



# COUNCIL REPORT

**DATE:** November 15, 2022  
**CATEGORY:** Public Hearing  
**DEPT.:** Community Development  
**TITLE:** **Middlefield Park Master Plan**

## **RECOMMENDATION**

1. Adopt a Resolution of the City Council of the City of Mountain View Certifying the Middlefield Park Master Plan Supplemental Environmental Impact Report, Adopting California Environmental Quality Act Findings Related to Environmental Impacts, Mitigation Measures, and Alternatives, and Adopting a Statement of Overriding Considerations, Mitigation Measures, and a Mitigation, Monitoring, and Reporting Program, to be read in title only, further reading waived (Attachment 1 to the Council report).
2. Introduce an Ordinance of the City of Mountain View Approving a Development Agreement for the Middlefield Park Master Plan Project Generally Located at the Northeast Corner of Ellis Street and East Middlefield Road and North of West Maude Avenue, Between Logue Avenue and Clyde Avenue, Mountain View, California, to be read in title only, further reading waived, and set a second reading for December 13, 2022 (Attachment 2 to the Council report).
3. Adopt a Resolution of the City Council of the City of Mountain View Approving a Master Plan to Construct Up to 1,900 Residential Units, 1,317,000 Square Feet of Office/R&D, 50,000 Square Feet of Ground-Floor Commercial Space, 6.97 Acres of Public Parks and 2.8 Acres of Privately Owned, Publicly Accessible Open Space, and an Optional Private District Utilities System, and Allocate Bonus Floor Area (397,936 Square Feet of Residential and 622,925 Square Feet of Nonresidential) on an Approximately 40-Acre Site, Generally Located at the Northeast Corner of Ellis Street and East Middlefield Road and North of West Maude Avenue Between Logue Avenue and Clyde Avenue within the East Whisman Precise Plan, to be read in title only, further reading waived (Attachment 3 to the Council report).
4. Adopt a Resolution of the City Council of the City of Mountain View Approving a Vesting Tentative Map to Create Up to 18 Lots, Up to 1,900 Residential Condominium Lots, and Up to 140 Vertical Subdivision Lots in a 40-Acre Master Plan Area Generally Located at the Northeast Corner of Ellis Street and East Middlefield Road and North of West Maude

Avenue Between Logue Avenue and Clyde Avenue, to be read in title only, further reading waived (Attachment 4 to the Council report).

5. Adopt a Resolution of the City Council of the City of Mountain View Ordering the Vacation of Street Right-of-Way and Public Easements within the Middlefield Park Master Plan on a 40-Acre Site Generally Located at the Northeast Corner of Ellis Street and East Middlefield Road and North of West Maude Avenue Between Logue Avenue and Clyde Avenue, to be read in title only, further reading waived (Attachment 5 to the Council report).
6. Adopt a Resolution of the City Council of the City of Mountain View Declaring a Certain Segment of Logue Avenue to Be Exempt Surplus Land Pursuant to Government Code Section 54221(f)(1), Subsections (C) and (E) Upon the Vacation of Said Segment of Logue Avenue as a Public Street, to be read in title only, further reading waived (Attachment 6 to the Council report).
7. Adopt a Resolution of the City Council of the City of Mountain View Approving a Park Land Dedication Credit for Up to 2.87 Acres of Privately Owned, Publicly Accessible Open Space in the Middlefield Park Master Plan Area, Located at the Northeast Corner of Ellis Street and East Middlefield Road and North of West Maude Avenue, Between Logue Avenue and Clyde Avenue, to be read in title only, further reading waived (Attachment 7 to the Council report).

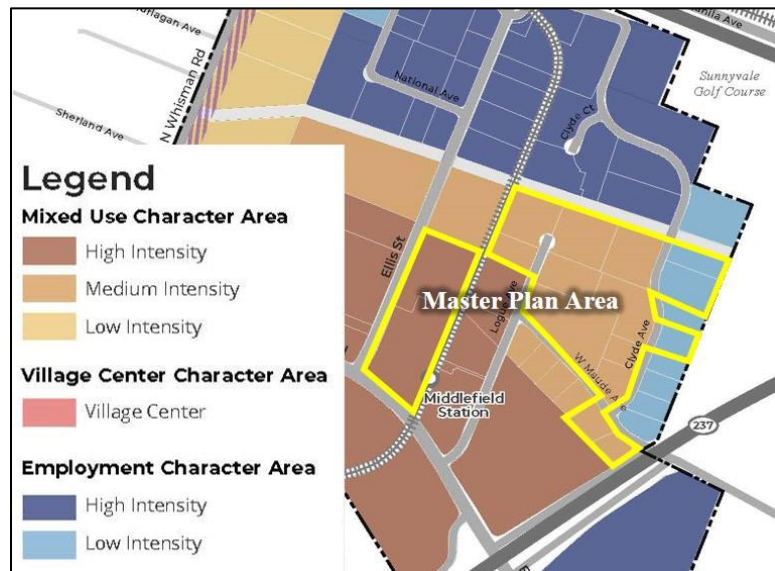
## **BACKGROUND**

- **Project Location:**  
Generally located at the northeast corner of Ellis Street and East Middlefield Road and north of West Maude Avenue, between Logue Avenue and Clyde Avenue (see Figure 1).
- **Project Site Size:**  
Approximately 40 acres.
- **General Plan Designation:**  
East Whisman Mixed-Use and High-Intensity Office.



**Figure 1: Location Map**

- **Zoning Designation:** P(41) East Whisman Precise Plan. The project spans two subareas, including Mixed-Use Character Area (High-Intensity and Medium-Intensity) and Employment Character Area North (Low Intensity)—See Figure 2.



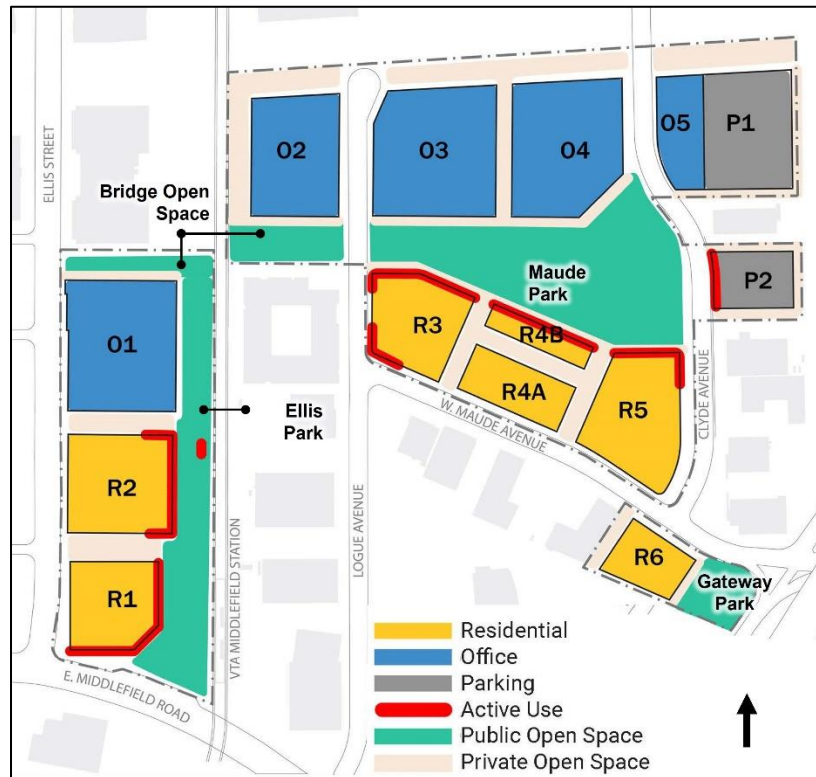
**Figure 2: Precise Plan Character Sub-Areas  
 (Master Plan boundary in yellow)**

- **Surrounding Land Uses:** *North*—Office and R&D uses and the City and County of San Francisco property (referred to as SFPUC); *east*—Office, R&D, 400 Logue Avenue residential project (approved, yet to be constructed), the Valley Transportation Authority (VTA) Middlefield Light Rail Station, light industrial, and Sunnyvale Municipal Golf Course; *south*—Office, R&D, and Mountain View Seventh-Day Adventist Korean Church; and *west*—Office and R&D.
- **Current Site Conditions:** Comprised of 23 existing one- to four-story buildings with 684,645 square feet of office/R&D/light industrial on 14 parcels located in the Middlefield-Ellis-Whisman (MEW) Superfund area and Hewlett Packard E/M Lubricants TCE groundwater plume. Approximately 80% of the existing buildings within the project area are occupied by Google, with the remaining occupied by other businesses.
- **Applicant/Owner:** Google LLC, in partnership with Lendlease (referred to collectively as “Google” or the applicant).

**Project Overview**

The Middlefield Park Master Plan (referred to as Middlefield Park or Master Plan) proposes to demolish all existing buildings, landscaping, and improvements on-site in order to construct the following maximum development program (see Attachment 8—Middlefield Park Master Plan and Figure 3):

- 1,900 high-density residential housing units in seven residential locations, with heights ranging from approximately seven to 11 stories (labeled “R”);



**Figure 3: Middlefield Park Master Plan Land Use**

**(NOTE: Each location represents a buildable area, not a single building design.)**

- 2.4 acres of land to be dedicated to the City for future affordable housing development (labeled as R4A and R6);
- 1,317,000 square feet of office development in five locations ranging in height from approximately four to nine stories (labeled “O”);
- 50,000 square feet of ground-floor commercial space in six locations (R1-R3, R4B, R5, and P2 and labeled as “Active Use”);
- Approximately 10 acres of public parks and open spaces, where 6.97 acres are proposed to be dedicated to the City as public parks (labeled “Gateway Park,” “Bridge Open Space,” and “Maude Park”), and 2.87 acres are proposed as a privately owned, publicly accessible (POPA) open space for park land credit (labeled as “Ellis Park”). The Bridge Open Space is proposed to be dedicated to the City in order to accommodate a future above-grade pedestrian-bicycle bridge over the light rail tracks, which will be a City-led capital improvement project;

- Two (2) district parking structures (labeled “P”) for office users, in addition to integrated parking structures at each residential location;
- Six (6) new private service streets and numerous pedestrian and bicycle on-street and off-street improvements; and
- An optional private district system to serve new buildings in the Master Plan area with water, wastewater (sewer), recycled water, thermal energy (heating and cooling), and electricity.

In addition to the Master Plan, the project is requesting the following additional approvals:

- A Development Agreement (DA) to have an extended entitlement period of 20 years;
- A Vesting Tentative Map to create up to 18 parcels for new buildings and land dedications, 1,900 residential condominium lots, and 140 vertical subdivision lots;
- A vacation of street right-of-way and public easements, including a portion of Logue Avenue, to reconstruct the Logue Avenue cul-de-sac further north; and
- A 75% park land credit for providing a 2.87-acre POPA open space (Ellis Park) to count toward the projects’ required park land obligations.

