

# COUNCIL REPORT



**DATE:** April 12, 2022

**CATEGORY:** Public Hearing

**DEPT.:** Community Development

**TITLE:** **Commercial Development at 590 Castro Street**

## **RECOMMENDATION**

1. Adopt a Resolution of the City Council of the City of Mountain View Approving a Planned Community Permit and Development Review Permit to Construct a New Four-Story, 105,361 Square Foot Commercial Building with Two Levels of Underground Parking; Provisional Use Permit for a Parking Reduction to Allow 255 Parking Spaces in Lieu of the Required 312 Spaces and 13,997 Square Feet of Ground-Floor Office Space; and a Heritage Tree Removal Permit to Remove Nine Heritage Trees; and Finding the Project to be Categorically Exempt Pursuant to CEQA Guidelines, Section 15332 ("In-Fill Development Projects") at 590 Castro Street, to be read in title only, further reading waived (Attachment 1 to the Council report).
2. Adopt a Resolution of the City Council of the City of Mountain View Approving a Preliminary Parcel Map to Combine Five Lots into One Lot; and Finding the Project to be Categorically Exempt Pursuant to CEQA Guidelines, Section 15332 ("In-Fill Development Projects") at 590 Castro Street, to be read in title only, further reading waived (Attachment 2 to the Council report).



Figure 1: Project Location

## **BACKGROUND**

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

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



Figure 2: Site Plan

## Project Overview

The applicant, the Sobrato Organization, proposes to redevelop the project site with a four-story, 102,442 square foot commercial building over two levels of underground parking. The three upper floors of the building are proposed to include office space, and the ground floor includes space with retail/restaurant and other uses permitted in the Downtown Precise Plan, with a small amount of ground-floor office to the northwest of the building, adjacent to the public plaza. A single-vehicle driveway is proposed from Church Street providing access to the underground parking garage, and a new public plaza connecting Castro Street to Pioneer Park is proposed along the north side of the building, adjacent to City Hall.

## **Previous Meetings**

### *Development Review Committee*

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

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

The applicant has begun to address DRC recommendations in the current plans and will continue to work with staff through the building permit process if the project is approved.

### *Neighborhood Meeting*

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

### *Parks and Recreation Commission*

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

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

In June 2021, the project was presented to the Parks and Recreation Commission (PRC) for their input and recommendation on the location of the replacement public parking in the landscaped

area, adjacent to the Chamber of Commerce building, and the potential removal of the Heritage cherry tree.

The PRC recommended the City Council approve the relocated parking spaces and the removal of one Heritage tree, including the planting of two new 24" box replacement trees.

#### *Administrative Zoning and Subdivision Committee Meeting*

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

### **ANALYSIS**

#### **General Plan**

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

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

- **LUD 3.2—Mix of Land Uses.** Encourage a mix of land uses, housing types, retail, public amenities, and public neighborhood open spaces accessible to the community.
- **LUD 3.7—Upgraded Commercial Areas.** Encourage the maintenance, enhancement, and redevelopment of older commercial districts, shopping centers, and corridors.
- **LUD 3.9—Parcel Assembly.** Support the assembly of smaller parcels to encourage infill development that meets City standards and spurs neighborhood reinvestment.
- **LUD 6.3—Street Presence.** Encourage building facades and frontages that create a presence at the street and along interior pedestrian paseos and pathways.

- **LUD 7.3—Human-Scaled Building Details.** Support new and renovated downtown buildings that include human-scaled details, such as transparent windows on the ground floor that face the street as well as awnings and architectural features to create a comfortable and interesting pedestrian environment.
- **LUD 9.4—Enhanced Pedestrian Activity.** Ensure commercial development enhances pedestrian activity through these strategies [implemented by the proposed project]:
  - Encourage the first level of the building to occupy a majority of the lot’s frontage, with exceptions for vehicle and pedestrian access.
  - Allow for the development of plazas.
  - Encourage the majority of a building’s ground-floor frontage to provide visibility into the building by incorporating windows and doors.
  - Require that ground-floor uses be primarily pedestrian-oriented.
  - Ensure pedestrian safety and access when designing parking areas and drive-through operations.
  - Minimize driveways.

### **Zoning**

The site’s zoning designation is P-19 (Downtown) Precise Plan and is located within Area I, Civic Center/Eagle Square/Gateway Block.

