



DATE: November 27, 2018

CATEGORY: Public Hearing

DEPT.: Community Development

TITLE: **700 East Middlefield Road Office Project**

RECOMMENDATION

1. Adopt a Resolution Certifying the 700 East Middlefield Road LinkedIn Office Project Environmental Impact Report (EIR) and Adopting CEQA Findings, Including a Statement of Overriding Considerations, Mitigation Measures, and a Mitigation Monitoring or Reporting Program, to be read in title only, further reading waived (Attachment 1 to the Council report).
2. Introduce an Ordinance Approving a Zoning Map Amendment for the Properties Located at 700, 800 East Middlefield Road and 1101 Maude Avenue from the ML (Limited Industrial) Zoning District to the P (Planned Community) Zoning District, to be read in title only, further reading waived (Attachment 2 to the Council report).
3. Adopt a Resolution Approving a Planned Community Permit for Three 6-Story Office Buildings, Two 6-Level Parking Structures, and Retain Two-Story Office Buildings Resulting in 1.08 Million Square Feet of Office at a 28.7-Acre Campus Site to Replace Two Existing Office Buildings and Surface Parking Lots, and a Heritage Tree Removal Permit for the Removal of 138 Heritage Trees, to be read in title only, further reading waived (Attachment 3 to the Council report).
4. Adopt a Resolution Approving a Vesting Preliminary Parcel Map to Merge Three Lots at 700 East Middlefield Road, 800 East Middlefield Road, and 1101 Maude Avenue, to be read in title only, further reading waived (Attachment 4 to the Council report).
5. Introduce an Ordinance Approving a Development Agreement for 700, 800 East Middlefield Road and 1101 Maude Avenue, to be read in title only, further reading waived, and set a second reading for December 11, 2018 (Attachment 5 to the Council report).

6. Adopt a Resolution Ordering the Vacation of Public Service Easements on 700 and 800 East Middlefield Road and 1101 Maude Avenue, to be read in title only, further reading waived (Attachment 6 to the Council report).

BACKGROUND

Project Site Location and Characteristics

The 28.7-acre project site is located between West Maude Avenue and East Middlefield Road on the eastern edge of the Mountain View City limit, adjacent to the City of Sunnyvale.

The site is composed of three parcels—700 East Middlefield Road, 800 East Middlefield Road, and 1100 West Maude Avenue—and is currently developed with five one- and two-story office buildings.

Site access is available from three public streets, including three driveways along East Middlefield Road and the terminus of North Bernardo Avenue (the main site entrance), one driveway on the State Route 237 (SR 237) Frontage Road, and two driveways on West Maude Avenue.



Figure 1: Location Map

Surrounding uses include office uses across adjacent roadways to the south and west (in Mountain View) and a mix of office and residential uses directly to the east (in Sunnyvale). SR 237 is a raised highway, which is positioned behind the at-grade Frontage Road and has elevated views of the project site. Portions of the Sunnyvale Golf Course are located north of the project site.

Adjacent residential uses extend along 75 percent of the eastern property line, including a condominium community at the north end (Costa Mesa Terrace HOA) and apartment communities along the remainder (Windemere Apartments, Summerhill Park Apartments, Macara Garden Apartments, and The Meadows Apartments).

The project site is south of the Moffett Federal Airfield within the Santa Clara County Airport Land Use Commission's (ALUC's) Moffett Field Comprehensive Land Use Plan (CLUP) area. The site is also located within the boundaries of the East Whisman Precise Plan Area.

Project Description

LinkedIn, the project applicant, is proposing to retain three existing office buildings on-site and construct three new 6-story office buildings and two 6-level parking structures, resulting in an approximately 1.08 million square foot office campus (see Attachment 7). The project is proposed to be constructed in two phases.

The project has three street frontages—Middlefield Road, Maude Avenue, and Frontage Road. The project includes a public-oriented, private open space along Middlefield Road and a recreational area along Maude Avenue, as well as new landscaping throughout the site, increasing the open area from 36 percent to 54 percent while removing approximately 419 trees, 138 of which are Heritage trees.

Previous Meetings

Gatekeeper Meeting

On June 19, 2012, the City Council authorized a Gatekeeper from RREEF, an international real estate investment management group, to rezone a 24-acre site from the ML (Limited Industrial) District to a P (Planned Community) District to allow an office development up to 1.0 FAR consistent with the East Whisman Change Area of the 2030 General Plan. The request included two parcels—700 East Middlefield Road and 1100 West Maude Avenue.