### Phasing

The applicant proposes to construct the Master Plan in four phases over approximately eight to 12 years (see timeline on Page 2 of Attachment 9—Middlefield Park Implementation Plan and Figure 4).

The phasing plan includes constructing residential/mixed-use development in Phase 1 and Phase 3, while Phase 2 and Phase 4 include office development and new parking structures. While the applicant is required to maintain minimum Precise Plan and City Code requirements with each phase, in some cases this will require interim measures of compliance depending on



Figure 4: Middlefield Park Phasing Plan

how the applicant chooses to develop. A summary of the proposed phasing can be seen in Exhibit D (Table D1) in Attachment 2—Ordinance for Development Agreement.

### **Prior Meetings and Hearings**

#### *EPC and City Council Study Sessions*

In early 2021, the Master Plan was presented at the Environmental Planning Commission (EPC) and Council Study Sessions to solicit early input (see Attachment 10—[EPC Staff Report dated February 3, 2021](#) and Attachment 11—[Council Report dated March 9, 2021](#)). Key direction and input included support for:

- The proposed open space network in the Master Plan. The EPC and Council did not support accepting the land dedication on the east side of project (the pathway on the south side of Parking Structure P2) nor 100% park land credit for the POPA open space (instead, remain consistent with 75% credit in City Code);
- Small business support and development as the focus of the community benefit proposal, but had questions regarding how the program would operate, who would it serve, etc. (those details were not available at that time and are discussed later in this report);
- The streamlined review process for zoning permit entitlements per the Precise Plan, with a desire to still maintain a public forum for input;
- Considering a 20-year DA term with performance-based measures and obligations of the developer; and
- Evaluating the BMR Alternative Mitigation proposal for land dedication. Some comments raised included: (1) the applicant to consider a hybrid option of inclusionary units and land dedication; (2) supported proposal if it allows for more affordable units; (3) delivery of units in the same time frame as market-rate units; and (4) allow City land ownership in perpetuity.

Some additional comments included: (1) a desire to see innovative and unique architecture and ownership housing in the project; (2) consider shared office parking, not just shared retail/housing parking; (3) desire to ensure proper evaluation of traffic, transportation, utilities, and parking of the Master Plan; and (4) overall enthusiasm that the Precise Plan is being realized as envisioned soon after its adoption.

### Development Review Committee Meetings

The Development Review Committee (DRC) provided input on the design-related aspects of the Master Plan, including site planning, a set of Urban Design Objectives, the POPA open space (Ellis Park) and other details. The Urban Design Objectives are intended to build on the Precise Plan design guidelines with more detailed direction for future building and site designs within the Master Plan and to provide greater clarity to stakeholders on the expected design quality of future development under the Master Plan (see Urban Design Objectives in Appendix D of Attachment 9 to this report). Additionally, the Master Plan includes conceptual designs for the Ellis Park POPA open space, on which the DRC provided initial input for improvements that will be further refined in subsequent zoning permits. The design details, including recreational elements, are included in Attachment 7—Resolution for Park Land Credit.

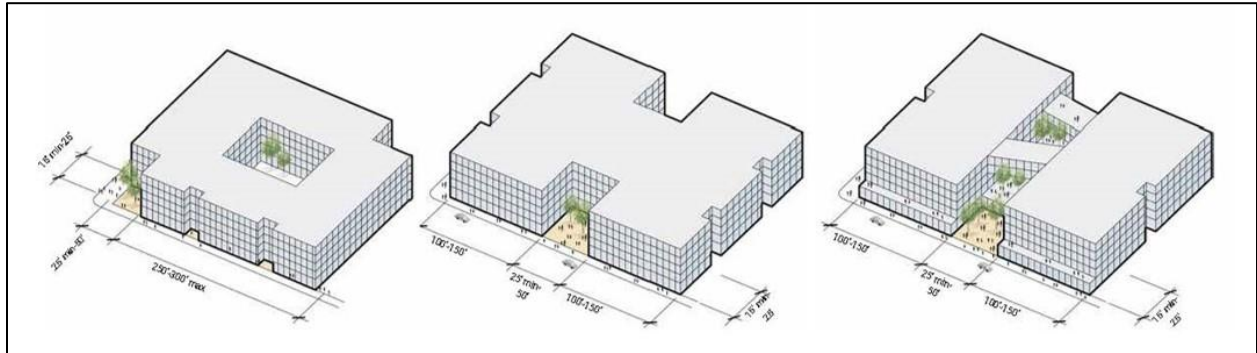
The DRC held three public meetings on the project on April 21, 2021, August 18, 2021, and June 1, 2022. The DRC paid particular attention to key design aspects of the Master Plan, including: (1) the interface of buildings and public open spaces; (2) transitions between the terminus of private streets and parks/open spaces; (3) the design relationship between parking structures and open spaces/public frontages; and (4) balancing and integrating circulation and public amenities within the Ellis Park POPA open space. Additionally, the DRC provided input on two applicant-proposed development exceptions from the Precise Plan, which can be further evaluated and reviewed at the time of subsequent zoning permits and are included in the Master Plan:

1. **An additional Key Corner at the intersection of Maude Avenue and Clyde Avenue.** Key Corners are defined as locations where special building and open space designs can provide a sense of place and wayfinding. In key corner locations, building corners are expected to have active frontages and publicly accessible POPA open spaces and plazas, landmark or special specimen trees, main building entrances, and unique facades/designs or special materials in exchange for additional height and setback relief. The DRC supported the added location as it serves as an entrance into the Precise Plan from the City of Sunnyvale (see purple areas in Figure 5); and



Figure 5: Key Corners (Including Additional Key Corner)

2. **Adding a massing break where an office building frontage exceeds 300' in length** (see Figure 6). In the Master Plan, some new block lengths are greater than 300', but less than 400'. As such, office building facades could exceed the 300' linear foot maximum identified in the Precise Plan. The DRC felt the incorporation of well-designed massing breaks could provide for placemaking opportunities along public frontages where slightly longer buildings could result from the Master Plan layout.



**Figure 6: Examples of Massing Breaks for Office Frontages Greater than 300' in Length**

Overall, the DRC recommended approval of the Master Plan, Urban Design Objectives, and the Ellis Park POPA open space conceptual design. The applicant has worked with staff to incorporate DRC feedback into the materials attached to this report.

### *Community Outreach*

The applicant has conducted extensive outreach with over 60 meetings with numerous local and regional community groups, residents, and interested stakeholders to seek input on the Master Plan. Specifically, the applicant held a series of communitywide outreach meetings on December 2, 3, and 5, 2020 (virtual), July 14 and 17, 2021 (virtual), April 27 and 30, 2022 (virtual), and August 20, 2022 (in-person). The applicant also: hosted an online survey, held meetings with adjacent neighborhood groups, created fact sheets on the project, created a project webpage, and recently held a Community Open House event on-site. A summary of the public comments received across the outreach meetings are provided in Attachment 12 to this report. The majority of community members and interested stakeholders have voiced support for the Master Plan, particularly the introduction of new residential units, commercial retail/services, and open space into the area.

### *EPC Public Hearing*

On October 19, 2022, the EPC held a public hearing and voted unanimously to recommend certification of the Project Supplemental Environmental Impact Report with a Statement of Overriding Consideration and approval of the Master Plan, Vesting Tentative Map, and park land



credit for the Ellis Park POPA (see Attachment 13—[EPC Staff Report Dated October 19, 2022](#)). The applicant and nine members of the public spoke at the meeting.

The public commenters included representatives from three labor/building organizations, SV@home, Santa Clara Valley Audubon Society, two representatives from Mountain View Coalition for Sustainable Planning, and two residents. All speakers stated their support of the project with a few raising the following concerns: electricity load impacts of new development, cost and timing of delivering the affordable units, and City's commitment to get the affordable units built. In addition to these comments, the City received eight written comments all supporting the project from the following organizations: Carbon-Free Mountain View; Carpenters Local Union 405; League of Women Voters; Silicon Valley Leadership Group; a joint letter from Sierra Club, Santa Clara Valley Audubon Society, Green Foothills, and California Native Plant Society; Mountain View YIMBY; Mountain View Coalition for Sustainable Planning; and SV@home (see Attachment 19—Public Comments).

The EPC primarily discussed the following topics:

- Jobs-Housing Linkage Program—One Commissioner raised (and two Commissioners supported) whether Active Use ground-floor commercial space (which can include office uses per the Precise Plan) should count toward the Jobs-Housing Linkage Program, thereby requiring more housing for the project; and also expressed concern with the potential to have up to 24,000 square feet of office uses in the ground floor that would not activate the area or be neighborhood-serving. City staff clarified the Linkage Program does not apply to ground-floor commercial space as tenancy turnover results in changed land uses over time, unlike Bonus FAR office development that remains office. Therefore, residential units are not tied to ground-floor commercial retail space. The EPC requested this clarification be made clear to Council; and
- BMR Alternative Mitigation—Two Commissioners raised concerns on whether the BMR Alternative Mitigation proposal can result in 380 units (20%) on-site as proposed by the applicant, since City staff's example assessment is less at 338 units (17%); and wanted additional examples of unit mixes and more information on assumptions. One Commissioner raised concern about the applicant's proposal adding greater costs to the City for funding affordable housing than an inclusionary proposal. In the end, all EPC Commissioners supported the land dedication option, noting it can provide more units than the baseline 15% inclusionary; offers flexibility to the City in the populations housed based on community need; and the land is provided up front as part of Phase 1, earlier than inclusionary units would be available in Phase 3. The EPC requested staff provide additional information on potential unit mixes/affordable housing types on the dedicated sites to Council to convey the range of possibilities—this is included in the Affordable Housing section of this report.

### *Administrative Zoning Public Hearing*

On October 26, 2022, the Zoning Administrator (ZA) held a public hearing and recommended Council approve the Development Agreement as drafted (see Attachment 14—[Administrative Zoning \(ZA\) Memo Dated October 26, 2022](#)). There were no public comments on the item.

