



DATE: November 27, 2018

CATEGORY: Public Hearing

DEPT.: Community Development

TITLE: **Development of Hope Street City Parking Lots 4 and 8**

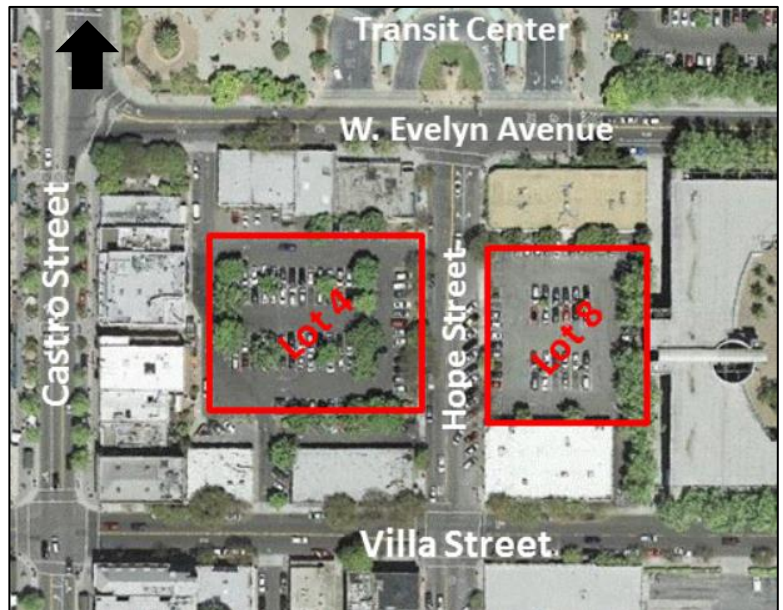
RECOMMENDATION

Adopt a Resolution Conditionally Approving a Development Review Permit and a Planned Community Permit to Construct a Five-Story Hotel Building with Three Levels of Subterranean Parking and a Four-Story Mixed-Use Office Building with Three Levels of Subterranean Parking and Associated Hope Street Improvements; and a Heritage Tree Removal Permit to Remove 11 Heritage Trees Located at Hope Street City Parking Lots 4 and 8, to be read in title only, further reading waived (Attachment 1 to the Council report).

BACKGROUND

Project Site

The 1.4-acre project site is located across two City-owned parking lots (Lots 4 and 8) along Hope Street, mid-block between West Evelyn Avenue and Villa Street, just south of the Mountain View Transit Center. The two lots currently serve as public parking lots and contain 149 parking spaces. Lot 4 is surrounded by one- and two-story commercial buildings and is connected to Castro Street by way of a midblock paseo, and Lot 8 is also surrounded by commercial buildings.



Location Map

There is a project on file to develop the property directly to the north of Lot 4 at 701 West Evelyn Avenue to construct a new four-story commercial building with approximately 34,000 square feet of office over 8,800 square feet of ground-floor retail and three levels of underground parking.

Project Overview

The project features a five-story hotel and three levels of underground parking on Lot 4 and a four-story office building with three levels of underground parking on Lot 8. Both buildings feature ground-floor retail space and publicly accessible open space. The project replaces 149 public parking spaces with 225 public parking spaces as well as parking for the hotel, office building, and retail spaces (see Attachment 2—Project Plans).

Previous Meetings and Public Hearings

Council Study Sessions and Actions

The City is the property owner of several parking lots in the downtown. On January 20, 2015, Council held a Study Session to discuss the future of City Parking Lots 4, 8, 11, and 12. Council elected to pursue development of Lots 4 and 8, which are located on Hope Street (also referred to in this report as Hope Street Lots) at that meeting and to create a Request for Qualifications and a Request for Proposals process to select a qualified developer. On January 12, 2016, after an extensive selection process that featured several Closed Sessions, The Robert Green Company was chosen as the developer and partner for Lots 4 and 8. On May 3, 2016 Council approved business terms and authorized the City Manager to execute a Disposition and Development Agreement (DDA) and Ground Lease with The Robert Green Company.