Multiple Council Study Sessions (February 12 and February 26, March 28, and May 28, 2013) were held to discuss various aspects of the proposed project design, as well as Council expectations for projects requesting up to 1.0 FAR in East Whisman. Following the Study Sessions, Google Inc. (Google) purchased the properties from RREEF, in addition to the adjacent property at 800 East Middlefield Road, with plans to renovate the sites for occupancy.

In summer 2016, Google and LinkedIn Corporation (LinkedIn) executed a real estate transaction resulting in both parties swapping multiple land holdings, wherein LinkedIn obtained the 700, 800 East Middlefield Road and 1101 West Maude Avenue sites.

City Council Study Session

At the May 2017 Study Session, the Council provided input on various topics which impact the compliance, design, and review of a higher-intensity office development in East Whisman, including, but not limited to, the project related to parking, affordable housing, expansion of the Gatekeeper site, community benefits, bike-pedestrian improvements (see Attachment 8 – City Council Study Session Staff Report dated May 2017). Key Council direction included:

- Desire to improve building transitions to adjacent residential uses;
- Support for overall building heights;
- Support for reduced parking; and
- Building setbacks to streets and proposed public street improvements and direction to replace a cycle-track on the eastern edge of the site with additional landscaping.

Neighborhood Meetings

The applicant held two neighborhood meetings on May 31, 2017 and June 17, 2017 to present the initial project plans to the neighborhood and to hear comments and feedback about the proposed development. Approximately 20 people attended each of the neighborhood meetings. Attendees included five residential neighbors, bicycle commuters who pass by the project area regularly, Sunnyvale and Mountain View BPAC members, a Mountain View EPC member, and Mountain View and Sunnyvale City Councilmembers. Attendees were generally supportive of the project and had questions related to traffic, landscaping, shared parking, timing and schedule of the construction, and transition to residential developments.

The applicant also held follow up meetings on June 9 and June 13, 2018 to present the updated project plans to the neighborhood. Approximately two to three people attended these meetings. A majority of the comments supported the revised project design and employment opportunities. Other feedback suggested exploring opportunity for sharing of resources such as transit shuttles for residents in the area.

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 February 21, 2018. The DRC added a condition of approval for additional details to be provided for staff review with the building permit submittal for the landscaping design, parapet design, building glass frit pattern, and other minor design and material refinements.

Airport Land Use Commission

The site is located within the Moffett Federal Airfield, Airfield Influence Area (AIA). Pursuant to State Law, the City in which the project is located must refer the application to the Airport Land Use Commission (ALUC) any time a General Plan and/or Zoning Amendment is proposed within the AIA of an airport/airfield with an adopted Comprehensive Land Use Plan (CLUP) to provide a consistency determination with the appropriate CLUP policies prior to final approval. The ALUC reviewed the project on June 27, 2018 and made a determination of consistency with the Moffett Federal Airfield CLUP.

Environmental Planning Commission (EPC)

The EPC held a public hearing on November 7, 2018 and unanimously recommended approval of the project and Environmental Impact Report (EIR) (see Attachment 9– [EPC Public Hearing Report, November 7, 2018](#)). The EPC expressed support of the project design, sustainability efforts, TDM measures, and LinkedIn's commitment to working with the community in development of the project design.

ANALYSIS

This section of the report analyzes the project's consistency with the 2030 General Plan and draft East Whisman Precise Plan policies; describes the proposed development; covers issues related to trees, sustainability, parking, and transportation; and a summary of the environmental review that was completed for the project.

General Plan

In July 2012, the City Council adopted the 2030 General Plan. The project site is located in the Moffett/Whisman Planning Area of the 2030 General Plan and, more specifically, within the East Whisman Change Area. Development of the East Whisman Precise Plan

is currently in process. The goals and policies for this change area envision new mixed-use, transit-oriented development of high quality and sustainable design, including improved mobility and neighborhood amenities for residents and workers. Aligning with the current General Plan vision, the proposed project is consistent with the General Plan Land Use Designation of High-Intensity Office, which allows office development up to 1.0 FAR and up to 8 stories in height. No General Plan Amendment is proposed with this project.