### *Coordination with Other Agencies*

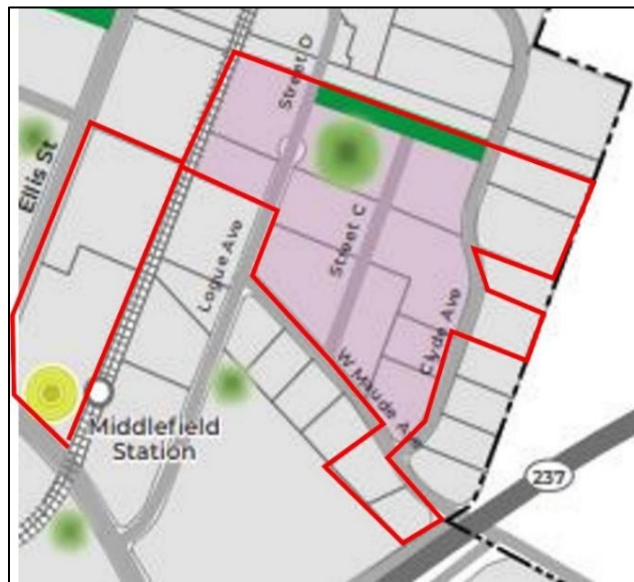
Due to the location of this Master Plan and proposed improvements, City staff met with numerous regional agencies to discuss, seek input, and confirm requirements for the project. These agencies include:

- City of Sunnyvale Planning and Public Works to review multi-modal connections and seek input on the environmental review. They did not have any comments on the Project's Supplemental Environmental Impact Report (SEIR), but Sunnyvale staff noted at this time they are not supportive of any multi-modal connections into the Sunnyvale Municipal Golf Course for the pathways located south of Parking Structure P2 or north of Parking Structure P1.
- Santa Clara County Airport Land Use Commission (ALUC) for review of the project in conformance with the Moffett Field Comprehensive Land Use Plan (CLUP), particularly within the runway turning safety zone on Clyde Avenue. ALUC staff confirmed the project is consistent with the CLUP.
- Valley Transportation Authority (VTA) and the California Public Utilities Commission (CPUC) for review of the proposed project design adjacent to the light rail operations and Middlefield Station, including the conceptual design of Ellis Park POPA open space, the crossing of a potential private district utility system (under the rail line), and proposed roadway/bus stop improvements on Middlefield Road. In particular, City staff coordinated with VTA and CPUC in the preliminary review of a proposed new midblock crossing on Middlefield Road at the light rail tracks, which would require modifications to the existing bus duck-out on Middlefield Road and upgrades to safety equipment and operations in the surrounding rail station and street crossing. The applicant is required to obtain separate permits, in coordination with the City, from VTA/CPUC for these improvements and for construction adjacent to the light rail tracks as part of Phase 1 and 2 development.
- U.S. Environmental Protection Agency (EPA) for review of site mitigation requirements for the project within the MEW Superfund area. The applicant will be required to obtain separate approvals from the EPA on building permits for the portions of the project in the MEW that include new construction and subsurface work.

- San Francisco Regional Water Quality Control Board (SFRWQCB) for review of site mitigation requirements for the project area located in the Hewlett Packard E/M Lubricants TCE groundwater plume (along Maude Avenue). The applicant will be required to obtain separate approvals from the SFRWQCB on building permits within this plume.
- City and County of San Francisco, Public Utilities Commission (SFPUC) for review of the project due to proximity to their property. SFPUC did not have any comments.

### **Master Plan and Subsequent Permits**

Per the Precise Plan and the project proposal, a master plan is required to be reviewed and approved by the City in order to allow: (1) any development to occur in the Neighborhood Park Master Plan area to plan for a future two- to three-acre public park (see pink area in Figure 7); (2) allow public multi-modal pathways in lieu of providing public Street C in Figure 7 (discussed later in this report); (3) modifications to any park locations (discussed later in this report); (4) implement a Jobs-Housing Linkage Program; (5) significant phasing of project construction; (6) development flexibility as the project includes more than one parcel in multiple Character subareas; and (7) district parking.



**Figure 7: Precise Plan Neighborhood Park Master Plan Area in Pink (Master Plan in Red)**

The Master Plan sets a development program that, if approved, the applicant can then pursue in phases by obtaining subsequent zoning and building permits. It is with those subsequent permits that the City can review the detailed site and building designs and confirm compliance with City regulations and consistency with the Precise Plan and Master Plan. With an approved Master Plan and/or Development Agreement, any subsequent permit that is consistent with the Master Plan, Precise Plan, City regulations, the Development Agreement, and current laws cannot be denied by the City.

**Based on majority support at the 2021 City Council Study Session, the Master Plan is proposing to implement the expedited review process identified in the Precise Plan.** With an approved Master Plan, this process allows future Planned Community Permit (PCP) applications (which are required for new building and site improvements) to have a final action at an Administrative Zoning (ZA) public hearing, after a recommendation by the DRC, rather than the City Council. A

community meeting will be held for each PCP permit implementing a development phase of the Master Plan prior to the ZA public hearing; and, in this process, the ZA continues to have the discretion to refer PCP applications to the City Council when necessary, such as when there is an inconsistency between the Master Plan and the subsequent zoning permit. Additionally, as requested at the Council Study Session, staff has identified clear review authority for minor and major modifications to the Master Plan. Minor modifications are those exceptions allowed in the Precise Plan, identified in the Master Plan, and those allowed under a Planned Community Permit, which can be reviewed and considered at an Administrative Zoning public hearing. Major modifications include, for example, changes that increase the building heights, the allotted Bonus FAR, the location of land uses, the location of dedicated parcels, etc.; all of which require Council review and consideration at a public hearing.

## **ANALYSIS**

### **General Plan**

The Master Plan is consistent with the East Whisman Change Area as it implements the following General Plan policies:

1. ***LUD 19.1: Land use and transportation. Encourage greater land use intensity and transit-oriented developments within one-half mile of light rail transit stations.*** Middlefield Park is entirely within one-half mile of the Middlefield VTA light rail station.
2. ***LUD 19.3: Connectivity improvements. Support smaller blocks, bicycle and pedestrian improvements and connections throughout the area.*** Middlefield Park creates new smaller blocks (aligning with the 300' to 400' block lengths in the Precise Plan), which prioritize new bicycle and pedestrian off-street connections while providing minimally necessary new vehicular connections.
3. ***LUD 19.8: Residential development. Allow residential development near the Middlefield Light Rail Station, North Whisman Road, and other areas identified in the 2030 General Plan Land Use Map.*** Middlefield Park places new residential uses immediately adjacent to the VTA Middlefield Station, consistent with the 1.0 FAR or greater residential/mixed-use intensity allowed by the East Whisman Mixed-Use General Plan Land Use Designation. Additionally, Middlefield Park is consistent with the 0.4 up to 1.0 FAR office intensity in the East Whisman Mixed-Use and High-Intensity Office General Plan Land Use Designations.

### **East Whisman Precise Plan**

The Master Plan implements the vision and guiding principles of the Precise Plan, including the introduction of a highly-sustainable, transit-oriented development adjacent to the Middlefield VTA Station, the addition of new land uses that contribute to a complete neighborhood (such as

residential, retail, open spaces, and office uses), and provides substantial public open spaces, including a new public plaza and large five-acre park. More specifically, Middlefield Park meets the following guiding principles:

1. **Focus Activity and Development Around Middlefield Light Rail Station.** The Master Plan proposes the greatest development intensity around the station as well as a one-acre plaza in Ellis Park POPA open space (referred to as “Central Plaza” in the Precise Plan). The plaza will further enhance access to the VTA station by providing a destination and greater visibility to the station than currently exists.
2. **Integrate New Housing Harmoniously with Office Uses.** Middlefield Park proposes residential land uses along the south side of the plan area while maintaining office uses along the north buffered by public open space. Additionally, it provides opportunity for daytime and weekend users of the public open space with the mix of uses. The Master Plan also integrates the standards and guidelines from the Precise Plan to encourage active, street-facing facades along the public streets and public parks and orienting parking and loading along private service streets.
3. **Minimize Vehicle Trips.** The Master Plan establishes new street blocks that are within the maximum block length sizes in the Precise Plan, as well as transportation demand management (TDM) measures that reduce vehicle trips in order to achieve trip caps established in the Precise Plan. Additionally, the Master Plan includes new midblock crossings that will allow for improved safety for pedestrians/bicyclists moving through the area, including a new midblock crossing on Middlefield Road at the VTA Light Rail that adds a safe crossing where one does not currently exist today.
4. **Create a Highly Sustainable Community.** By providing new public pedestrian and bicycle pathways throughout the area and extensive green-building and sustainability measures, such as committing to 100% carbon-free power and considering implementation of a private district utility system, Middlefield Park is exceeding the required sustainability measures of the Precise Plan.

### *Precise Plan Compliance Strategy*

The Middlefield Park Master Plan is compliant with all Precise Plan and City Code requirements for a master plan. The major areas of compliance are discussed below and accompanied by summary tables in Exhibit E of Attachment 2—Ordinance for Development Agreement.

- **Precise Plan Development Reserve**—With adoption of the Precise Plan, the City Council established a 2 million square foot development reserve for net new office development in the plan area. To date, 728,159 square feet has been approved (LinkedIn’s 700 East Middlefield Road and Sobrato’s 600 Ellis Street) and 47,950 square feet is currently under

review (189 North Bernardo Avenue). Google is requesting 632,354 square feet from the development reserve, which represents their net new square footage after rebuilding the existing office square footage on-site. Approximately 50% of the proposed office development is net new square footage. ***If the Master Plan is approved with 632,354 net new square feet, then 591,537 square feet will remain in the Precise Plan development reserve.***

- **Bonus Floor Area**—Google is requesting a maximum bonus floor area ratio (Bonus FAR) of up to 397,936 square feet for residential development (above the base FAR of 1,528,064 square feet or 1.0 FAR) and up to 622,925 square feet for office development (above the base FAR of 694,075 square feet or 0.4 FAR). As required in the Precise Plan, an applicant must meet the minimum requirements in Table 1 to obtain Bonus FAR. ***The Master Plan is compliant with these Bonus FAR requirements.***

**Table 1: Minimum Bonus FAR Requirements**

Residential	Nonresidential (Office)
<ul style="list-style-type: none"> <li>• Achieve minimum 120 Green Point Rated points or equivalent</li> <li>• Submeter (energy) for each residential unit</li> <li>• Provide community benefits contribution</li> <li>• Comply with City’s Below-Market-Rate (BMR) requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Achieve LEED Platinum or equivalent</li> <li>• Provide community benefits contribution</li> <li>• Participate in Jobs-Housing Linkage Program</li> </ul>

- **Jobs-Housing Linkage Program**—This program establishes that all new office development with Bonus FAR needs to facilitate residential development at a rate of 1,000 square feet of net new office floor area to at least three residential units. Based on the 632,354 square feet of net new office area proposed, the project is minimally required to provide at least 1,897 residential units; the project is proposing to exceed this with three additional units at 1,900 units total. This unit count includes a credit of up to 380 affordable units, as proposed by Google’s Affordable Housing Proposal (discussed later in this report). Exhibit E, Table E1 of Attachment 2 outlines the Jobs-Housing Linkage compliance strategy for the Master Plan. ***The Master Plan is compliant with the Jobs-Housing Linkage Program.***

- Community Benefits Contribution—Since the 2021 Study Sessions, Google has further refined their community benefit proposal, providing more details on the focus of their program supporting small business development in the Master Plan area. Based on the proposed Bonus FAR, the Master Plan is required to provide a community benefit contribution minimally valued at \$19,143,457 (see Table 2). Their community benefit proposal is comprised of two parts:

- a. Cash payment of \$500,000 to the City’s General Fund for use at the City’s discretion for its residents as “people-centric funds,” defined as funding of, among other programs: (1) housing opportunities and anti-displacement efforts; (2) small business support and workforce development; (3) safe and expanded connections for pedestrians and bicyclists and consolidated infrastructure; and (4) quality open space for recreation, relaxation, and entertainment; and
- b. Fund and operate a Small Business Diversification and Nonprofit Inclusion Program (Small Business Program) of approximately \$18.6 million, which includes:

**Table 2: Required Community Benefit Value**

<b>Bonus FAR</b>	<b>Value</b>
Residential (397,936 sq. ft.)	\$ 2,168,751
Nonresidential (622,925 sq. ft.)	<u>16,974,706</u>
<b>TOTAL</b>	<b><u>\$19,143,457</u></b>

- Providing 21,000 square feet of subsidized ground-floor commercial space in the R1 and R2 building locations. This space would be constructed by the applicant (inclusive of parking and back-of-house amenities); include capped rent at an annual average of \$35 per square foot (triple net); include a one-time tenant improvement allowance of up to \$125 per square foot to build out the space for a business operator; and include construction of a 1,000 square foot community pavilion building in Ellis Park (at approximately \$15.5 million);
- Additional funding to further support rent subsidies, second- and third-generation tenant improvements, or other business support services that can directly assist the small business operators in the Master Plan area (at approximately \$3.13 million); and
- The Small Business Program is targeted to support small businesses owned by women or people from underserved backgrounds, a small grocer or market owner, nonprofits, and/or businesses where 50% of the employees are either women or people from underserved backgrounds.

