



**DATE:** April 13, 2021

**CATEGORY:** Public Hearing

**DEPT.:** Community Development

**TITLE:** **1255 Pear Avenue**

### **RECOMMENDATION**

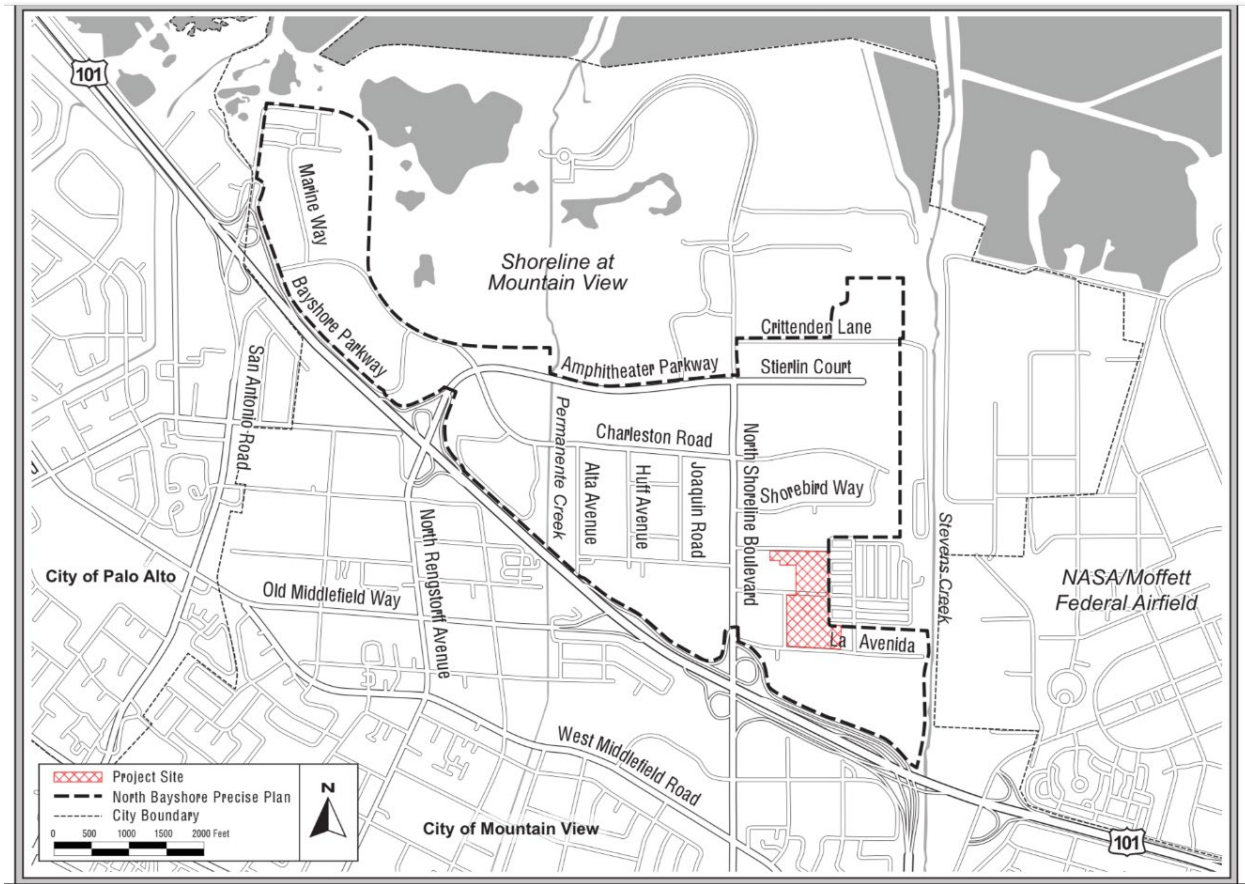
1. Adopt a Resolution of the City Council of the City of Mountain View Conditionally Approving Modifications to a Previously Approved Planned Community Permit, Development Review Permit, and Heritage Tree Removal Permit for a Mixed-Use Development Consisting of a 231,210 Square Foot Office Building and 635 New Multi-Family Residential Units, Retaining an Existing 156,317 Square Foot Office Building and Demolishing an Existing 103,513 Square Foot Industrial Building and the Removal of 84 Heritage Trees on a 16.2-Acre Site Bounded by La Avenida, Inigo Way, Space Park Way, and Santiago Villa Mobile Home Park (1255 Pear Avenue), 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 Conditionally Approving Modifications to a Previously Approved Tentative Map at 1255 Pear Avenue, to be read in title only, further reading waived (Attachment 2 to the Council report).

