permitted uses for the Civic Center Block, which include retail, restaurants, and other permitted uses on the ground floor and office on the upper floors. Provision of a 50' wide landscaped plaza, along the area between the proposed building and City Hall, make Pioneer Park physically and visually accessible to passers-by on Castro Street.
- To ensure that streets are spatially well-defined, all development fronting on Castro Street is required to be built to the back of the sidewalk. The proposed building is consistent with this requirement.
- The project driveway along Church Street is set back at least 50' from the Castro Street property line to ensure that there is a viable ground-floor commercial space at the corner of Castro Street and Church Street.
- A covered arcade along the ground-level frontages provides further facade articulation and enhances the pedestrian experience, and ground-floor uses have primary access directly to the street.
- The building preserves the rhythm and scale of existing downtown buildings by means of variation in height, bulk, window, and facade treatment. The building's upper floors are set back from Pioneer Park to provide solar access and visual relief along the edge of the park.
- The building walls are punctuated by well-proportioned openings that provide relief, detail, and variation on the facade, and the building uses high-quality finishes, such as wood-clad soffits, painted metal canopies, precast brick panels, etc.

The project also complies with Development Requirements in Area I as shown in Table 1 below:

Table 1: Compliance with Area I Development Standards

Standard	Requirement	Proposed
Height	Four stories and 55' maximum	Complies—Four stories and 55' maximum
Building Coverage	70%	Complies—66.2%
FAR (Floor Area Ratio)	None	Complies—2.55
Build-to Lines Along Streets	Build to back of sidewalk along Castro Street	Complies—Built to back of the sidewalk along Castro Street
Side-Yard Setback	None	Complies—50'2" Paseo Side and 5' along Church Street
Rear-Yard Setback	None	15.7' Rear (along driveway easement)
Parking	1/333 square feet for Office; 1/300 square feet for Retail; Total of 314 spaces	Complies—255 spaces (see discussion on Parking)
Bike Parking	28 spaces	Complies—52 spaces
Pedestrian landscaped connection between Castro Street and Pioneer Park	50' to 60' wide	Complies—50'2" wide
Open Space	30% minimum	Complies—47.9%