Since the community benefit requirement is based on Bonus FAR, Exhibit 3, Table E3 of Attachment 2 outlines the Master Plan’s phased compliance strategy. Since the majority of

the community benefit is related to constructed building floor area in Phase 1, Google is committing a large portion of community benefits earlier than required by the Precise Plan.

The Small Business Program framework is provided in Exhibit J of Attachment 2 to this report. The framework was reviewed by City staff to ensure the program has clear operational purpose and intent, progress could be reported to the City annually, and the program could be updated as necessary to reflect current market needs. To evaluate the community benefit proposal (particularly the development cost assumptions by Google in the subsidized building floor area), the City conducted an independent evaluation, prepared by Strategic Economics, which is Attachment 15 to this report. The evaluation concluded, while there are some differences in cost assumptions between Google and Strategic Economics (approximately \$53,000), the overall value of the community benefit proposal (inclusive of Parts a. and b. above and all City impact fees) is \$19.2 million to \$19.6 million, higher than proposed by the applicant. ***Thus, staff has found the proposal to comply with the minimum community benefit requirements.***

**Residential Development**

*Market-Rate Housing*

Google proposes Middlefield Park to provide a maximum of 1,900 residential units, including up to 1,520 market-rate units, and up to an estimated 380 affordable units (20% of units) to be accommodated via land delivery. The residential development program represents over one-third (38%) of new residential development anticipated in the Mixed-Use Character subarea of the Precise Plan—see Table 3. While all market-rate units are currently anticipated to be rental, the applicant is requesting flexibility to map units as condominiums for future ownership opportunities as part of the Vesting Tentative Map.

**Table 3: Maximum Residential Development**

<b>Residential Parcel</b>	<b>No. of Units</b>
R1	400
R2	450
R3	270
R4A (Affordable)	210
R4B	90
R5	310
R6 (Affordable)	170
<b>Total Units</b>	<b>1,900</b>
<b>No. of Residents</b>	<b>4,045</b>



**Table 4: Preliminary Market-Rate Unit Mix**

Additionally, Google has provided the following preliminary unit mix in Table 4, which is subject to change as each residential phase is developed. Relative to the Precise Plan targets, the unit mix includes more studio and one-bedroom units, which reflects market trends for high-density housing near transit.

<b>Bedroom Type</b>	<b>Percentage of Units</b>	<b>Total Count</b>	<b>Precise Plan Targets</b>
Studio	26%	395	10%-20%
One-Bedroom	38%	578	20%-40%
Two-Bedroom	32%	486	30%-50%
Three-Bedroom	4%	61	10%-30%
<b>Total</b>	<b>100%</b>	<b>1,520</b>	<b>100%</b>

*Affordable Housing*

Residential development in the Master Plan is subject to the City’s 15% inclusionary Below-Market-Rate (BMR) regulations, which requires a minimum of 285 affordable units be provided with the project. **Google has expressed that providing any inclusionary units in the Master Plan is not financially feasible. Therefore, Google is proposing a BMR Alternative Mitigation consistent with the City’s BMR regulations.**

An alternative mitigation proposal must further affordable housing opportunities in the City to a greater extent than providing on-site BMR units, which must be approved by the City Council. Land dedication is identified as an alternative mitigation that can be considered by the City, with particular site conditions met. With an alternative mitigation, the applicant is required to demonstrate at least the following:

- The alternative mitigation request exceeds the minimum affordability requirements of the BMR program by including deeper affordability, a greater number of BMR units, or both; and
- The alternative mitigation advances other City goals for housing as expressed by written guidance in administrative procedures as issued by the Community Development Director or designee regarding the specific income levels or residential product types desired by the City, including, but not limited to, housing needs based on income level and progress toward meeting the City’s Regional Housing Needs Assessment (RHNA).

**Applicant’s BMR Alternative Mitigation Proposal**

Google is proposing the following BMR Alternative Mitigation, as outlined in the Affordable Housing Plan in Appendix J of Attachment 9 to this report and required by project conditions:

1. **Dedicate 2.4 acres of land to the City in two parcels** estimated by the applicant to provide 380 affordable units (5% more than the 15% inclusionary requirement or 95 more affordable units). The land would be developed by an affordable housing developer(s) selected through the City’s Request for Qualifications (RFQ)/Request for Proposals (RFP) process. The proposed parcels shown in Figure 8 to be dedicated are:



**Figure 8: Proposed Affordable Housing Parcels (R4A and R6)**

- a. Parcel R4A—This rectangular parcel is 1.28 acres in size and is located on the north side of Maude Avenue near the proposed 5.1-acre Maude Park and is adjacent to market-rate residential development anticipated to be delivered in Phase 3 of the Master Plan. The applicant estimates this parcel can yield 210 units at a density of approximately 165 dwelling units per acre (du/acre).
  - b. Parcel R6—This trapezoidal parcel is 1.12 acres in size and is located at the intersection of Maude Avenue and Clyde Avenue, fronting onto the proposed one-half-acre Gateway Park. The applicant estimates this parcel can yield 170 units at a density of approximately 152 du/acre.
2. **Convey both parcels of land to the City “development-ready” prior to issuance of the first building permit of Phase 1**, which advances the BMR requirement sooner than would be required by approximately four years for Parcel R4A. The sites would be required to be demolished of all existing building and landscaping improvements, graded, basic utilities and frontage improvements installed, and access provided in accordance with the City’s land acceptance requirements.
  3. **Pay \$13 per square foot of affected building area for mitigation required to locate residential uses on contaminated parcels.** These funds will be paid to the City and passed

onto the affordable housing developer(s) to defray development costs for any site mitigation required by an environmental oversight agency, such as US EPA or SFRWQCB, for residential development (e.g., vapor barriers). This is estimated to be approximately \$540,000.

In order to evaluate this alternative mitigation proposal, the City hired Strategic Economics and Seifel Consulting to consider the quantitative and qualitative aspects of the proposal. Their analysis considered costs, subsidies, and values of the proposal (e.g., costs to developer, land value, loss rental income/subsidies, rental savings, etc.) that can be independently evaluated, as well as analysis of the development potential of the parcels, based on affordable housing trends in the City, input from affordable housing developers, and estimated funding needs to deliver the affordable units on the parcels. The evaluation is provided as Attachment 16 to this report—BMR Alternative Mitigation Evaluation. Staff has also included a summary table of the evaluation results at the end of that Attachment.

The example development type described in Attachment 16 is a family affordable housing product-type, where 50% or more of the bedroom mix is two and three bedrooms with development parameters based on the input staff received from affordable housing developers. Staff selected this type of housing to assess as it is: (1) appropriate for this location; (2) a current housing type needed in the community; and (3) a popular mix to qualify for tax credits. And, because of the larger bedroom mix, it is a more conservative product type in determining if there is sufficient land to accommodate more than 15% affordable units. However, this is only one affordable housing product-type that could be considered on these sites. Other product types may yield more or less units. Table 5 shows additional examples of affordable housing types that could be accommodated on the dedicated parcels with varying unit mixes and resulting funding needs. Ultimately, the City Council has the discretion as to the affordable housing type selected for these sites, based on current community needs at the time the land is available. Council does not need to make a selection as to the housing type, unit count, or contribution of City funding at this time.

**Table 5: Example Affordable Housing Types and Funding Needs on Dedicated Parcels**

<b>Development Potential</b>	<b>Family (in Attachment 16)</b>	<b>Small Family</b>	<b>Senior or Supportive Housing</b>
<b>Unit Mix</b>	50% two and three bedrooms	40% two and three bedrooms with 20% studios	95% studios and one bedroom
<b>Approximate No. of Units</b>	338 units	369 units	419 units

<b>Costs/Funding Needs</b>			
<b>Development Cost (Without Land)<sup>1</sup></b>	\$249 million	\$252 million	\$257 million
<u>Less:</u> Private Mortgage and Tax Credit Equity	\$151 million	\$153 million	\$150 million
<u>Less:</u> State Funds at \$50,000 to \$100,000 per unit	\$17 million to \$34 million	\$18 million to \$37 million	\$21 million to \$42 million
<b>Net Funding Needed<sup>2</sup></b>	<b>\$64 million to \$81 million</b>	<b>\$62 million to \$81 million</b>	<b>\$65 million to \$86 million</b>
<u>Potential</u> City Contribution <sup>3</sup>	\$41 million	\$41 million	\$41 million
<b>Remaining Funding Need</b>	<b>\$23 million to \$40 million</b>	<b>\$21 million to \$40 million</b>	<b>\$24 million to \$45 million</b>
Notes:			
1. The funding needs analysis is based on development costs for family projects as of 2021. Development costs have been increasing by 5+% per year in recent years, and interest rates for construction and permanent financing have been increasing in 2022, which is resulting in higher development costs in 2022.			
2. Net funding needed assumes developers will obtain: project-based vouchers to increase rental income, private mortgage financing and low-income housing tax credit equity, and State funding between \$50,000 and \$100,000 per unit.			
3. \$41 million assumes a City contribution of the Master Plan Housing Impact Fees (\$18.7 million) and an additional contribution of \$22.5 million in City funds.			

In summary, ***the Alternative Mitigation proposal provides a greater benefit than providing on-site units*** due to the opportunity to: (1) create more affordable units than the 15% inclusionary requirements would provide in the project with sufficient land dedication (17% based on City’s independent analysis assuming a family mix); (2) serve lower-income renters at lower Average Median Incomes (AMI) levels; (3) provide greater annual savings to future residents; (4) create City land ownership to preserve affordability in the long term, (5) advance delivery of affordable housing by providing the land dedication earlier than required by the City Code; and (6) introduce the opportunity for new affordable housing in the City which can count toward the City’s Regional Housing Needs Assessment (RHNA). However, this proposal does require significant external funding sources, including funding from State, Federal, and regional sources, from private-sector partnerships, philanthropy, and other sources, and likely a City contribution—all of which would not otherwise be required with an inclusionary development.