### **BACKGROUND**

The Sobrato Organization (Sobrato) is proposing modifications to the previous project approval at 1255 Pear Avenue related to the timing of the planned second phase of the project's residential component. A brief project history relevant to the current proposal and the current proposal are described below.

#### **Project Site**

The 16.2-acre project site is located in the southeastern portion of the "Pear Complete Neighborhood" area of the North Bayshore Precise Plan area as shown in Map 1. The project site is bounded by La Avenida to the south, Inigo Way to the west, Space Park Way to the north, and the Santiago Villa Mobile Home Park to the east.



**Map 1: 1255 Pear Avenue Project Site**

### **Prior Meetings and Hearings**

#### *October 23, 2018 City Council Meeting*

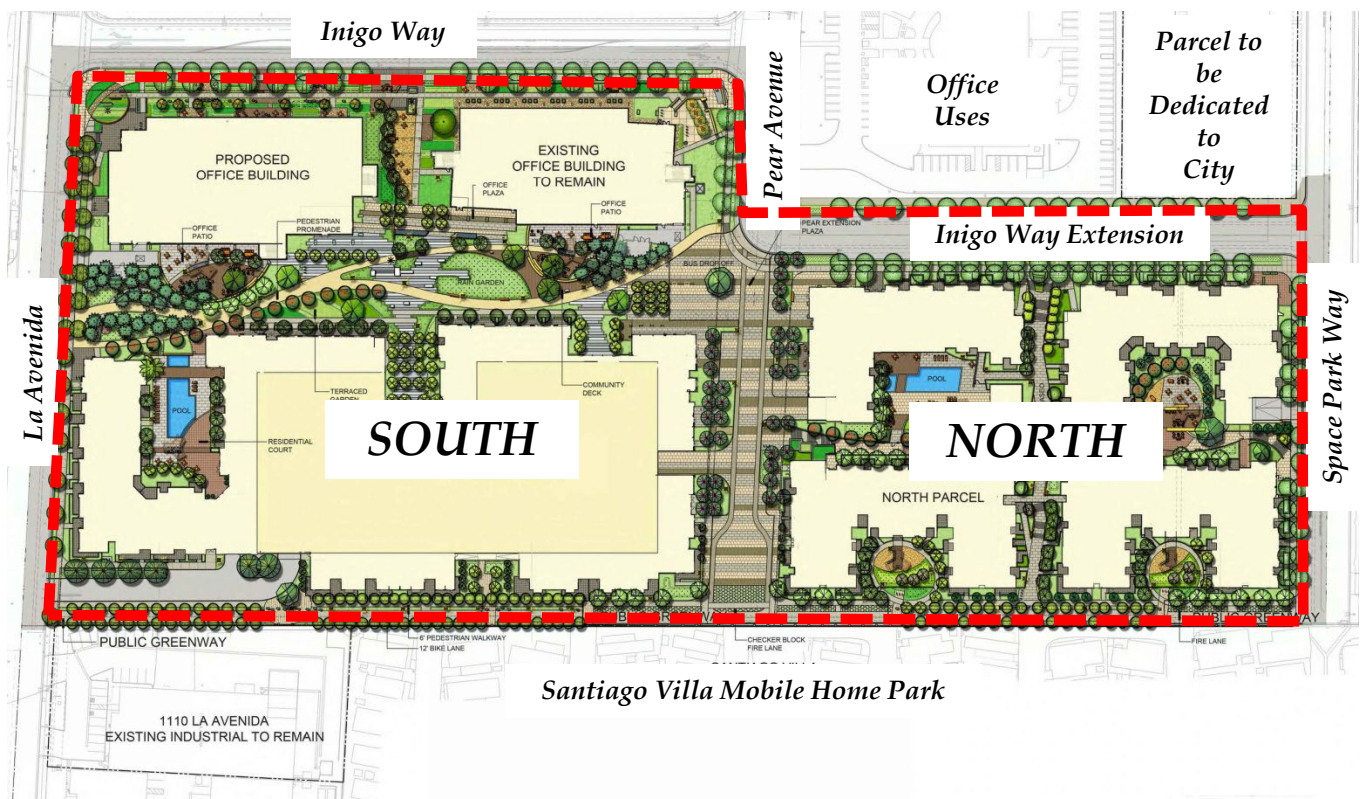
This project was initially approved by the City Council on October 23, 2018, as shown by the site plan below on Map 2. The project plans and Council report from this meeting can be found in Attachment 3 ([October 23, 2018 Council meeting](#)).