The project complies with the applicable design guidelines in Area I, including:

- New development should preserve the rhythm and scale of existing downtown buildings by means of variation in height, bulk, window and facade treatment.
- Covered arcade along the ground-level frontages to provide further facade articulation and enhance the pedestrian experience.
- A broad open space connection through a landscaped plaza between Castro Street and Pioneer Park that will make the park more physically and visually accessible to passers-by on Castro Street.
- Active ground-level uses along Castro Street and a portion of the open space connecting Castro Street to Pioneer Park.

- Building's upper floors set back from Pioneer Park to provide solar access and visual relief along the edge of the park.
- Access to the site from Church Street with vehicular access at least 50' from the Castro Street property line to ensure viable ground-floor commercial space at the corner of Castro and Church Streets.
- Ground-floor uses with primary access directly to the street.
- Building walls punctuated by well-proportioned openings that provide relief, detail, and variation on the facade.
- Use of high-quality building material.

The project complies with the applicable design guidelines in Area I, including:

**Table 1: Compliance with Area I Development Standards**

<b>Standard</b>	<b>Requirement</b>	<b>Proposed</b>
Height	Four stories and 55' maximum	Four stories and 55' maximum
Building Coverage	70%	69.6%
FAR (Floor Area Ratio)	None	2.55
Build-to-Lines Along Streets	Build to back of sidewalk along Castro Street	Build to back of the sidewalk along Castro Street
Side-Yard Setback	None	50'2" Paseo Side and 5' along Church Street
Rear-Yard Setback	None	15.7' Rear (along driveway easement)
Parking	1/333 square feet for Office; 1/300 square feet for Retail; Total of 312 spaces	255 spaces (see discussion on Parking)
Bike Parking	28 spaces	52 spaces
Pedestrian landscaped connection between Castro Street and Pioneer Park	50-60' wide	50'2" wide
Open Space	30% minimum	47.9%