The City’s Draft Housing Element, which is anticipated to return to Council for further consideration in December 2022, currently includes up to 1,088 new housing units in the Middlefield Park Master Plan area over the next eight-year cycle, of which 338 units are anticipated to be affordable. These assumptions are based on construction of all Phase 1 residential market-rate development and construction of the affordable housing on the two dedicated parcels within the Master Plan (at the number of affordable units identified by Seifel Consulting in Attachment 16).

**Nonresidential Development**

In addition to residential development, Middlefield Park includes new nonresidential development, including:

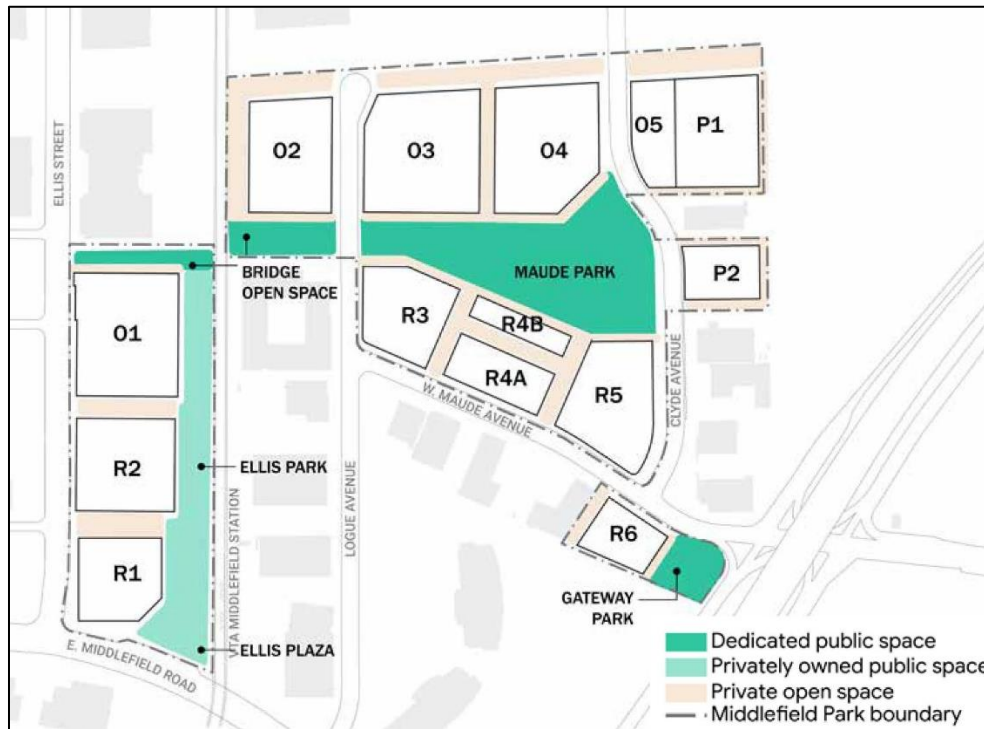
- Office—Up to five office locations, which are shown in Figure 3 as O1 through O5 with proposed square footages listed in Table 6.
- Active Use—Up to 50,000 square feet of ground-floor commercial space within the market-rate residential buildings, Ellis Park, and in Parking Structure P2. This category captures a mix of commercial uses including retail, restaurants, neighborhood commercial, educational, civic, community, and other services. Depending on the type of use occupying a tenant space, the square footage may be exempt from the maximum allowable floor area per the Precise Plan and/or exempt from payment of the East Whisman Precise Plan Development Impact Fee adopted by Council in June 2022.
- Central Utility Plant—Up to 45,000 square feet is proposed for a Central Utility Plant, located at office location O1. This square footage will be exempt from maximum floor area and installed only if the applicant pursues the private district utility system.

**Table 6: Office Development**

Office Parcel	Proposed Sq. Ft.
O1	441,939
O2	190,000
O3	310,000
O4	292,212
O5	82,849
<b>TOTAL</b>	<b>1,317,000</b>

**Parks and Open Space**

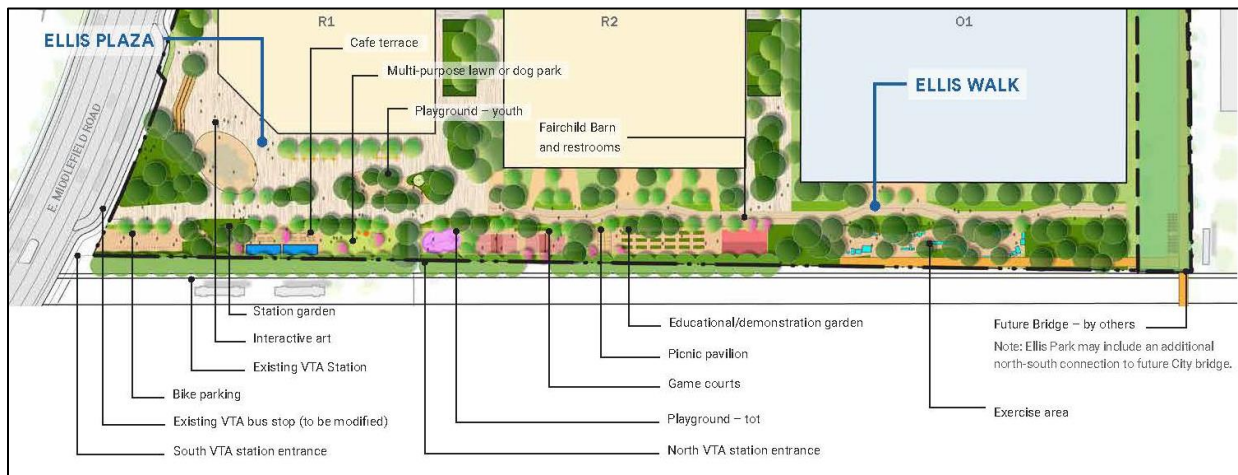
A central theme in Middlefield Park is the expansive public open space network, which includes four individual parcels proposed to be dedicated to the City for public parks and open space and a POPA open space, which is to be designed, constructed, and maintained in perpetuity by the applicant. More particularly, these open spaces are shown in Figure 9 and described as:



**Figure 9: Master Plan Open Space Network**

- **Gateway Park**—A 0.5-acre mini-park at the corner of Maude Avenue and the State Route 237 frontage road, adjacent to the R6 affordable housing site. This is proposed to be dedicated as part of Phase 1 development.
- **Bridge Open Space**—Two parcels that combined equal 1.36 acres, fronting Ellis Street and Logue Avenue. These dedicated parcels are proposed to accommodate a future aboveground pedestrian-bicycle bridge identified in the Precise Plan. The land is to be offered for dedication to the City in Phase 1, but the land is proposed to be delivered in Phase 2, when the surrounding development is occurring. It is important to note that the applicant is requesting an encroachment on both of these parcels in order to cross the VTA light rail (below-grade) to accommodate their private district utility system. The applicant prepared a feasibility study, reviewed by City staff, which indicates the proposed land dedication is sufficient to reasonably accommodate a bridge and district system infrastructure.
- **Maude Park**—A 5.11-acre Community Park, as defined by the City’s Park Land Ordinance, which exceeds the two- to three-acre neighborhood park identified in the Precise Plan. This Community Park classification identifies the park to be of a size that serves the entire City, allowing the City to potentially expend additional funds and resources to design and construct the park. This land is proposed to be dedicated to the City in Phase 3.

- **Ellis Park**—A 2.87-acre, linear POPA open space along the VTA light rail tracks and parallel to Ellis Street. The applicant is applying for a park land credit for an alternate proposal of a POPA open space, which allows greater flexibility in design standards of an over one-acre open space. Since the detailed building and site designs are not available at this time, the applicant has provided a conceptual design with a maximum number of recreational elements to be considered, as shown in Figure 10, which will be further refined at subsequent zoning permits. **The improvements proposed within the POPA open space and conceptual design are located in Attachment 7 to this report, which are consistent with the City’s park land credit requirements for a POPA open space.** This POPA open space is proposed to be constructed in two phases—Phases 1 and 2.



**Figure 10: Conceptual Ellis Park POPA Open Space Design**

All of the parks parcels proposed to be dedicated will be designed and constructed by the City through the standard park design process. Maude Park has been prioritized to start the design and construction process first, among the dedicated sites, since it is a large community asset; this means the other two parks (Gateway and Bridge Open Space) will be completed at later dates. Additionally, due to the scale of the project and multi-phased construction, the Master Plan will not be fully compliant with park land requirements until Phase 3, when Maude Park is delivered. As a result, at each phase of development, any park land owed to the City, and not provided, will require the applicant to provide a “Letter of Credit” to the City equivalent to the park land fees owed. A letter of credit is a bank guarantee of a payment for a specific dollar amount, which the City can collect from the bank if needed. The City will retain the Letter of Credit until the land is dedicated to the City. See Exhibit E, Table E2 of Attachment 2 for the phased compliance strategy.

### *Open Space Modifications*

Based on support at the 2021 Council Study Session and further review of the project, there have been the following modifications to the open space network:

- Linear Park—The Precise Plan identifies a Linear Park along the southern border of the SFPUC property, which was previously identified as Hetch Hetchy Linear Park in the Master Plan (see bold green line in Figure 7 of this report). During the review process, City staff and the applicant determined the Linear Park would be better served as additional open space within Maude Park and Bridge Open Space, increasing the size of these spaces and pushing the office locations O2, O3, and O4 further north. Additionally, due to the extensive amount of existing underground utility lines in the original Linear Park location, no substantive improvements or trees could be installed. Thus, it was determined that placing the private service street in the original Linear Park location is a better use of space.
- P2 Pathway—The Master Plan includes a 14' wide multi-use pathway on the south side of Parking Structure P2, which leads to the Sunnyvale Municipal Golf Course. The EPC and City Council supported staff looking into connectivity at this location. While the City of Sunnyvale is not supportive of granting multi-modal access at this time, City staff recommends obtaining the public access easement at this location for future connectivity should the Golf Course design and operation change, or the City of Sunnyvale be more receptive to connectivity in the future.

### *Tree Framework*

The applicant has prepared a Master Plan-wide arborist report that identifies 1,032 trees on-site—310 of which are Heritage trees as defined in the City Code. This includes 32 City street trees and 35 off-site trees in close proximity of the project. In total, there are approximately 77 different tree species on-site and approximately 20% of the trees are in poor health and over 50% of the trees have low to medium suitability for preservation due to their health, structure, proximity to potential development, location in bike or pedestrian pathways or sidewalks, etc. (see Appendix G of Attachment 9 for the Master Plan arborist report). The Master Plan does not grant specific tree removal permits—each subsequent zoning permit will include any related tree removal permit, including a site-specific assessment of the tree removals and replacement plan.