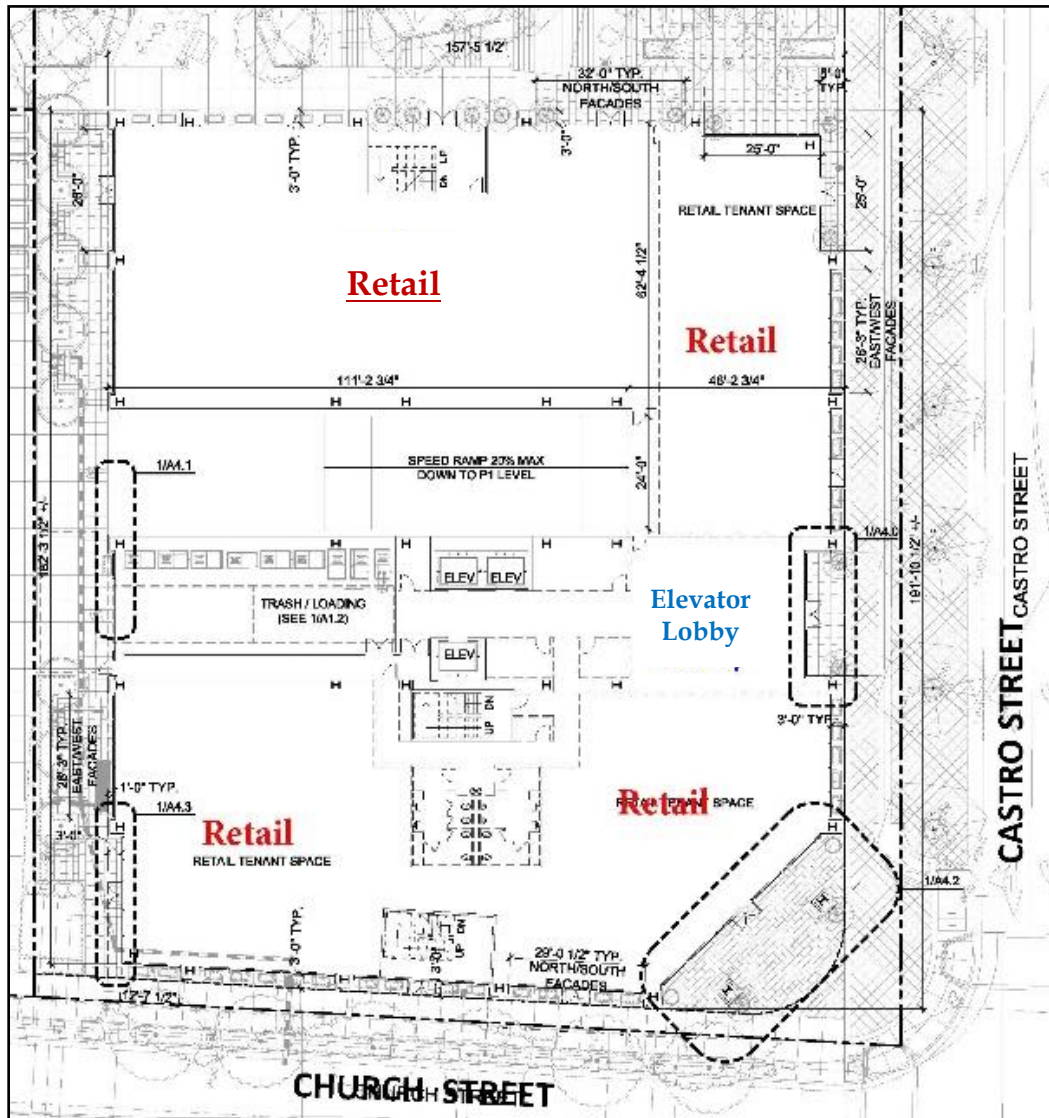


Figure 3: Ground-Floor Plan

Project Revisions: Ground Floor Office and Parking

The project was previously scheduled for City Council public hearings in April and May 2022, at which time the hearing was deferred to a future date. The project scope at the time included a Provisional Use Permit request to allow a 6,808 square feet of ground-floor office space.

In July 2022, the applicant resubmitted a revised project replacing the ground-floor office space with retail use, which removes the requirement for a Provisional Use Permit.

Additionally, staff on further review determined that the Downtown Precise Plan requires a parking study to support approval of a requested parking reduction for a mixed-use project but does not require a separate Provisional Use Permit; the parking reduction can be approved as part of the proposed project. The Precise Plan provides incentives for mixed-use developments and allows reduced parking if a parking study confirms that adequate parking is available for proposed uses (Table II-1, Parking Spaces Required by Land Use). The parking study must be considered during a public hearing as part of the development approval process (see Attachment 4). This is consistent with previously approved mixed-use developments in the downtown that have requested reduced parking; therefore, the project description has been revised to remove the Provisional Use Permit requirement.

Project Design

The proposed building uses a context-sensitive architectural style with a mix of traditional and contemporary building materials. The project features a warm palette of richly detailed materials, including clear glass, artisan-quality brick, and recessed windows.



Figure 4: Building Elevation at Corner of Church Street and Castro Street

The Castro Street and Church Street corner has been carefully designed with special emphasis on a corner entry and step-backs at the upper floor with a wooden soffit at the top level. The design also emphasizes the ground-floor retail tenant spaces along the Castro Street and Church Street

frontages, which comprise most of the building frontage on Castro Street, through large, clear glass storefront windows, landscape planters, and trellises.

As noted earlier, the DRC recommended approval of the project with additional revisions. Many of the changes have been incorporated and other details will be implemented with the building permit.

Open Space and Trees

The project proposes 19,800 square feet of open space distributed at various levels. This includes 13,970 square feet of open space at the ground level, which accounts for 33.8% of the lot area and generous upper-floor terraces (5,830 square feet).

In conformance with the Downtown Precise Plan, the project proposes a large 50' wide landscaped public plaza connecting Castro Street to Pioneer Park. The proposed plaza design allows for a variety of usable spaces through the paseo. As part of the plaza design, the applicant has voluntarily proposed to improve the paved area at the back of the City-owned 30' property to provide a fully landscaped connection to the park.