The DDA provides development parameters for the project. The City is leasing Hope Street Lots 4 and 8 to the Robert Green Company for a period of 55 years with four 10-year extensions available reaching up to 95 years. The improvements to Hope Street Lots will become City property at the end of the lease term.

An informal application was presented to the City Council at a Study Session on November 28, 2017, to receive early project direction. More recent Closed Session meetings on March 27, 2018 and October 16, 2018 focused on the development of a joint parking plan with the 701 West Evelyn Avenue project proposed to the north of, and adjacent to, Lot 4. The joint parking plan is still moving ahead and project plans will be modified as needed at a later date to accommodate a revised joint parking layout.

Community Meetings

An informal version of the project was presented for informational purposes at the Chamber Business Issues and Public Policy meeting on November 8, 2017, and to the Central Business Association Board on November 21, 2017. The project was presented again at a Chamber Business Issues and Public Policy meeting on November 6, 2018, seeking Chamber support. The Chamber Board voted to support the project on November 14, 2018.

On November 9, 2017, staff presented the project to Mountain View Coalition for Sustainable Planning and on November 13, 2017, to the Old Mountain View Neighborhood Association. Attendees at these meetings were generally not supportive of the project. The main issue of concern was that downtown projects needed more attention to their phasing to minimize impacts to traffic, parking, and noise. Community members were worried about the amount of office being developed in downtown and also that the temporary loss of the parking would cause parking to spill into the Old Mountain View Neighborhood.

The applicant held a community meeting on May 31, 2018, where approximately 15 people attended. Several attendees commented that they liked the design of the buildings and believed them to be a great addition to downtown Mountain View. Question topics were construction staging, Blossom Lane and Hope Street access, parking management, and how the project was going to work with the other new development nearby in the pipeline. Staff answered these questions by stating that the project's conditions of approval will require a final review and ongoing oversight of the parking management and construction logistics plans to address these issues.

Development Review Committee (DRC)

The project was reviewed by the DRC at three meetings in 2018 on April 18, July 18, and September 5. Revisions were made to the project based on DRC direction and a recommendation of approval was provided on September 5, 2018.

Downtown Committee

The Downtown Committee has received monthly updates on the Hope Street Lots project since 2015. The project was formally presented to the Downtown Committee on May 1, 2018 and November 7, 2018. Project design received significant support. Questions revolved around waste collection, construction impacts, back-of-house activity on Blossom Lane, Hope Street shuttle staging, and wayfinding throughout the buildings to assist members of the public using the parking lots. Staff was available to

discuss how the project will continue to work out these issues during the Building Permit stage. The developer will continue to work with the City and neighbors on waste collection plans, construction staging, and transportation logistics prior to construction.

Administrative Zoning Public Hearing

The project was presented at the Administrative Zoning Public Hearing on November 14, 2018. Three members of the public commented on the project. One asked about an interim parking plan, and staff answered that there is an interim parking plan in place (discussed in the Parking section of the report). The other two commenters represented labor unions and brought up certain items regarding staff's analysis of the project (see Attachment 3 – CEQA Comment Letters and City Response).

The Zoning Administrator recommended approval of the project to the City Council, subject to the recommended Conditions of Approval (see Attachment 1 – Resolution for a Planned Unit Development Permit, a Development Review Permit, and a Heritage Tree Removal Permit with Conditions of Approval).

ANALYSIS

General Plan Designation

The site's General Plan designation is Downtown Mixed-Use and is located in the Central Neighborhoods/Downtown Planning Area. This area is composed of a mix of different land uses, including medium-rise office and multi-family residential, commercial retail, single-family residential, public facilities, and parks.