Implementation of the project is expected to result in the removal of up to approximately 700 trees, including approximately 200 Heritage trees, in phases as the Master Plan is constructed. The applicant is proposing to plant approximately 900 new trees to double the canopy coverage that exists today on-site. The tree removals will be evaluated using the City's



standard criteria and the following framework, consistent with the Master Plan Tree Framework in Appendix I of Attachment 9:

- Strive to retain and integrate healthy trees: (a) in planned open space areas, including public and private open space; and (b) within site design if trees are healthy, have high-habitat value and contribute to the City's biodiversity goals (e.g., private and common open space areas, setbacks, etc.).
- Explore the opportunity to transplant healthy trees that are suitable for the local climate and integrate them into site design where feasible (e.g., setbacks, buffers, and open space areas).
- Where trees are required to be removed (examples include in building footprints, infrastructure, and utility construction): (a) replace Heritage trees per the City ordinance at a 2:1 ratio; (b) non-Heritage trees at a 1:1 ratio; and (c) achieve a greater canopy than currently exists.
- All new landscaping and trees will be native and drought-tolerant to the greatest extent and will meet the City's biodiversity goals.

Lastly, to address the supply of trees available for planting, Google has recently established a tree farm in the South Bay from which they can source some of the trees.

### **Circulation Network and Public Access**

The Precise Plan vision establishes an improved circulation/mobility network that includes smaller block lengths, increased off-road bicycle and pedestrian networks, a new public open space network, and reduced vehicle conflicts by moving parking access and loading off major streets. Middlefield Park executes these efforts by introducing a new block grid that minimizes vehicle circulation and maximizes pedestrian/bicycle circulation. The Master Plan achieves this by: (1) not including public Street C and, instead, providing a large Community Park with public pedestrian and bicycle access through the area (see Street C location on Figure 7); and (2) utilizing a hybrid private street design, where the first half of the street provides access for vehicles, pedestrians, and bicycles in a typical service street design in the Precise Plan, while the second half of the street is for pedestrians/bicyclists only. This allows vehicle access from the public street to the parking areas, but does not provide through-access. Figures 11 and 12 show these circulation networks.

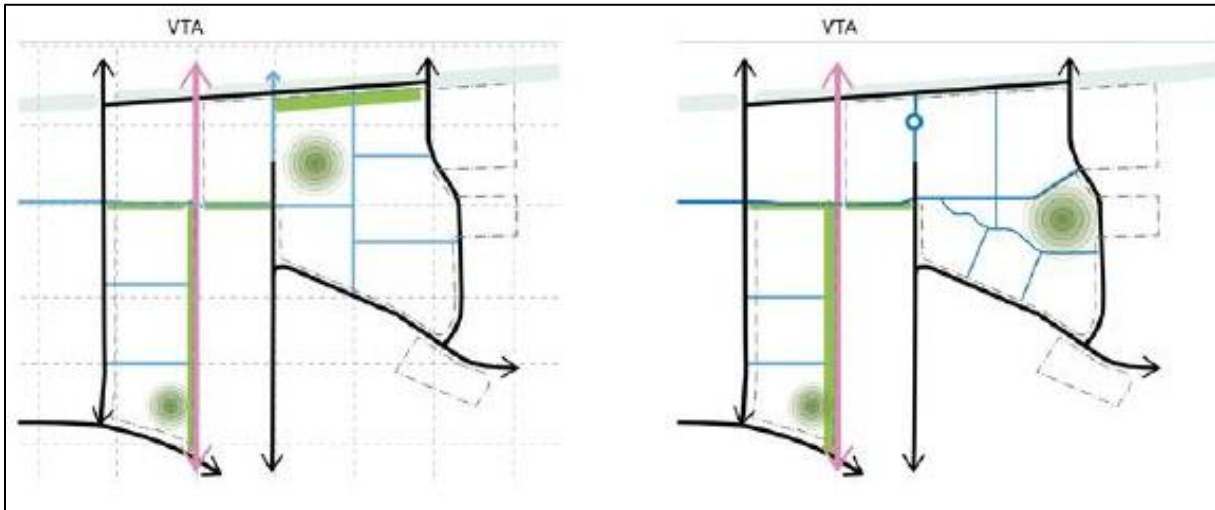


Figure 11: Comparison of Circulation Network in Precise Plan (left) and Master Plan (right).

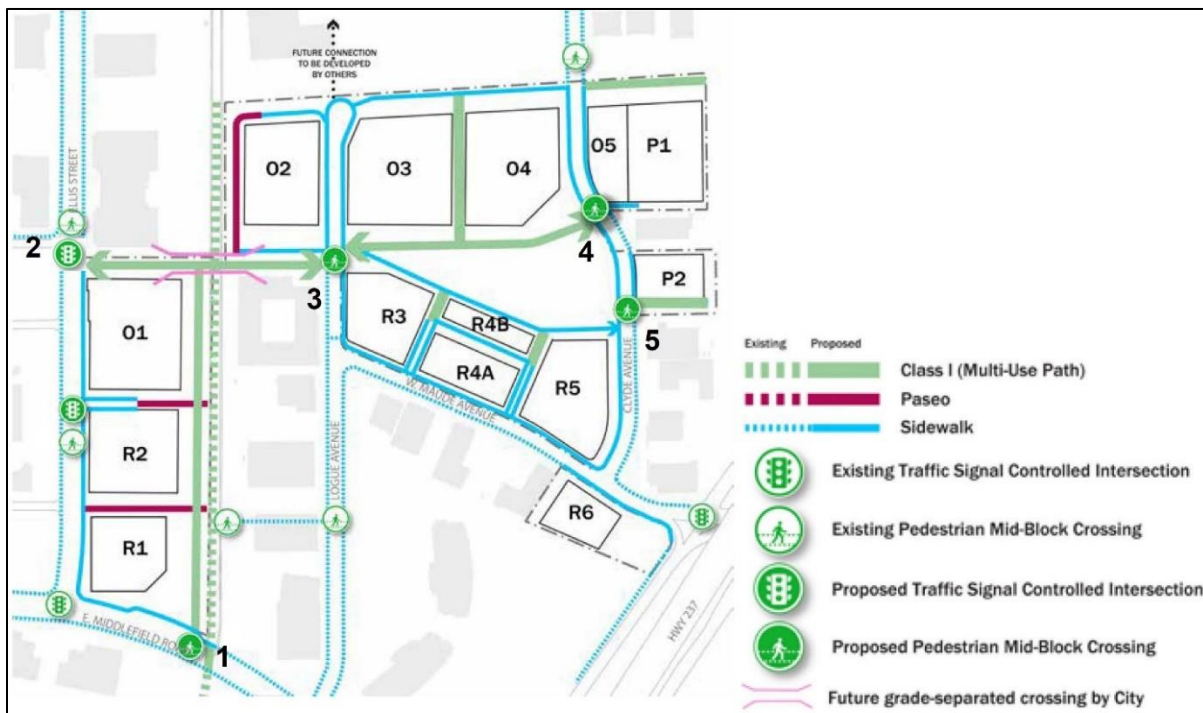
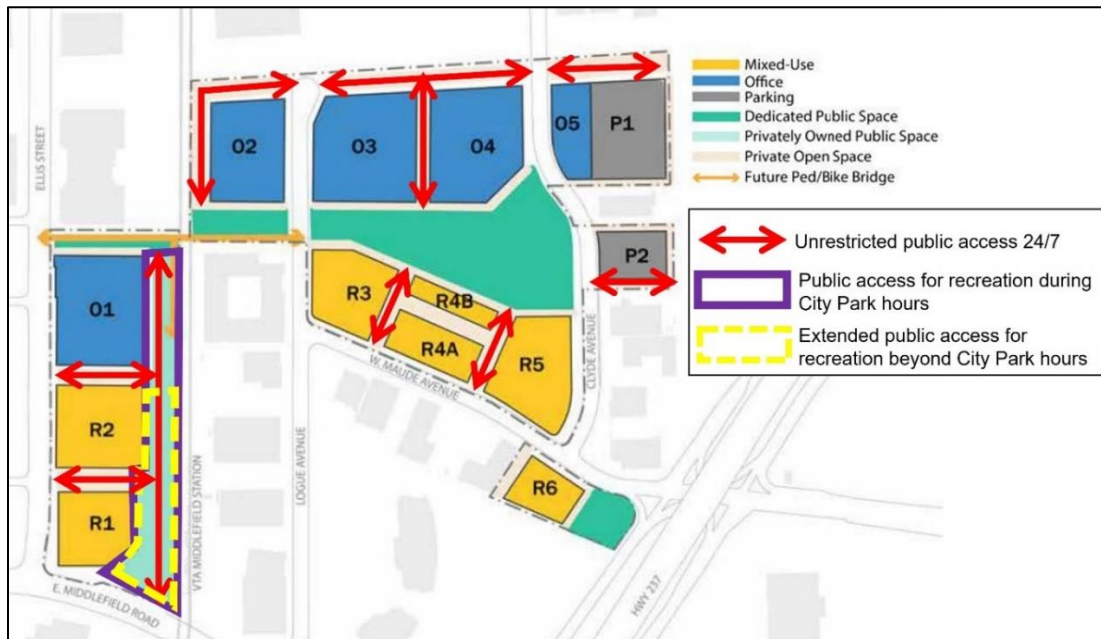


Figure 12: Multi-Modal Typologies per Precise Plan and New Midblock Crossings in the Master Plan

*Public Access*

An important component of this Master Plan is the public access proposed to support the multi-modal network throughout the project area and greater Precise Plan. Figure 13 shows the

two types of public access throughout the Master Plan, including: (1) the multi-modal network for unrestricted 24/7 access for pedestrians and bicyclists to travel through the area; and (2) public access during designated hours of the Ellis Park POPA open space, same as City park hours. The plaza and portions of Ellis Park adjacent to the R1 and R2 ground-floor active use spaces are proposed to have extended hours to 9:00 p.m. on weekdays and 10:00 p.m. on weekends to support the commercial and transit activities of the VTA Middlefield Station past City park hours.



**Figure 13: Public Access in the Master Plan**

**Other Transportation Analysis**

The City prepared a Master Plan-level Multimodal Transportation Analysis (Master Plan MTA) to evaluate transportation impacts, pedestrian and bicycle impacts, and analyze parking scenarios of the project. Major findings from the Master Plan MTA include:

- The project does impact: (a) intersection level of service at Ellis Street and Manila Drive; (b) the southbound left-turn queue at the Ellis Street/Fairchild Drive intersection, resulting in the need to elongate the turn lane; and (c) the eastbound left-turn queue at Ellis Street and Middlefield Road, resulting in the need to elongate the turn lane. Since these projects impacts are included in the assumed cost of improvements comprising the East Whisman Precise Plan Development Impact Fee (EWPP Fee), the applicant will meet their obligation for improvement by paying the required EWPP Fee.