The project included several key elements:

- A new 231,210 square foot office building;
- Retaining an existing 156,317 square foot office building and demolishing an existing 103,513 square foot industrial building;

- 635 new multi-family units—220 units in the south area (Phase 1) and 415 units in the north area (Phase 2);
- Dedication of a 1.4-acre property to the City for a future affordable housing development;
- Extension of Inigo Way to connect Pear Avenue to Space Park Way;
- A new bicycle/pedestrian connection adjacent to the Santiago Villa Mobile Home Park; and
- Removal of 84 Heritage trees.

The south and north areas are shown in Map 2. The project includes properties owned by both Sobrato and Google LLC (Google). Google properties are called out in Map 3 below.



Map 2: Approved Site Plan

*September 10 and October 1, 2019 City Council Meetings*

The project was brought back to the City Council on September 10, 2019 in response to the applicant's request to modify Condition No. 190. The original Condition No. 190 approved in October 2018 specified that the office component of the development could not be occupied until the City completed construction of both the Highway 101/Shoreline Boulevard (NB) Off-Ramp project and the Plymouth Street Realignment to Space Park Way project. The applicant requested relief from this condition due to the significant delays it would cause to the development project. On September 10, 2019, the City Council approved amending Condition No. 190 and further clarified the amended Condition No. 190 on October 1, 2019 to read as follows:

**“190. SHORELINE BOULEVARD/HIGHWAY 101 (NB) OFF-RAMP (T-16) AND PLYMOUTH STREET REALIGNMENT (T-5) GATEWAY CAPACITY REQUIREMENTS:** The North Bayshore Precise Plan (NBPP) identifies capacity limitations at all three gateways. This development project is projected to add additional trips beyond the current Shoreline Boulevard gateway capacity. Priority transportation improvement projects are identified in the NBPP to accommodate additional gateway trips, including trips related to this development project.

The Highway 101/Shoreline Boulevard (NB) Off-Ramp Project (T-16), the Plymouth Street realignment to Space Park Way Project (T-5), and the Shoreline Boulevard Reversible Transit Lane (including a dedicated right-turn lane at Pear Avenue) are planned improvements that will provide Shoreline Boulevard gateway capacity for the development project. All three improvements will be built by the City. The Plymouth Street realignment to Space Park Way and the Shoreline Boulevard Reversible Transit Lane are expected to be complete prior to occupancy of the office component of the project, and the off-ramp realignment is scheduled to be complete in July 2022, within one month of the scheduled occupancy date of the office component.

Because of the above conditions, if occupancy of the office building occurs prior to completion of the off-ramp realignment AND the trip-cap is exceeded after two consecutive monitoring events, then: (1) Phase One of the Residential Component of the Project must be complete and Phase Two of the Residential Component of the Project must have initiated construction; and (2) the applicant shall fund a congestion pricing study up to \$1 million or make an equivalent contribution to the City for transportation improvements.”

### *Current Proposal*

Sobrato's current proposal is a request to move forward with Phase 1 of the project at this time and modify a condition related to the residential component in Phase 2 that would prevent the issuance of building permits for Phase 1.