The proposed project is consistent with the General Plan's vision for the area, which includes office, commercial, and retail uses and is in compliance with the following General Plan Policies:

- ***LUD 3.1: Land use and transportation.*** Focus higher land use intensities and densities within one-half mile of public transit service, and along major commute corridors.
- ***LUD 3.2: Mix of land uses.*** Encourage a mix of land uses, housing types, retail and public amenities, and public neighborhood open spaces accessible to the community.

- **LUD 6.1: Neighborhood character.** Ensure that new development in or near residential neighborhoods is compatible with neighborhood character.
- **LUD 6.3: Street presence.** Encourage building facades and frontages that create a presence at the street and along interior pedestrian paseos and pathways.
- **LUD 6.5: Pedestrian and bicycling improvements.** Support pedestrian and bicycling improvements and connections between neighborhoods.
- **LUD 7.1: Downtown.** Promote downtown as a daytime and nighttime center for social, entertainment, cultural, business, and government activity.
- **LUD 7.3: Human-scaled building details.** Support new and renovated downtown buildings that include human-scaled details such as transparent windows on the ground floor that face the street, as well as awnings and architectural features to create a comfortable and interesting pedestrian environment.
- **LUD 7.5: Compatible uses and design.** Ensure compatible uses and building design downtown along the boundaries between residential and commercial areas.
- **LUD 7.6: Parking space flexibility.** Encourage a portion of downtown street parking spaces to be removed or reconfigured to accommodate pedestrian and bicycle amenities.
- **LUD 8.2: Streets friendly to bicyclists and pedestrians.** Encourage a network of streets friendly to bicyclists and pedestrians that create a safe and comfortable environment and include convenient amenities and features.
- **LUD 8.3: Enhanced publicly accessible bicycle and pedestrian connections.** Encourage new and existing developments to enhance publicly accessible bicycle, pedestrian, and transit connections.
- **LUD 9.2: Compatible transit-oriented development.** Encourage transit-oriented development that is compatible with surrounding uses and accessible to transit stations.
- **LUD 9.4: Enhanced pedestrian activity.** Ensure commercial development enhances pedestrian activity through these strategies:
 - Encourage the first level of the building to occupy a majority of the lot's frontage, with exceptions for vehicle and pedestrian access.

- Allow for the development of plazas and dining areas.
 - Encourage the majority of a building’s ground-floor frontage to provide visibility into the building by incorporating windows and doors.
 - Require that ground-floor uses be primarily pedestrian-oriented.
 - Ensure pedestrian safety and access when designing parking areas and drive-through operations.
 - Minimize driveways.
- ***LUD 10.1: Sustainable design and materials.*** Encourage high-quality and sustainable design and materials.

Zoning District Area H

The site’s zoning district is the P-19 (Downtown) Precise Plan. The hotel project on Lot 4 is in Area H of the Precise Plan, and a hotel use and hotel restaurant are allowed in this area with an approved Provisional Use Permit. The hotel project complies with the Downtown Precise Plan Area H Development Standards, including setbacks, building coverage, public parking supply, and height.

The roof of the hotel is below the 55’ maximum, but it should be noted that there are architectural projections on the roof that exceed 55’. The elevator shaft opening to the rooftop open space reaches 70’ in height while the trellis feature over the rooftop bar and mechanical screening reach 65’ in height. Staff considers these projections to be incidental to the proposed use and architectural features, which are allowed to exceed 55’ per the Precise Plan height standards.

The hotel on Lot 4 proposes five stories instead of the Precise Plan’s four-story limit. During earlier Study Sessions, City Council stated their support for the hotel to propose five stories rather than four so long as the project met the numerical height limit. As noted above, the project is below the 55’ height limit standard of the Precise Plan but is requesting an exception to the allowed number of stories.

Zoning District Area G

The office project on Lot 8 is in Area G of the Precise Plan. Office uses are permitted uses in Area G, and the office project complies with the Downtown Precise Plan Area G

Development Standards, including floor area ratio, setbacks, open space, parking, and height.