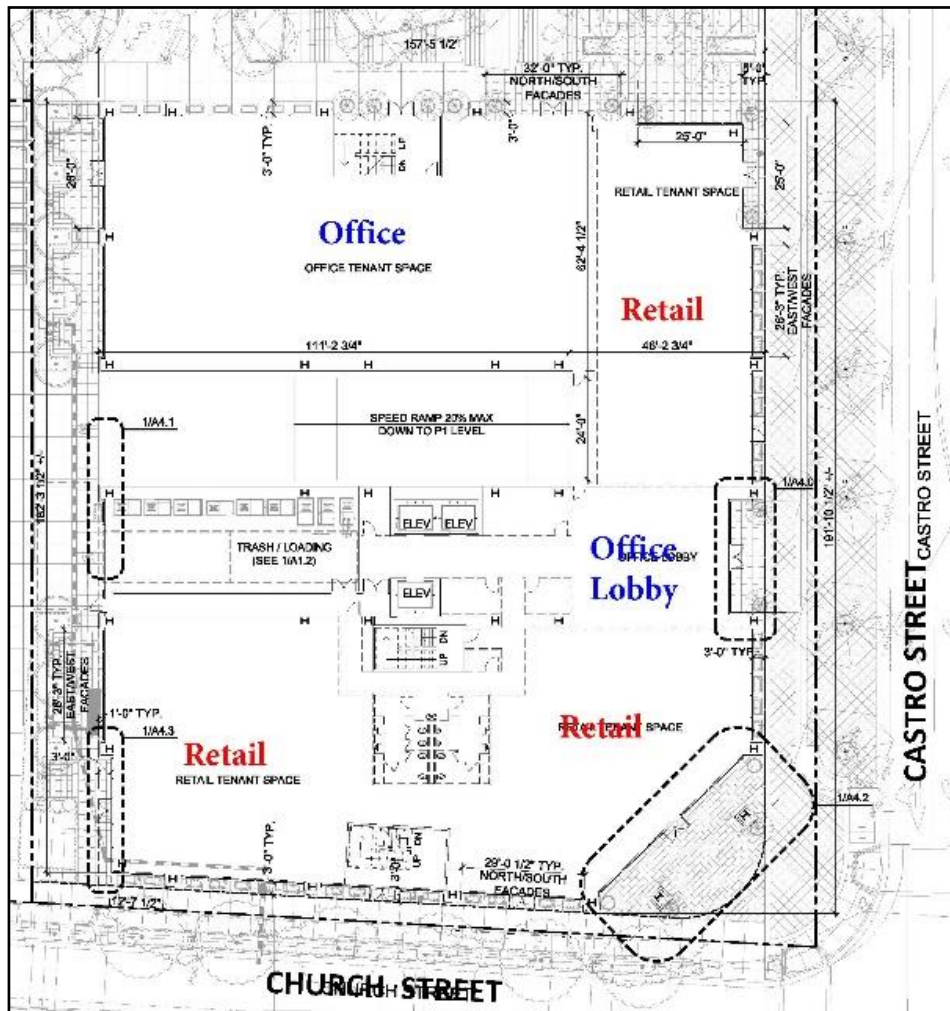


Figure 3: Ground-Floor Plan

**Provisional Use Permit for Ground-Floor Office Use**

The project is proposing retail and other active uses along the Castro Street and Church Street frontages. However, the applicant is proposing ground-floor office space in the amount of 13,997 square feet, located behind the retail/active ground-floor space along the Castro Street frontages. The applicant is proposing the office space noting that it would be difficult to tenant the space with retail or other uses that rely on street frontage.

Ground-floor office use is conditionally permitted within Area I. Historically, ground-floor spaces tucked away from the street frontages are difficult to rent for active uses that rely on pedestrian activity. Office uses do not rely on such activity and are easier to locate in such areas. Therefore,



staff believes that in order to have space that can be successfully rented and does not remain vacant, the combination of the active ground-floor space along the street frontages and ground-floor office adjacent to the proposed plaza and off the public street frontages is appropriate. Staff, therefore, recommends approval of the Provisional Use Permit for the ground-floor office adjacent to the plaza and behind the active space along Castro Street, as proposed.

### **Project Design**

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



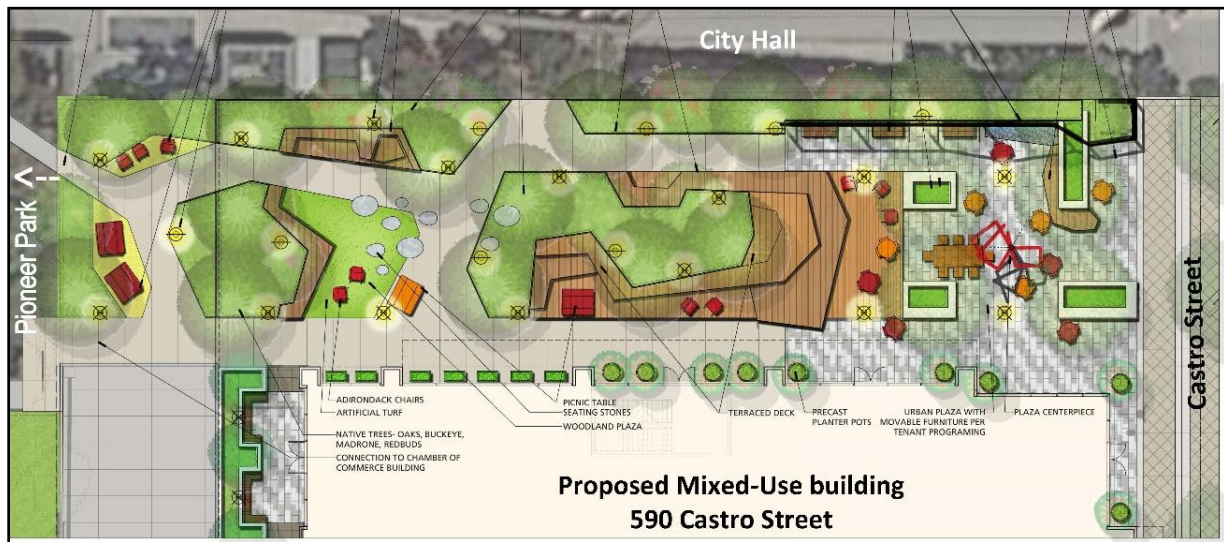
***Figure 4: Building Elevation at Corner of Church Street and Castro Street***

The Castro Street and Church Street corner has been carefully designed with special emphasis on a corner entry and step-backs at the upper floor with a wooden soffit at the top level. The design also emphasizes the ground-floor retail tenant spaces along the Castro Street and Church Street frontages, which comprise most of the building frontage on Castro Street, through large, clear glass storefront windows, landscape planters, and trellises.