They have noted that their negotiations with Google to acquire two of the three parcels for Phase 2 (Sobrato owns the third parcel) have halted due to the COVID-19 pandemic and, as a result, Phase 2 is expected to be delayed beyond their estimated timeline.

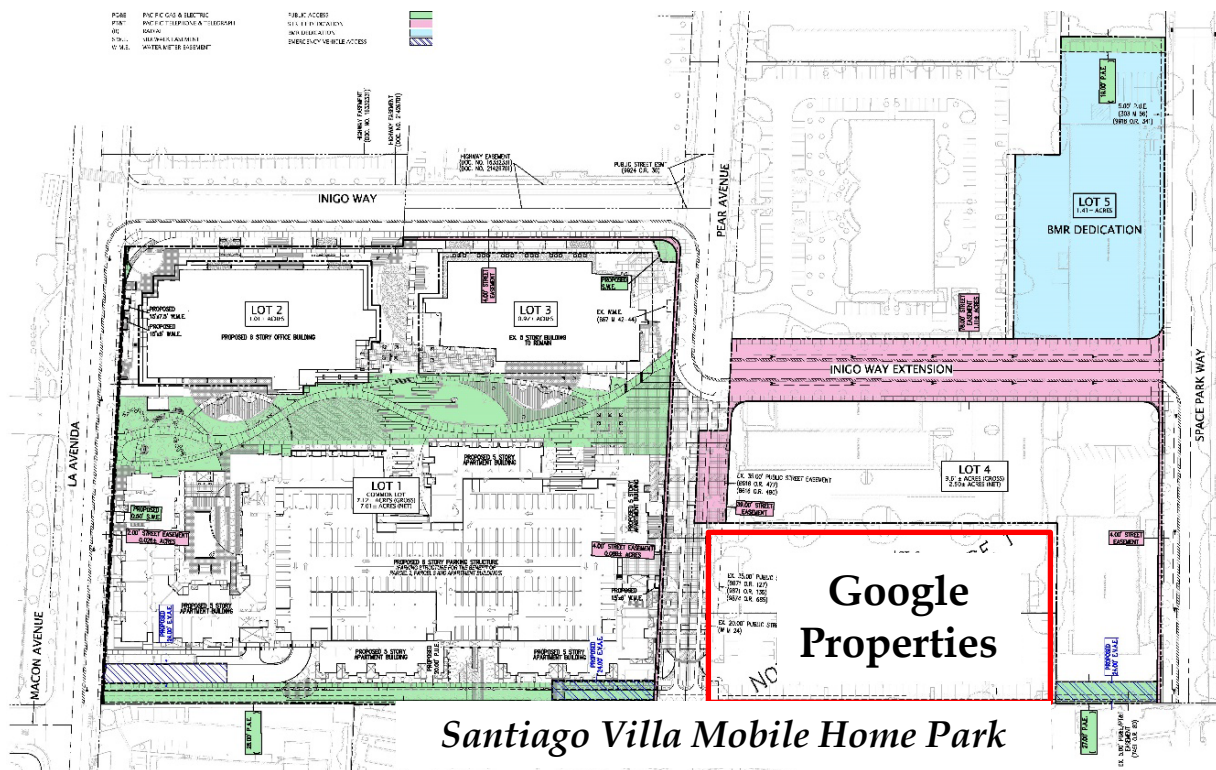
As part of Phase 1, they are proposing to move forward with the following elements of the previously approved project (some of which were previously planned for Phase 2). No other changes to the project are proposed other than the phasing request.

- South Area – construction of a 231,210 square foot office building, demolishing an existing 103,513 square foot industrial building, and 220 new residential units;
- Inigo Way extension between La Avenida and Space Park Way;
- Dedication to the City of the approximately 1.4-acre lot for affordable housing;
- Frontage improvements for Phase 1 and along the north parcel owned by Sobrato; and
- Bicycle and pedestrian pathway to the east of the south area (along the parcels in Phase 1).