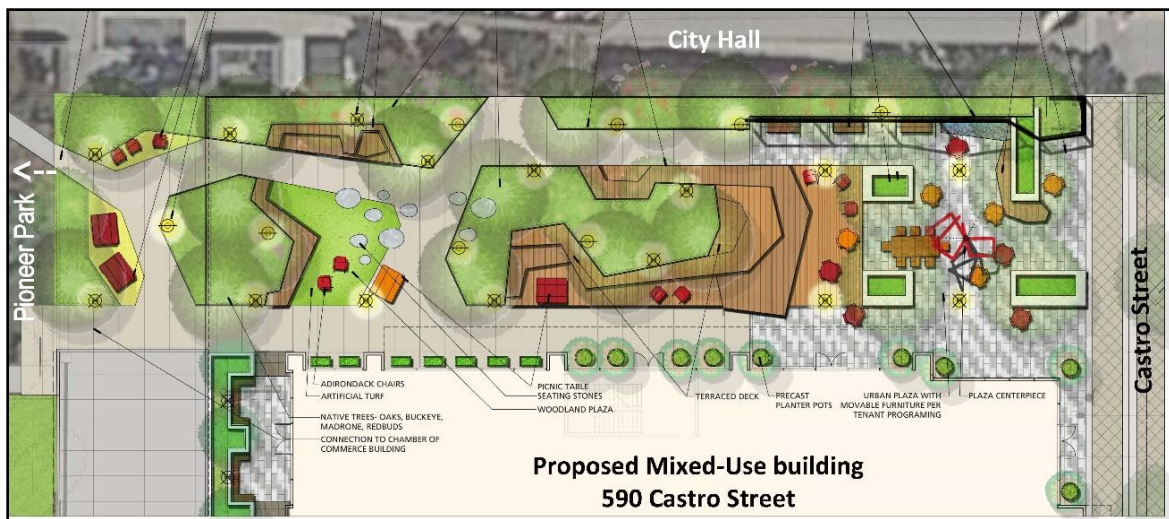


Figure 5: Proposed Landscape Plaza Connection Between Pioneer Park and Castro Street

The plaza design includes variety seating, native and drought-tolerant trees, native grasses and shrubs, and lighting, which can be programmed for variety of uses.

A portion of the proposed plaza extends onto the City property, in front of the City's trash enclosure, to provide continuous landscape connection from Castro Street to Pioneer Park. Staff has worked with the applicant on this extended plaza connection design. This would require the City's trash enclosure to be relocated. Currently, the City's trash enclosure, between City Hall

and the Chamber of Commerce building, is serviced via the drive-aisle on City property and the former Wells Fargo parking lot. With the redevelopment of the site, the enclosure will no longer be accessible. The applicant has offered to construct a new trash enclosure behind the Center for the Performing Arts building, as designed by the City as part of CIP 19-52, Mountain View Center for the Performing Arts SecondStage Addition and Seating Improvements.

The applicant has also volunteered to design, construct, and maintain the connecting portion of the plaza and, in exchange, the City will be amending an existing ingress/egress easement to include rights to use a portion of the area for temporary staging of trash receptacles for collection and as an off-street loading area/zone.

Trees

There are 19 trees on the project site, including nine Heritage trees and 10 non-Heritage trees. All nine Heritage trees are located in the parking lot, which also includes eight non-Heritage trees. The remaining two non-Heritage trees are street trees along project's Church Street frontage. The project also has seven existing street trees along Castro Street frontage and one tree in the adjacent 30' City-owned easement area.

The Precise Plan is prescriptive and dictates the site design for buildings, which includes creating a public plaza to the north of the site, and requiring buildings to be placed close to the street with vehicular access away from Castro Street to allow for ground-floor activation along Castro Street and Church Street. This configuration makes it challenging to preserve the existing trees, which were planted for an older parking lot configuration.

As a result, the project proposes the removal of nine Heritage trees, which require a Heritage Tree Permit. Ten (10) additional non-Heritage trees will also be removed. The proposed tree removals were reviewed by the applicant's arborist and the City arborist for their ability to be transplanted elsewhere off-site, but were found to be unsuitable for transplanting due to their size, height, and location.

In order to ensure that the newly planted trees result in replacing the canopy coverage over time, a total of 54 new trees will be planted to replace the 19 trees that are removed. The tree replacement proposed is 2.8:1 and exceeds the City's standard practice for a 2:1 replacement ratio for Heritage trees and 1:1 replacement ratio for non-Heritage trees. The following is the existing and anticipated tree-canopy coverage for the site over time:

Table 2: Tree Canopy Coverage

Canopy	Site Coverage
Existing	25%
New After 5 Years	17%
New After 15 Years	26%

Many of the new trees (approximately 27 trees) will be planted in the new landscape plaza along with 75% native landscaping. The resulting tree removal and planting plan carefully considers the implementation of the vision of the Downtown Precise Plan, meets the City Code requirements, and incorporates native and drought-tolerant planting. Staff, therefore, recommends the proposed tree removal and replacement plan.