Project Design

The project includes the redevelopment of the two public parking lots with a new hotel, office building, and below-grade parking structures that add a net increase of 76 dedicated public parking spaces. The project is broken down into further detail below.



Site Plan

Hotel Building

The hotel building is situated on Lot 4 and proposes a 179-room, 120,518 square foot hotel to be operated by Joie de Vivre Hotels. The ground floor of the hotel building is publicly accessible and features a lobby, restaurant, bar, café, meeting rooms, and a central courtyard gathering area. The hotel building also provides a connection to the Blossom Lane paseo that provides a pedestrian thoroughfare directly to Castro Street. Hotel rooms make up all of Floors 2 through 5 while a publicly accessible bar and

landscaped gathering space are located on the roof of the hotel. Three levels of underground parking will provide public parking on the uppermost floors while the lower portions of the garage will serve hotel guests and valet parking operations.

The hotel architecture features traditional materials like brick, wood, and metal. Rich detailing of the facade and storefront level provide sound urban design. The massing respects the historic district as the building is broken into three facade treatments, and the ground floor has distinctive building entrances to provide visual interest.



Hotel Building

Office Building

The office building is situated on Lot 8 and is proposed to be 52,506 square feet with approximately 49,000 square feet dedicated to office use and 3,500 square feet dedicated to retail use. The ground floor of the building features a lobby, private office space, and two retail spaces. A large plaza area is located between the building and the sidewalk on Hope Street, creating gathering space and seating opportunities for the two retail spaces facing the plaza. Three levels of underground parking will provide public parking on the uppermost floors while the lower portions of the garage will serve office users. When office users are not using the parking spaces on evenings and weekends, those spaces will also be available to the public. A midblock crossing connects the plaza area to the hotel entry, making it easy for pedestrians to move between the two sites.

The office building architecture also features traditional materials like brick and metal. The design has similarities to the hotel project across the street, but care was taken to use different material colors and facade details to differentiate the office building while still blending with the hotel. The office building features side and rear setbacks and a large plaza in the front to provide appropriate pedestrian-level massing. The plaza and ground-floor retail design also includes details in the brick work and pronounced entrances that will add to the pedestrian environment downtown.



Office Building

Off-Site Improvements

Pedestrian improvements to the Hope Street sidewalks are an important feature of the project and create access from the two sites to Castro Street. Council originally directed that the project should provide 10' sidewalks on each side of Hope Street. Staff proposes that the project create a 12' wide sidewalk on the western hotel side of the street and an 8' wide sidewalk on the eastern office side of the street because the hotel is proposed to be built to the front property line while the office building provides a plaza space adjacent to the sidewalk. Providing 12' of sidewalk on the hotel side improves the pedestrian experience greatly while an 8' sidewalk on the office side does not have a negative impact because the office's plaza area adjacent to the sidewalk will make it feel

wide and comfortable. Existing sidewalk widths on Hope Street vary generally between 5' and 8'.

In addition to the pedestrian improvements along Hope Street, the project proposes pedestrian access across the site. A midblock crossing will connect the two retail areas and building entrances. Pedestrians will be able to walk west through the hotel to find the connection to the paseo that links the hotel site to the 100 block of Castro Street.

Trees

A tree survey was completed for the project site by Certified Arborist Allie Strand and reviewed by the City arborist. The tree survey identified, measured, mapped, and rated the trees for preservation, which took into consideration the trees' age, health, structural condition, and proximity to the proposed structures and site development. Due to the changes proposed to Hope Street and Blossom Lane and the subterranean parking garages proposed for the entirety of both sites, only four trees could be retained which are London plane trees in the southeast corner of Lot 8. The project calls for the removal of 55 trees, 11 of which are Heritage trees and 9 are street trees.

The typical replacement ratio for the removal of Heritage trees is 2:1 with a minimum of 24" box replacement trees. The applicant is proposing twenty-two (22) 36" box replacement trees and eight (8) 48" box replacement trees, which represents a replacement ratio close to 3:1, and are box sizes larger than the minimum required. Additionally, the planting plan includes four giant bird of paradise plants in 36" size. Eleven (11) of the proposed trees are to be placed on the roof of the hotel building. The table below shows the canopy coverage from existing to the new project at maturity.