Other than the phasing, Sobrato is not requesting modification of the Phase 2 residential component in the north area because Sobrato hopes to continue negotiations with Google, although they will likely be delayed. The Phase 2 elements include 415 new residential units, frontage improvements along the Google-owned parcels, and the bicycle/pedestrian pathway to the east of the Google-owned parcels.

However, Sobrato cannot move forward with Phase 1 without certain modifications to the Conditions of Approvals, primarily related to the Subdivision Conditions that prevent issuance of a Building Permit for Phase 1 until a Final Map that includes Sobrato acquiring the Google-owned properties is recorded.





*Santiago Villa Mobile Home Park*

**Map 3: Proposed Project Phasing Changes**

*Administrative Zoning/Subdivision Committee Public Hearing*

The current proposal was reviewed by the Zoning Administrator and Subdivision Committee on March 10, 2021, where the proposed modifications to the conditions of approval were recommended for approval. There were no speakers at the hearing, and no public correspondence was received pertaining to the application.

**ANALYSIS**

This project is the first new residential project approved in North Bayshore. As approved, the project includes 635 new multi-family units – 220 units in the south area (Phase 1) and 415 units in the north area (Phase 2). While the residential component of Phase 2 is delayed, the applicant has proposed and agreed to implement several key project contributions as part of Phase 1, some of which would otherwise have had to wait for Phase 2, including:

- Affordable Housing—The land dedication of the 1.4-acre site to the City for affordable housing will allow the City to move forward with a Request for Proposals for new Below-Market-Rate (BMR) housing at this location. This 1.4-acre parcel could potentially allow up to 175 units with a mix of studio and one- and two-

bedroom units and was approved as part of the original project to satisfy the conditions of approval for Phases 1 and 2. As currently conditioned, the land dedication would occur prior to issuance of the first residential building permit or the project's first certificate of occupancy, whichever comes first.

- Inigo Way Extension— The extension of Inigo Way along the frontage of the Phase 2 parcel to be funded by the developer will provide a key link from La Avenida to Space Park Way, which will help connect the parcels east of Shoreline Boulevard to the upcoming U.S. 101/Shoreline Ramp Realignment project. This connection will create an additional north-south connection and reduce vehicle trips on Shoreline Boulevard and would be most useful if it is completed prior to or at the same time as the ramp realignment project.

If Phase 2 of the project does not move forward with the Google-owned parcels, then the applicant will be required to seek Council approval to amend the project to include a new plan and design for the north area.

### **Modifications to the Conditions of Approval**

The following highlights the key modified conditions of approval requested by the proposed project, including staff recommended conditions (see Attachment 4 for the entire list).

- Deed Restriction— Staff proposes a condition for the Sobrato-controlled parcels in the north area that restricts the future use of these properties to only residential uses. This provides some assurance to the City that these parcels will only be used for residential uses and not for office uses, for example. Sobrato proposed and agreed to this deed restriction as a condition of approval to provide greater assurance that this area will be developed with residential uses in North Bayshore. If the north area Sobrato parcels were to develop with residential uses and not include the Google parcels, then further City review of this residential project would be required since the original configuration and design of the approved project would have changed (Condition No. 3, Attachment 4).
- Condition No. 190 (Shoreline Boulevard/Highway 101 (NB) Off-Ramp (T-16) and Plymouth Street Realignment (T-5) Gateway Capacity Requirements)— The applicant has requested that Condition No. 190 be modified to remove the

requirement related to the Phase 2 residential component of the project as shown below:

“Because of the above conditions, if occupancy of the office building occurs prior to completion of the off-ramp realignment AND the trip-cap is exceeded after two consecutive monitoring events, then: (1) Phase One of the Residential Component of the Project must be complete ~~and Phase Two of the Residential Component of the Project must have initiated construction~~; and (2) the applicant shall fund a congestion pricing study up to \$1 million or make an equivalent contribution to the City for transportation improvements.”

Due to the uncertainty of whether Sobrato will be able to acquire the Google-owned properties, the current condition as written could result in the office building sitting vacant for an extended period of time that is beyond the applicant’s control. The deed restriction recommended by staff could satisfy the Council’s objective in assuring that residential is built on the north parcel without linking it to the office building occupancy.