Transportation and Parking

Multi-Modal Transportation Analysis (MTA)

An MTA was prepared for the project by TJKM, a transportation consultant, consistent with the City's Multi-Modal Transportation Analysis Handbook. The MTA Handbook establishes a clear and consistent technical approach to undertaking transportation analysis for projects in Mountain View and provides a methodology for assessing transportation operational effects of projects and associated operational improvements. The MTA concluded that all study intersections and roadway segments operate at an acceptable level of service, do not disrupt existing pedestrian or bicycle facilities, and will not have a significant impact on transit operations. Therefore, no transportation improvements were recommended (see Attachment 5—Project Multi-Modal Transportation Analysis). Minor improvements to the adjacent crosswalks and replacement of the exiting frontage will be completed with the project.

Transportation Demand Management (TDM)

The project includes a TDM plan with various programs estimated to achieve a 20% peak-hour trip reduction. To achieve the 20% reduction, the TDM plan includes a variety of strategies, including, but not limited to, transit passes for employees, bicycle storage, an on-site TDM coordinator, and Mountain View Transportation Management Association (TMA) membership for the life of the project. Further details of the TDM plan can be found in Attachment 6.

Parking

Vehicular Parking

The project proposes two levels of parking with 255 spaces under the new commercial building. Vehicle access to the site and underground parking garage will remain from Church Street. Based on the parking requirements in the Downtown Precise Plan, the project requires a total of 314 spaces. The project proposes a total of 255 spaces, which represents an 18.8% parking reduction.

The proposed parking reduction is supported by a parking analysis performed by Hexagon Transportation Consultants, Inc. (see Attachment 4—Parking Study), which concluded that the

proposed parking would be adequate for the proposed commercial use on-site, based on the project's: (i) proximity to transit; (ii) varying peak demand between retail and office uses; (iii) parking data from other similar uses; and (iv) a requirement for project tenants to provide transit passes to employees and bicycle parking on-site, which encourages use of alternative transportation modes. The applicant is also proposing a valet parking program to service both retail, office, and visitors' hours of operation. The parking study was also peer-reviewed by the City's transportation consultant, TJKM, who confirmed that parking proposed by the project would be adequate based on the parking study and the proposed TDM program (see Attachment 5—Project Multi-Modal Transportation Analysis). The Precise Plan allows reduced parking for mixed-use projects, if confirmed by a parking study, that adequate parking is available for proposed uses (per Downtown Precise Plan, Table II-1, Parking Spaces Required by Land Use). Staff, therefore, supports the reduced parking since it is supported by the parking study and is consistent with the TDM goals of the City.

Bicycle Parking

The project also includes 52 bicycle parking spaces and an on-site bicycle repair facility, in conformance with City requirements. This includes 16 long-term bicycle parking spaces and 36 short-term parking spaces.

Voluntary Public Parking

The project applicant is also voluntarily offering to allow public access at the top floor of the parking garage (approximately 61 parking spaces) during nonoffice business hours (6:00 p.m. to 11:00 p.m.) and on weekends and Federal holidays (7:00 a.m. to 11:00 p.m.). The provision of shared public parking in private garages is not a requirement but is encouraged in the Downtown Precise Plan, which seeks to supplement public parking through public/private partnerships. This goal was also confirmed in the Downtown Parking Strategy, which was adopted in 2021. The access to public parking will be recorded through a shared parking agreement with the City.

If approved, the applicant will prepare a shared parking management plan describing parking allocation for retail, guests, and office uses on the project site, including any proposed use of a valet parking program for the primary building uses.

Subdivision Map

The proposed project includes a Preliminary Parcel Map to merge five lots into one lot to accommodate the proposed development. On February 23, 2022, the Subdivision Committee met and found the project consistent with the requirements of the Subdivision Map Act and the General Plan with incorporation of the draft Conditions of Approval and recommended approval to the City Council (see Attachment 2—Resolution for Preliminary Parcel Map).