Tree Canopy Coverage

	Canopy Coverage
Existing Trees	41%
Retained + New at Time of Planting	5%
Retained + New at 10 Years	18%
Retained + New at Maturity	41%

Open Space and Landscaping

The proposal includes planters throughout the ground floor at the pedestrian level. High-quality landscaping will be located along Hope Street and Blossom Lane and in the plazas and courtyards of the office and hotel buildings. The hotel roof open space will feature native and drought-tolerant landscaping and trees. Staff will continue to work with the applicant on the specific design of the hotel courtyard and office plaza landscaping design to ensure its quality and value to the public realm.

Transportation

Traffic Study

A traffic consultant, TJKM, was hired to perform a Traffic Impact Analysis (TIA). The consultant's scope of work was approved by staff prior to the start of work. The TIA included study of existing conditions for the roadway system, pedestrian facilities, bicycle facilities, transit facilities, and parking. The extensive analysis also observed baseline peak hour traffic volumes, level of service for 24 nearby intersections, and level of service for 7 nearby roadway segments.

Following this existing conditions research, the TIA determined trip generation and trip distribution for the project. Furthermore, the study considered approved projects, planned development, and other changes to the area in the future. The study weighed all of this data to determine any potential impacts to intersection level of service, roadway segment level of service, transit facilities, pedestrian facilities, bicycle facilities, and parking.

The TIA found that all traffic impacts of the project were less-than-significant and within City standards and the projects do not create enough vehicle trips to warrant further analysis. However, the data presented in the TIA demonstrates a signal is warranted at the intersection of Hope Street and Villa Street due to the increase in pedestrian activity at that intersection that the project is expected to generate once completed.

Transportation Demand Management Program

The applicant submitted a Transportation Demand Management (TDM) Plan to the City on February 28, 2018. The TDM Plan includes several measures to reduce vehicle trips, including:

- Passenger loading areas for easier use by Transportation Network Companies.

- Short-term and long-term bike parking in the hotel and office building sites, including bike racks, indoor storage, and locker facilities (20 short-term and 20 long-term facilities total).
- Transportation coordinators at the hotel and office building to oversee rideshare matching programs.
- Free community shuttle for hotel guests and employees.
- Travel information board or website that promotes Caltrain and VTA services.
- Free transit passes for employees of the hotel and offices.
- Parking cash-out for employees.
- Alternative work schedule information will be provided to employers.
- Car-share on-site.
- Loaner bicycles for use by hotel guests.
- Membership in the Transportation Management Association (TMA).

Parking

The project proposes two 3-level subterranean parking garages containing a total of 385 parking spaces, which includes 225 full-time dedicated public parking spaces and 160 spaces to serve the hotel, office, and retail uses. A parking management plan will determine where and how public and private spaces will be identified. The parking management plan will also set parking time limits and include times (such as evenings and weekends) when the 160 private parking areas are not being fully utilized and available to the public. Since the current Public Parking Lots 4 and 8 have a total of 149 spaces, the 225 full-time dedicated public parking spaces that the project provides yield 76 net new public parking spaces.

One hundred (100) of the 160 spaces are estimated to be used by the future office building tenant(s), and 60 spaces are expected to be used by the hotel. An approved parking management plan is a requirement of the DDA with the City and is included as a Condition of Approval. Even with an approved management plan in place, parking will be monitored for six months following the opening of the project to determine if

any changes to the management plan need to be made, including the location of the public parking spaces.

There are currently approximately 20 on-street parking spaces on the section of Hope Street between West Evelyn Avenue and Villa Street. Early project direction from Council requested that Hope Street Lots project remove its angled parking in favor of parallel parking, which would reduce some spaces but narrow the street. Additionally, the applicant has requested that the project's entire hotel street frontage and half of its office frontage be devoted to valet and pick-up/drop-off activity and not to on-street parking. This would create a net decrease of approximately 14 on-street spaces.