Staff has also updated the completion date for off-ramp realignment project and the Plymouth Street realignment project to March 2024 in Condition No. 190.

Staff further recommends revising the funding requirement if occupancy of the office building occurs prior to completion of the off-ramp realignment and the trip-cap is exceeded after two consecutive monitoring events to equal \$1 million rather than “up to” \$1 million and to give decision-making authority to the City on how the funding would be spent. Thus, the proposed new last paragraph for Condition No. 190 is as follows:

“Because of the above conditions, if occupancy of the office building occurs prior to completion of the off-ramp realignment AND the trip-cap is exceeded after two consecutive monitoring events, then: (1) Phase One of the Residential Component of the Project must be complete; and (2) the applicant shall provide \$1 million toward implementation of congestion pricing or a North Bayshore Priority Transportation Project as determined by the City.”

- Public Improvements/Tentative Map—The proposed amended Conditions of Approval also include revisions related to easement vacation and quitclaims and street and public access easement dedications to allow Phase 1 to receive building permit issuance without the acquisition of the Google-owned properties. These



revised conditions also include the requirement to provide the Inigo Way extension and frontage improvements along the north parcel owned by Sobrato as part of the Phase 1 off-site improvements.

- Affordable Housing Plan—Subsequent to the Zoning Administrator hearing, staff identified an additional item that would need to be clarified related to the phasing. Specifically, Condition No. 90 is also proposed to be amended to clarify that the parcel to be dedicated to the City for affordable housing parcel can be used for construction staging for the full project only if both phases occur close in time. As revised, the parcel can be used for construction staging during Phase 1 of the development (new office building and 220 residential units south of Pear Avenue) and staging can be extended to include Phase 2 of the project (415 units north of Pear Avenue) if a complete building permit for Phase 2 is submitted within 90 days of issuance of the first Certificate of Occupancy for the Phase 1 residential building.

### **FISCAL IMPACT**

The subject site has a current total assessed value of approximately \$166 million, and the current property taxes paid to the Shoreline Community are approximately \$1.6 million. When both phases are completed, the estimated property taxes paid to the Shoreline Community will be an additional \$5.1 million. For the completion of Phase 1 alone, the increase in property taxes are estimated to be an additional \$2.9 million. In addition to the property taxes generated, the project is subject to a North Bayshore Development Impact Fee of approximately \$3.9 million and a Housing Impact Fee of approximately \$3.2 million. The project will also provide a Park Land Dedication Fee of approximately \$30 million (this represents a 75 percent park credit for the project's 1.03 acre of publicly accessible private open space, which Council granted on April 9, 2019).

### **ENVIRONMENTAL IMPACT**

The project approved in 2018 included an adopted Initial Study checklist pursuant to Section 15168 ("Program EIR") of the California Environmental Quality Act (CEQA) Guidelines through which the City determined the project was consistent with and within the scope of the previously certified and adopted North Bayshore Precise Plan Environmental Impact Report (EIR) and 2030 General Plan and Greenhouse Gas Reduction Program EIR. The current proposal does not change what was already cleared under the previous CEQA analysis.

## **CONCLUSION**

As noted, the proposed modified project still retains several important elements to help implement the vision of the North Bayshore Precise Plan. These key elements include the first new residential project in North Bayshore, dedication of land to the City for BMR housing, and key public improvements, including the extension of Inigo Way.

In conclusion, staff recommends approval of the proposed project subject to the attached Findings Report and Conditions of Approval (Attachment 4).

## **ALTERNATIVES**

1. Approve the modifications with modified or additional conditions of approval.
2. Refer the project back to the Zoning Administrator for additional consideration.
3. Deny the modifications.

## **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 other interested stakeholders were notified of this meeting.

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- Attachments:
1. Resolution Conditionally Approving Modifications to a Previously Approved Planned Community Permit at 1255 Pear Avenue
  2. Resolution Conditionally Approving Modifications to a Previously Approved Tentative Map at 1255 Pear Avenue
  3. [October 23, 2018 Council Meeting](#)
  4. Zoning Administrator Findings Report