- The project impacts the queuing at the metered on-ramps and signal-controlled off-ramps at the U.S. 101/Ellis Street interchange. However, due to right-of-way and funding constraints, there are no feasible improvements to operations and queueing issues at this interchange. This was previously identified and disclosed in the East Whisman Precise Plan Environmental Impact Report.
- The project proposes five new midblock crossing locations as shown on Figure 12: (1) Middlefield Road at light rail crossing; (2) Ellis Street and north of the office O1 location (which may also require modifications to the existing pedestrian midblock crossing); (3) Logue Avenue at the Bridge Open Space into Maude Park; (4) Clyde Avenue at the southern end of office locations O4 and O5; and (5) Clyde Avenue at Parking Structure P2. While additional analysis may be warranted with future phases of development to confirm the level of traffic control needed at these crossings, based on the Master Plan MTA analysis, midblock crossings (1), (2), and (4) require signalization, which the applicant is required to install.
- The only new private street proposed that requires a new traffic signal is located on Ellis Street, between the O1 and R2 locations. Modifications to the existing Ellis Street pedestrian midblock crossing in this location may be necessary, which will be reviewed at time of signal design. The applicant will be required to install the signal as part of constructing the private street.
- The project proposes modifications to the existing VTA bus duck-out on westbound Middlefield Road to accommodate: a new reconstructed bus duck-out, fire lane access to serve the project, a new midblock crossing connecting the project to an existing VTA pathway on the south side of Middlefield Road, and traffic control and safety measures required to allow these improvements. Further coordination and permitting are required to allow for these improvements with the City, VTA, CPUC, and the applicant, which will be handled as part of subsequent permits. Preliminary designs of the improvements considered to date are located in the Master Plan MTA on Page 403 of Attachment 1.

### *Vehicle Parking*

The Master Plan does not establish any parking standards. Therefore, the Master Plan MTA analyzed parking ratios for the project, under three scenarios, in order to streamline establishing parking ratios during the review of subsequent zoning permits. However, additional parking analysis could be submitted as part of a subsequent zoning permit, further adjusting the scenarios studied or considered in the Master Plan MTA. The parking rates considered are summarized in Table 7. The determination of parking for market-rate units was based on a utilization survey of recent multi-family residential projects in Mountain View near public transit.

**Table 7: Parking Ratios Studied**

<b>Land Use Type</b>	<b>Parking Standard</b>
Office	2.0 spaces per 1,000 sq. ft.
Active Use Parking	3.68 spaces per 1,000 sq. ft.
Affordable Multi-Family Residential	0.5 space per unit
Market-Rate Multi-Family Residential	1 or 0.85 space per unit

The three scenarios evaluated in the Master Plan MTA are related to shared and unbundled market-rate residential parking, relative to the commercial active use spaces on-site. Specifically, the three scenarios include: (1) no shared parking between residential and active uses on the same site and no unbundled residential parking; (2) no shared parking between residential and active uses on the same site but with unbundled residential parking; and (3) shared parking on the same site and unbundled residential parking. Unbundled parking detaches the cost of parking from the rental cost of a residential unit, so that a tenant would be required to pay an additional rental fee for a parking space. The applicant has noted their desired parking ratio for a 0.80 space per market-rate residential unit and a two spaces per 1,000 square foot ratio for active uses in the Master Plan.

### **Tentative Map**

The applicant has submitted a Vesting Tentative Map with the Master Plan (see Attachment 4 to this report), which combines 14 existing parcels in order to create:

- **18 new lots:** Five lots for office use; two lots for parking structures; seven lots for residential/mixed-use (two of which are proposed to be dedicated to the City for affordable housing); and four lots for park land to be dedicated to the City.
- **Up to 1,900 Residential Condominium Lots:** The applicant is proposing to map all rental developments to allow for potential transition to ownership units in the future, should market conditions support it.
- **Up to 140 Vertical Subdivision Lots:** To allow for up to 10 vertical lots on each new lot to accommodate: (a) more commercial ownership opportunities in office and mixed-use buildings; and (b) the private district utility system, which may be contained on individual vertical parcels within each lot served by the system.

### **Vacation of Public Easements and Surplus Land**

When easements are proposed to be vacated as part of private development, City staff evaluates whether there is any value contributed to the developer by the vacation. In some cases, for example, vacating an easement will provide land area for additional residential units and, thereby

increase the value of the development. Staff also considers how the easement was created and its intended use. In this case, the project site includes:

- An existing Maintenance and Pedestrian Path Easement, which provides rights for the public pedestrian/bicycle path and maintenance road parallel to the VTA Light Rail tracks. The nonvehicular public access will be replaced with a Public Access Easement from Middlefield Road to the Light Rail Station. A new easement for maintenance of the Light Rail tracks and station will be located in coordination with VTA and dedicated during the adjacent development phase of the project (anticipated for Phases 1 and 2).
- All of the existing street right-of-way and public easements to be vacated are shown on the Vesting Tentative Map in Attachment 4 to this report.
- The cul-de-sac portion of Logue Avenue is proposed to be removed and reconstructed to the northernmost boundary of the Master Plan area. The public street right-of-way will be vacated and the City's fee interest conveyed to the adjacent property owner (the applicant, in this case), and the applicant will, in exchange, convey a new public street easement to the City for the reconstructed portion of the street. As such, the City must declare this segment of Logue Avenue to be exempt surplus land in accordance with the Surplus Land Act (see Attachment 6—Resolution for Surplus Land).

Staff recommends vacating the public right-of-way and easements without compensation for four reasons: (1) the existing utilities in the easements will be abandoned or relocated; (2) the easements were dedicated to the City and not purchased by the City; (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; and (4) the project will dedicate new easements per the Precise Plan in excess of the easements being vacated (see Table 7 and Attachment 5—Resolution for Vacation of Easements—to this report). 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.

**Table 7: Summary of Project’s Easement Vacations and Dedications**

<b>Type of Easement</b>	<b>Vacated Easements (in sq. ft.)</b>	<b>Dedicated Easements (in sq. ft.)</b>
Public Service	2,976	
Sidewalk	4,374	
Street Utility	5,168	
Pedestrian/Bicycle Path and Maintenance Road	9,833	
Sanitary Sewer and Storm Drain	7,175	
Public Utilities	56,051	55,015
Wire Clearance	29,275	
Anchor	50	
Pole and Wire	1,271	
Right-of-Way/Street	3,488	36,961
Public Access		128,367
<b>Total Public Easement Area</b>	<b>119,661</b>	<b>220,343</b>

**DEVELOPMENT AGREEMENT**

The applicant is requesting a 20-year Development Agreement (DA) to allow for flexibility in timing and phasing of the project due to the large-scale nature of the development and the time needed to deliver the project components. The DA will vest the project against future changes in local law that would conflict with the Master Plan approvals. The framework of the DA was structured in response to Council direction at the 2021 Study Session.

**Public Benefits**

The applicant is providing public benefits to the City beyond those required of the project under standard City regulations. Google has proposed a public benefits package valued at \$11 million, which includes: (1) a cash payment of \$1 million to the City for “people-centric funds” (same funds as described in the Community Benefits section of this report); (2) fund and install public art in Ellis Park POPA open space valued at \$1 million; and (3) cash payment of \$9 million to facilitate the design and construction of Maude Park’s recreational elements and amenities. These public benefits were previously discussed and supported by the City Council at the 2021 Study Session.

Since the Study Session, staff and the applicant have agreed to additional public benefits beyond the \$11 million mentioned, including: (1) the applicant funding and preparing a \$250,000 bridge feasibility study to determine the Bridge Open Space land could reasonably accommodate a future bridge and a private district utility system; (2) the City and applicant entering into a shared parking agreement to allow use of 40 parking spaces for Maude Park visitors within the project's district parking; (3) allowing City use of the plaza in the Ellis POPA open space for City-sponsored events up to five times per year and use of the community pavilion building for City events up to 12 times per year at no rental cost; and (4) the applicant will make good-faith efforts to obtain a Use-Tax Point-of-Sale Permit for the project site in order to have the local portion of sales and use tax distributed directly to the City (instead of the Countywide pool) on construction materials, estimated to bring approximately \$422,000 to the City at full build out of the Master Plan. The timing for delivery of all public benefits are summarized in Exhibit 3, Table E3 of Attachment 2.

### **DA Framework**

Public benefits provided in DAs are negotiated between the City and developers, and there is no set formula to determine the type and amount of benefits for a particular development. In this case, staff utilized direction from the 2021 Council Study Session to negotiate and structure this DA, including requiring performance milestones by the developer, focusing on delivery of the City's high-priority items early, and support of residential development. A summary table of the key DA terms are included in Attachment 17—Summary of DA Key Terms—and the full DA is located in Attachment 2. The basic framework of the DA includes:

- An initial term of 12 years, which requires the applicant to deliver on: (a) the Phase 1 market-rate residential development to occupancy; (b) approximately 50% of the Small Business Program Community Benefit (with a minimum of 14,000 square feet of constructed subsidized space to occupancy and 50% of the support funds expended); (c) dedicate the affordable housing parcels to the City; (d) provide \$1.5 million in cash payment of people-centric funds to City (combination of Community Benefit and Public Benefit); and (e) pay the \$9 million Maude Park funding to the City;
- An extended eight-year term can be granted only if the initial 12-year deliverables are all met; and
- A cumulative two-year term extension is allowed, which can be added to the initial or extended term or any combination thereof, due to unforeseen circumstances, such as unusually severe weather delays, earthquake, epidemic/pandemic, etc. Thus, the maximum length feasible under the DA, with all obligations met and extensions applied, could be 22 years.



The proposed DA complies with California Development Agreement Statute, Government Code Sections 65864-65869.5, and City Code Sections 34.50 to 34.50.40, and must be approved by City Council ordinance.

Since the Administrative Zoning public hearing, City staff has made minor edits to the DA to reflect the Subdivision Map Act and clarify building codes that apply to the private district utility system and any improvements in the public right-of-way, as well as remove duplicative references to the POPA open space.

### **ENVIRONMENTAL REVIEW**

A Supplemental Environmental Impact Report (SEIR) was prepared for the Middlefield Park Master Plan (Master Plan SEIR), which supplements and tiers from the certified East Whisman Precise Plan Environmental Impact Report (Precise Plan EIR) and the Mountain View 2030 General Plan and Greenhouse Gas Reduction Program EIR (GP EIR). Preparation and use of an SEIR is appropriate when a project will have one or more new significant effects not discussed in a prior EIR and whereas only minor alterations or changes would be necessary to make a previous EIR adequately apply to a project. In this case, the City determined the proposal of the Master Plan, with a specific development program and construction schedule, would require additional analysis of air quality to account for the project-level impacts within the framework of the prior EIRs and the prescribed Bay Area Air Quality Management District's (BAAQMD) project-level thresholds. All other environmental impacts previously identified in the Precise Plan EIR and GP EIR adequately cover the proposed project, and the project would not result in any new or substantially more severe significant impacts than those previously disclosed.