Temporary Parking Plan

Lots 4 and 8 currently have a total of 149 public surface parking stalls that will be unavailable during the approximately two years of project construction. In order to create replacement spaces that could be used during project construction, the City leased a 16,100 square foot vacant lot near the southeast corner of Villa and View Streets. This lot has capacity for approximately 54 vehicles. Additionally, the City purchased an 11,250 square foot parcel at the south end of Lot 11, increasing the size of that lot to 63,500 square feet (1.46 acres). Lot 11 had a capacity of 99 vehicles before this acquisition, but also had different grades, making for an inefficient parking lot. With the assemblage of the additional property and by grading and restriping Lot 11 in a more efficient layout, the parking capacity could be increased to approximately 200 spaces. With both of these parking lots, a net increase of 150 public parking spaces will be provided in the downtown. Staff is also exploring opportunities to utilize parking at Kaiser Permanente or could expand valet services at other City parking lots as needed.

ENVIRONMENTAL REVIEW

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

Staff received two letters challenging the CEQA determination (see Attachment 3—CEQA Comment Letters and City Response). Staff's evaluation of these comments and responses can be found in Attachment 3.

FISCAL IMPACT

Once the project is completed, the City will receive revenues from minimum base, percentage, bonus, and participation rents. In addition, the hotel and office will generate Transient Occupancy, Sales, and Property Taxes. The City is projected to receive net annual revenues as follows:

Year 1	\$335,000
Year 6	\$864,000
Year 11	\$2.8 million
Year 21	\$4.2 million
Year 31	\$6.8 million

The project is subject to the City's commercial Housing Impact Fee. Payment of the required fee would result in an estimated payment to the City of \$1.5 million.

CONCLUSION

The Project maintains and enhances the appearance of the community as it allows an underutilized property to be redeveloped and enhanced into a development that supports the surrounding community and visitors. The Project will redevelop the City parking lots with a new hotel and office building that will be harmonious in appearance with the existing residential and commercial development in the surrounding area. The Project will maintain property values through quality development and provide 225 full-time public parking spaces which results in 76 net new public parking spaces from what currently exists. The project promotes well-designed development that is compatible with and harmonious with surrounding uses and developments and is consistent with other existing, under-construction, and proposed projects in the area. The proposal also fulfills the Disposition and Development Agreement and ground leases.

The project has been reviewed by the City Council at a Study Session, the DRC, the Zoning Administrator, and was presented to the community at multiple neighborhood meetings. The DRC and Zoning Administrator found the project well designed and compatible with the massing and character of the surrounding neighborhood and that the proposed development provides ample common useable open space and on-site amenities for the office and hotel users, appropriate height transitions, adequate setbacks, and adequate parking for both on-site uses.

The Zoning Administrator finds that the proposed project is consistent with the 2030 General Plan, Zoning Ordinance, Downtown Precise Plan, and the Heritage Tree

Ordinance and recommends that the City Council conditionally approve the project subject to the recommended conditions of approval.

ALTERNATIVES

1. Approve the project with additional and/or modified conditions.
2. Refer the project back to the DRC and/or Zoning Administrator for additional consideration.
3. Deny the project.
4. Provide additional direction to staff.

PUBLIC NOTICING

The Council's agenda is advertised on Channel 26, and the agenda and this report appear on the City's website. All property owners and tenants within a 750' radius were notified of this meeting, as were the OMOVNA, Chamber of Commerce, and CBA.

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MvO/2/CAM
835-11-27-18CR

- Attachments:
1. Resolution for a Planned Unit Development Permit, a Development Review Permit, and a Heritage Tree Removal Permit with Conditions of Approval
 2. Project Plans
 3. CEQA Comment Letters and City Response