## **Open Space and Trees**

The project proposes 19,800 square feet of open space distributed as various levels. This includes 13,970 square feet of open space at the ground level, which accounts for 33% of the lot area and generous upper-floor terraces (5,834 square feet).

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



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

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

A portion of the proposed plaza extends on the City property in front of the City's trash enclosure to provide continuous landscape connection from Castro Street to the Pioneer Park. Staff has worked with the applicant on this extended plaza connection design. This would require the City's trash enclosure to be relocated. Currently, the city's trash enclosure, between City Hall and the Chamber of Commerce building, is serviced via the drive aisle on City property and the former Wells Fargo Parking lot. With the redevelopment of the site, the enclosure will no longer be accessible. The applicant has offered to construct a new trash enclosure behind the Center for the Performing Arts Building as designed by the City as part of CIP 19-52, Mountain View Center for the Performing Arts Second Stage Addition and Seating Improvements.

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

### *Trees*

A total of 19 trees exist on the project site, of which nine are designated as Heritage trees. The project frontage has seven existing street trees and one tree in the adjacent 30' City-owned easement area. The trees are distributed throughout the property with a majority of them being parking lot trees, which were planted with the previous development of the property. Given the placement of the existing trees in landscape planters meant to serve the existing site and parking lot, tree preservation for redevelopment of the site is challenging while trying to balance City requirements for new development, the underground parking garage, and the new landscaped plaza.

The project proposes the removal of nine Heritage trees and 10 non-Heritage trees to allow the development of the proposed site plan. Additionally, the existing trees were reviewed for the ability to be transplanted elsewhere on the site but were not found to be suitable for transplanting due to their species and size.

A total of 54 new trees would be planted on-site with 75% native planting and would meet the 2:1 replacement ratio for Heritage trees. The following is the anticipated tree-canopy coverage for the site:

**Table 2: Tree Canopy Coverage**

<b>Canopy</b>	<b>Site Coverage</b>
Existing	25%
New After 5 Years	17.1%
New After 15 Years	26%

Additionally, staff has worked with the applicant to create a pedestrian landscaped-plaza design (consistent with the Precise Plan requirement) where the existing parking lot is located. The plaza will create a connection from Castro Street to Pioneer Park and will be planted with 27 trees and 75% native planting. The resulting tree removal and planting plan carefully considers the implementation of the vision while balancing the development parameters. Staff, therefore, recommends the proposed tree removal and replacement plan.

## **Transportation and Parking**

A multimodal transportation analysis (MTA) was completed for the project. The MTA studied potential transportation impacts to circulation and parking and found that the project would result in less than significant impacts to the transportation system with implementation of transportation demand management (TDM) measures. Therefore, no transportation improvements were recommended (see Attachment 4—Project Multimodal Transportation and vehicle miles traveled (VMT) Analysis). Minor improvements to the adjacent crosswalks and replacement of the exiting frontage will be completed with the project.

An MTA that evaluates potential transportation effects of the project was prepared for the project by TJKM, a transportation consultant. The study included a VMT impact analysis, in accordance with the California Environmental Quality Act (CEQA) Guidelines, and the City of Mountain View's VMT policy. The study also determined the traffic impacts of the proposed development on 11 signalized intersections and five all-way-stop intersections during the weekday a.m. and p.m. peak hours of traffic. The MTA study concluded that all study intersections and roadway segments operate at acceptable level of service, the proposed project does not disrupt existing pedestrian or bicycle facilities, and the project will not have any significant impact on transit operations. Due to the project site's proximity to downtown, reduced parking, project TDM, and as per the City's VMT transit screening criterion, the project is expected to have a less-than-significant impact on VMT.

The project includes a TDM plan with various programs estimated to achieve a 20% peak-hour trip reduction. To achieve the 20% reduction, the TDM plan includes a variety of strategies, including, but not limited to, transit passes for employees, bicycle storage, an on-site TDM coordinator, and Mountain View Transportation Management Association (TMA) membership for the life of the project. Further details of the TDM plan can be found in Attachment 5.