Based on the methodology and thresholds for specific development projects used in the analysis in the SEIR, the project will result in significant and unavoidable air-quality impacts, which cannot be mitigated to a less-than-significant level even with implementation of all feasible mitigation measures. This impact finding is directly tied to the scale of this project along with the project having an 8.5-year construction schedule with four development phases. This means that construction activities (construction period) will be ongoing on the project site at the same time that portions of the project are completed and occupied (operational period), including the approved (yet to be constructed) residential project at 400 Logue Avenue immediately adjacent to the Master Plan area.

### **Significant Unavoidable Air-Quality Impacts**

The SEIR identified the impacts summarized below based on the City's and BAAQMD's thresholds of significance.

- **Impact AQ-1:** The project would conflict with or obstruct implementation of the applicable air-quality plan by resulting in operational, reactive organic gas (ROG) emissions, and health risks (primarily due to construction emissions) in excess of BAAQMD thresholds.
- **Impact AQ-2:** The project would result in a cumulatively considerable net increase of criteria pollutants for which the project region is in nonattainment under an applicable Federal or State ambient air-quality standard.
- **Impact AQ-3:** The project would expose sensitive receptors to substantial pollutant concentrations.
- **Impact AQ-C:** The project would result in a cumulatively considerable contribution to a cumulatively significant air-quality impact.

The Precise Plan EIR disclosed the implementation of the Precise Plan would result in long-term pollutant emissions from building operations (including operation of stationary sources like emergency backup diesel generators) and vehicle use/trips, but also stated that future projects under the Precise Plan would be reviewed against BAAQMD's operational criteria pollutant thresholds when proposed. As part of the SEIR, the project's operational emissions were modeled, which showed that the project would exceed BAAQMD's significant thresholds for ROGs, with the greatest sources of ROG emissions being architectural coatings and consumer products (at 64%) and mobile vehicle emissions (at 36%). While the project is required to use super-compliant volatile organic compounds (VOC) coatings on the new buildings, the City cannot control future application of coatings after the initial application, nor can the City ensure that consumer products used by future residents and tenants would be low in VOCs. Additionally, the mobile emissions from vehicles traveling to and from the project site have been reduced to the greatest extent feasible with TDM measures. Therefore, the project has mitigated to the greatest extent feasible, but will still result in a significant unavoidable air-quality impact.

Additionally, a Health Risk Assessment was conducted to determine outdoor air impacts at sensitive receptor locations within 1,000' of the project site, which could be exposed to elevated cancer risk and exposure to PM<sub>2.5</sub> due to construction emissions from diesel truck exhaust, stand-by generators, gas vehicles, etc. The closest sensitive receptor population is at the 400 Logue Avenue residential project. Based on the overlapping construction period and operational period of the Master Plan, the project would result in exposure of sensitive receptors near or on the project site to health risk impacts (primarily due to construction emissions), exceeding the BAAQMD's thresholds for cancer cases and annual PM<sub>2.5</sub> concentrations.

Implementation of standard conditions of approval and mitigation measures would reduce the health risk but not to a less than significant level. All other sensitive receptors located further away than 400 Logue Avenue from the Master Plan would not exceed BAAQMD thresholds.

It should be noted that 400 Logue Avenue is subject to the current 2019 Title 24 building standards, which require MERV 13 or greater air-filtration units in mechanical systems for residential buildings. A properly installed, maintained, and operating ventilation system with MERV 13 filters achieves an 80% reduction of ambient PM<sub>2.5</sub> concentrations at indoor areas, which could reduce the identified impact below the significance thresholds for sensitive receptors at 400 Logue Avenue. However, this assumes residents would keep their windows closed during construction of the project. And neither the City nor the applicant can feasibly implement, require, or guarantee this through mitigation measures by another property owner on an adjacent site, so it has conservatively been identified as a significant, unavoidable impact.

This significant unavoidable impact will require the adoption of a Statement of Overriding Considerations by the City Council as part of the adoption of the CEQA findings in order to approve the project. A Statement of Overriding Considerations demonstrates that the benefits of a project outweigh the significant unavoidable impacts. The benefits of the project have been included in the attached Findings of Fact and Statement of Overriding Considerations in Exhibit 1 to this report.

### **Other Less-than-Significant Impacts**

#### *Vehicles Miles Traveled*

The Middlefield Park Master Plan is consistent with the following Vehicle Miles Traveled (VMT) thresholds, resulting in a less than significant impact:

1. The Precise Plan EIR VMT threshold, as the project is consistent with the development program studied within the Precise Plan EIR, which predated the City's adopted Citywide VMT policy; and
2. The Citywide VMT policy adopted in 2020, which establishes screening criteria for projects that, if compliant, are presumed to have a less-than-significant transportation impact and no further VMT analysis is required. The project complies with the "transit screening" criteria within one-half mile of the Middlefield Light Rail Station and, thus, is found to be less than significant.

#### *Utility Impact Study*

A utility impact analysis (UIS) was prepared for the project to analyze potential impacts to City-provided wet utilities, including sanitary sewer, potable water, and recycled water. In

In addition to standard pre- and post-project modeling done with a typical UIS analysis to understand a project's impacts, this UIS analyzed scenarios accounting for the applicant's proposed private district utility system as operational and nonoperational (and how that may impact City systems), as well as potential future impacts to the City's recycled water system when it expands into the East Whisman area.

In total, the UIS concluded there are no significant impacts to the City's water system—there is sufficient sewer capacity to accommodate the project, but one pipe may need to be upsized by the applicant, if the private district utility system is installed; and, should the applicant pursue the private district system, it could impact the City's recycled water service capabilities in the East Whisman area. This is due to the fact that the 40-acre project is a large portion of the recycled water customer base to be removed in East Whisman, though it could also provide greater service capacity for other customers in the area. Overall, the project does not have significant impacts on utilities.

### **Public Circulation and Comments on SEIR**

The City released a Notice of Preparation (NOP) on October 1, 2021 and held a public scoping meeting to gather input as to the scope and content of the SEIR on October 14, 2021. The City received six written public comments on the NOP from the Native American Heritage Commission, Carpenters Local Union 405, California Department of Transportation, City of Sunnyvale, Santa Clara Valley Water District (Valley Water), and Santa Clara Valley Transportation Authority (VTA). At the public scoping meeting, one member of the public spoke requesting off-road pedestrian and bicycle connectivity from the project site to the City of Sunnyvale.

Additionally, the City released a Notice of Completion (NOC)/Notice of Availability (NOA) with a public Draft SEIR for a 45-day public comment period, from April 26, 2022 to June 10, 2022. The City received four written public comments on the Draft SEIR from: California Public Utilities Commission (CPUC), Mountain View Whisman School District (MVWSD), Valley Water, and VTA.

In response to the comments received on the Draft SEIR, a Final SEIR was prepared and circulated on August 19, 2022. The City received one public comment after publishing the Final SEIR from the Center for Public Environmental Oversight. A response to this comment is included in Attachment 19—Public Comments.

## **FISCAL IMPACT**

A fiscal impact analysis was prepared and included as Attachment 18 to this report. The project results in an estimated \$3.2 million of net annual revenue to the City's General Operating Fund, based on the following revenues and expenditures:

**Revenues**—A total revenue of \$5.7 million is anticipated at full build-out of the project, including:

- An increase of an estimated \$4.9 million in property tax revenue.
- An increase of an estimated \$242,200 in sales tax revenue.
- Not included in this total (but would be a revenue) is the approximately \$422,000 from one-time sales tax revenue distributed to the City, in lieu of the County, with the Use-Tax Point-of-Sale Permit related to the purchasing of construction materials.

**Expenditures**—A total of \$2.5 million of new City expenditures are estimated to result from the project growth, including:

- \$1.1 million in Police Department expenses.
- \$589,500 in Fire Department expenses.
- \$369,200 in Community Services Department expenses.
- \$482,800 in other City services (e.g., Library, administration, vehicle and equipment replacement, City Attorney, etc.).

It is anticipated that new City staff positions will be needed to meet service needs of the new project growth, including, but not limited to, at least one new parks maintenance position in the Community Services Department and new Police and Fire personnel, as well as contribute to the need for additional support staff throughout various City departments. This growth in staff has been anticipated with the 2030 General Plan and the East Whisman Precise Plan. Based on this analysis, the increase in expenditures for additional City staff is expected to be covered by the increased revenue generated by the project. Additionally, City departments will have multiple years to ramp up staffing to meet the service needs of this project; therefore, the City Council may anticipate staffing requests arising from City departments as part of the City's annual fiscal budget process over the next three to 10 years, depending on the pace of project development.

**Impact and Other Development Fees**—The project is also estimated to pay the following in fees to the City: (1) Nonresidential Housing Impact Fee is approximately \$19.3 million; (2) East Whisman Precise Plan Development Impact Fee is approximately \$12.6 million; and

(3) Transportation Impact Fee is approximately \$8.4 million. The Park Land Dedication Ordinance requirements for the project include a land dedication requirement of 9.12 acres, or a Park Land In-Lieu fee estimated at \$95,760,000. The applicant is anticipating to meet its obligation through land dedication, but interim phases of development will require a Letter of Credit from the applicant to the City until which time the land is provided, which will be equivalent to the in-lieu fee owed. Additionally, some of the park land obligation will be met with the 75% park land credit for the 2.87-acre POPA open space, which is estimated to be \$22.6 million.

### **ALTERNATIVES**

1. Approve the project with modified conditions.
2. Refer the project back to the DRC or EPC for additional consideration.
3. Recommend denial of the project.

### **PUBLIC NOTICING**

The Council agenda is advertised on Channel 26, and the agenda and this Council report appear on the City's website. All property owners and tenants within a 750' radius and other interested stakeholders were notified of this meeting, including nearby neighborhood associations (Slater, Wagon Wheel, North Whisman, and Whisman Station HOA) and the nearest City of Sunnyvale homeowners' association (adjacent to the City-limit boundary). Meeting information was also

posted on the City's project website: [www.mountainview.gov/googlemiddlefieldpark](http://www.mountainview.gov/googlemiddlefieldpark). The applicant also maintains a project website: [g.co/middlefieldpark](http://g.co/middlefieldpark).

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- Attachments:
1. Resolution to Certify Supplemental EIR
  2. Ordinance for Development Agreement
  3. Resolution for Master Plan
  4. Resolution for Vesting Tentative Map
  5. Resolution for Vacation of Easements
  6. Resolution for Surplus Land
  7. Resolution for Park Land Credit
  8. Middlefield Park Master Plan
  9. Middlefield Park Implementation Plan
  10. [EPC Staff Report Dated February 3, 2021](#)
  11. [Council Report Dated March 9, 2021](#)
  12. Community Meetings Summary
  13. [EPC Staff Report Dated October 19, 2022](#)
  14. [ZA Memo Dated October 26, 2022](#)
  15. Community Benefit Analysis
  16. BMR Alternative Mitigation Evaluation
  17. Summary of DA Key Terms
  18. Fiscal Impact Analysis
  19. Public Comments