ENVIRONMENTAL REVIEW

This project is categorically exempt pursuant to Section 15332 (“In-Fill Development Projects”) of the California Environmental Quality Act (CEQA) Guidelines. This exemption applies to projects consistent with the General Plan Land Use Designation and policies, all zoning regulations and designations, and projects meeting the other criteria described here. The project occurs within the City limits, is located on a project site of no more than five acres, and is substantially surrounded by urban uses; the site has no known habitat for endangered, rare, or threatened species; the project would not result in any significant impacts relating to traffic, noise, or air quality; and the site can be served by all required utilities and public services. The project met City’s Vehicle Miles Traveled (VMT) Policy screening criteria based on its proximity to transit, local serving retail land use, FAR higher than 0.75, and consistency with Plan Bay Area 2040, the Bay Area’s Sustainable Communities Strategy, and parking provided does not exceed code requirements. The project was, therefore, presumed to have a “less-than-significant” impact on VMT; the project will be constructed to comply with applicable local, State, and Federal noise and water quality regulations; and is below the Bay Area Air Quality Management District (BAAQMD) screening levels and is conditioned to implement all the construction-related best management practices (BMPs) required by Bay Area Air Quality Management District (BAAQMD).

Vehicle Miles Travel (VMT) Assessment

On June 30, 2020, the City of Mountain View adopted a new transportation policy, in accordance with Senate Bill 743 (SB 743), establishing Vehicle Miles Traveled (VMT) as the methodology for evaluating potential transportation impacts of new developments for the purposes of CEQA. The policy included VMT screening criteria for projects. Projects are presumed to have a “less-than-significant” transportation impact if they meet the screening criteria, and further VMT analysis is not necessary. If a project is not screened out, a VMT analysis is conducted concurrently with a Multi-Modal Transportation Analysis (MTA).

Staff evaluated the project with the City’s policy and found the project met the screening criteria based on its proximity to transit, local serving retail land use, FAR higher than 0.75, and consistency with Plan Bay Area 2040, the Bay Area’s Sustainable Communities Strategy,¹ and parking provided does not exceed code requirements. The project was, therefore, presumed to have a “less-than-significant” impact on VMT and no further analysis was required.

¹ Plan Bay Area 2040 is a State-mandated, integrated long-range transportation and land use plan, and the Bay Area’s Sustainable Communities Strategy jointly developed and adopted by the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG) as required by Senate Bill 375. Mountain View’s screening criteria for VMT were prepared under the guidance of the Valley Transportation Authority (VTA), consistent with Plan Bay Area 2040, which encourages infill development projects with access to transit that improve air quality by reducing the number of miles driven by automobiles.

FISCAL IMPACT

The City's current share of the County of Santa Clara property taxes from the project site is approximately \$46,000 per year. If the site were redeveloped with the proposed project, the City would receive approximately \$325,000 in property tax revenue per year.

The project is also subject to the City's Housing Impact fees based on the net new commercial floor area of the project. The estimated fee for the project, which is required to be paid prior to building permit issuance, is \$2,458,162.

CONCLUSION

The project is consistent with the vision of the General Plan and Downtown Precise Plan by creating a new commercial development in the downtown area compatible with the neighboring properties and proposing a building with high-quality design and an active ground-floor frontage on a prominent corner. The project provides a landscaped plaza connecting Castro Street to Pioneer Park consistent with the vision in the Downtown Precise Plan and with the land use and design standards in the General Plan and Downtown Precise Plan. Staff is supportive of the site-parking reduction consistent with the City's VMT policy and Downtown Precise Plan.

The voluntary features proposed in the project, including the reconfigured public parking adjacent to Pioneer Park and the shared parking for the public during off-hours and weekends, are consistent with the vision of the Downtown Precise Plan and the public-private partnership envisioned in the Downtown Parking Strategy.

The Zoning Administrator recommends approval of the proposed project. The Subdivision Committee recommends approval of the Preliminary Parcel Map to merge the existing parcels into a single project site, and the subdivision complies with the General Plan and the Downtown Precise Plan.

In conclusion, staff recommends approval of the project because it will create a high-quality addition to the dynamic downtown and would not result in significant environmental impacts.

ALTERNATIVES

1. Approve the project with modified conditions of approval.
2. Refer the project back to the Zoning Administrator, Subdivision Committee, and/or the Development Review Committee for additional consideration.
3. Deny the project and adopt findings for denial.

PUBLIC NOTICING

The City 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 and interested stakeholders were notified of this meeting.

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- Attachments:
1. Resolution for the Planned Community Permit, Development Review Permit, and Heritage Removal Permit
 2. Resolution for the Preliminary Parcel Map
 3. Project Plans
 4. Project Parking Study
 5. Project Multi-Modal Transportation Analysis
 6. Project TDM Program
 7. Public Comments