The proposed project will replace the existing surface parking lot, which contains 70 parking spaces. The project proposes two levels of below-grade parking under the new commercial building. Vehicle access to the site will remain from Church Street serving the building and underground parking garages.

The project proposes two levels of below-grade parking under the new building. The project is requesting a Provisional Use Permit to allow a parking reduction of 57 spaces, to provide 255 parking spaces in lieu of the required 312 required spaces. The proposed reduction is supported by a parking analysis performed by Hexagon Transportation Consultants, Inc., which concluded that the proposed parking would be adequate for the proposed commercial use on-site, based on the project's: (i) proximity to transit; (ii) varying peak demand between retail and office uses; (iii) parking data from other similar uses; and (iv) requirement on project tenants to provide transit passes to employees and bicycle parking on-site, which encourages use of alternative transportation modes. The applicant is also proposing an attendant assist parking

program to service both retail, office, and visitors' hours of operation with building access up through elevators to main lobby. This parking study was peer-reviewed by the City's transportation consultant, TJKM, and confirmed that the proposed parking with the project TDM program would adequately meet the parking requirement for the project. Reduced parking in the downtown, in close proximity to various transit facilities, also aligns with the City's adopted Vehicle Miles Traveled (VMT) Policy to discourage additional vehicle trips through use of other modes of transportation. The City's VMT Policy is a standard measure applied to projects Citywide and staff, therefore, supports the requested parking reduction.

The project applicant is voluntarily offering to provide public use of the first floor of the parking garage (91 parking spaces) during nonoffice business hours (6:00 p.m. to 11:00 p.m.) and on weekends and Federal holidays (7:00 a.m. to 11:00 p.m.). The provision of shared public parking in private garages is not a requirement of the Downtown Precise Plan but will create an opportunity to supplement public parking through a private partnership as envisioned in the Downtown Parking Strategy. During the nonoffice business hours and on weekend and Federal holidays, the office space will likely be vacant, and the parking spaces would be available for use by the public.

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

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

### **Subdivision Map**

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

### **ENVIRONMENTAL REVIEW**

This project is categorically exempt pursuant to Section 15332 ("Infill Development Projects") of the CEQA Guidelines. This exemption applies to projects consistent with the General Plan Land Use Designation and policies, all zoning regulations and designations, and meeting the other criteria described here. The project occurs within the City limits, is located on a project site of no more than five acres, and is substantially surrounded by urban uses; the site has no known habitat for endangered, rare, or threatened species; the project would not result in any

significant impacts relating to traffic, noise, or air quality; and the site can be served by all required utilities and public services.

### **FISCAL IMPACT**

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

The project is also subject to the City's Housing Impact fees based on the net new commercial floor area of the project. The estimated fee for the project, which is required to be paid prior to building permit issuance, is \$2,575,463.

### **CONCLUSION**

The Zoning Administrator recommends approval of the proposed commercial project. The Subdivision Committee recommends approval of the Preliminary Parcel Map to merge the existing parcels into a single project site. The project is consistent with the vision of the General Plan and Downtown Precise Plan by creating a new commercial development in the downtown area compatible with the neighboring properties and proposing a building with high-quality design and an active ground-floor frontage on a prominent corner. The project is also consistent with the land use and design standards in the General Plan and Downtown Precise Plan. Staff is supportive of the Provisional Use Permit to allow ground-floor office use as this will provide a good mix of uses in the area while ensuring successful tenancy of the ground-floor space. Staff also supports the Provisional Use Permit to allow site-parking reduction consistent with the City's VMT policy.

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

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

**ALTERNATIVES**

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

**PUBLIC NOTICING**

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

Prepared by:

Diana Pancholi  
Senior Planner

Stephanie Williams  
Planning Manager/Zoning Administrator

Approved by:

Aarti Shrivastava  
Assistant City Manager/  
Community Development Director

Kimbra McCarthy  
City Manager

DP-SW/4/CAM  
807-04-12-22CR  
201621

- Attachments:
1. Resolution for the Planned Community Permit, Development Review Permit, Provisional Use Permit, and Heritage Removal Permit
  2. Resolution for the Preliminary Parcel Map
  3. Project Plans
  4. Project Multimodal Transportation and VMT Analysis
  5. Project TDM Program