The project is supported by 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 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 8.4: Pedestrian-Oriented Civic and Public Spaces.* Create and encourage new pedestrian-oriented civic and public spaces throughout the City.
- *LUD 10.5: Building energy efficiency.* Incorporate energy-efficient design features and materials into new and remodeled buildings.
- *LUD 10.7: Beneficial landscaping option.* Promote landscaping options that conserve water, support the natural environment, and provide shade and food.
- *LUD 19.1: Land use and transportation.* Encourage greater land use intensity and transit-oriented developments within one-half mile of light rail stations.
- *LUD 19.4: Transportation Demand Management strategies.* Require redevelopment to include and carry out Transportation Demand Management strategies.

Zoning Map Amendment

The project includes a request to change the zoning designation of the project site from the ML Zoning District to the P Zoning District (see Attachment 2 – Resolution for the

Amendment to the Zoning Map and Zoning Map Exhibit). The P District designation allows the City the flexibility to consider a project with an FAR above the 0.35 FAR allowed in the ML District prior to the adoption of the East Whisman Precise Plan. The project sites will be incorporated into the adopted East Whisman Precise Plan Area.

The P District zoning has been used for several other Gatekeeper projects implementing the General Plan prior to the adoption of new zoning/Precise Plans.

East Whisman Precise Plan

The project site is located within the boundaries of the East Whisman Precise Plan area. Representatives for LinkedIn have participated in the Precise Plan visioning process, including attendance at community workshops and public meetings.

While the Precise Plan is currently in development, staff is utilizing Council direction received thus far to review this project, including:

- Locate higher-intensity office development (up to 6 stories) adjacent to freeways (U.S. 101 and SR 237);
- Increase public open space in the area;
- Encourage open and accessible office campuses;
- Increase retail and mixed-use development in the plan area;
- Improve pedestrian and bicycle connectivity throughout the plan area, particularly to the VTA stations and Sunnyvale; and
- Contribute or advance the development of housing in the plan area.

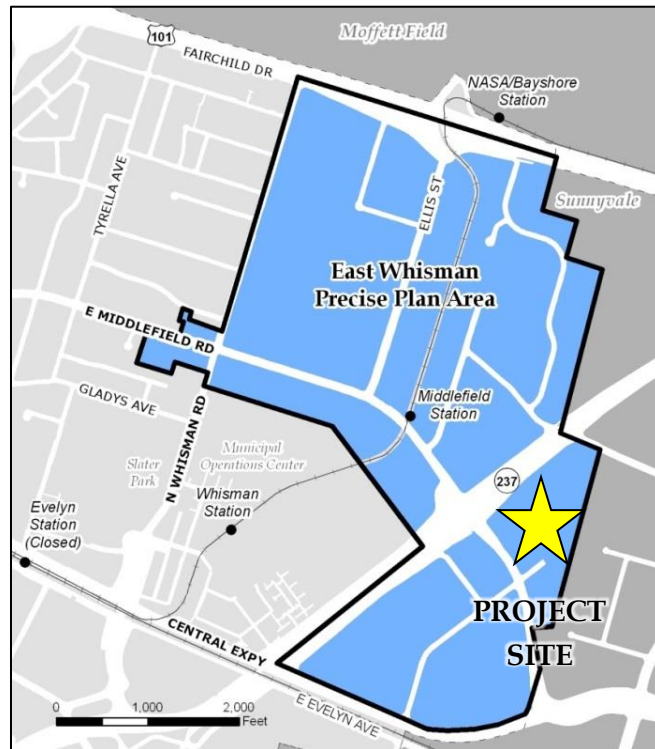


Figure 2: Project Location in EWPP

The project is substantially consistent with Council direction and the draft East Whisman Precise Plan. This includes provision of community benefit package, pedestrian and bicycle improvements, incorporate higher green building standards and sustainable design, and potentially pay a Precise Plan Impact Fee (which may be related to transportation and utility infrastructure improvements needed in the Precise Plan area) in the future, meet the trip reduction goal of 0.9 peak-hour trip per 1,000 square foot development.

Project Overview

LinkedIn used the General Plan as a guide in the design of their project as well as the City's direction that has come out of the preparation of the East Whisman Precise Plan. The General Plan provides the flexibility for 1.0 FAR projects and maximum building heights up to eight stories. The project site is within the Employment High Area in the draft East Whisman Precise Plan, which provides an area for higher-intensity employment uses within walking distance of light rail stations.

Project Design

LinkedIn has used the Form and Character guidance of the General Plan to inform its design. The proposed project is in conformance with the draft development standards and design guidelines under consideration for the East Whisman Precise Plan.

In total, the project includes constructing up to approximately 763,387 net new square feet of office area, resulting in a total campus build-out of approximately 1,078,280 square feet at an FAR of 0.86.

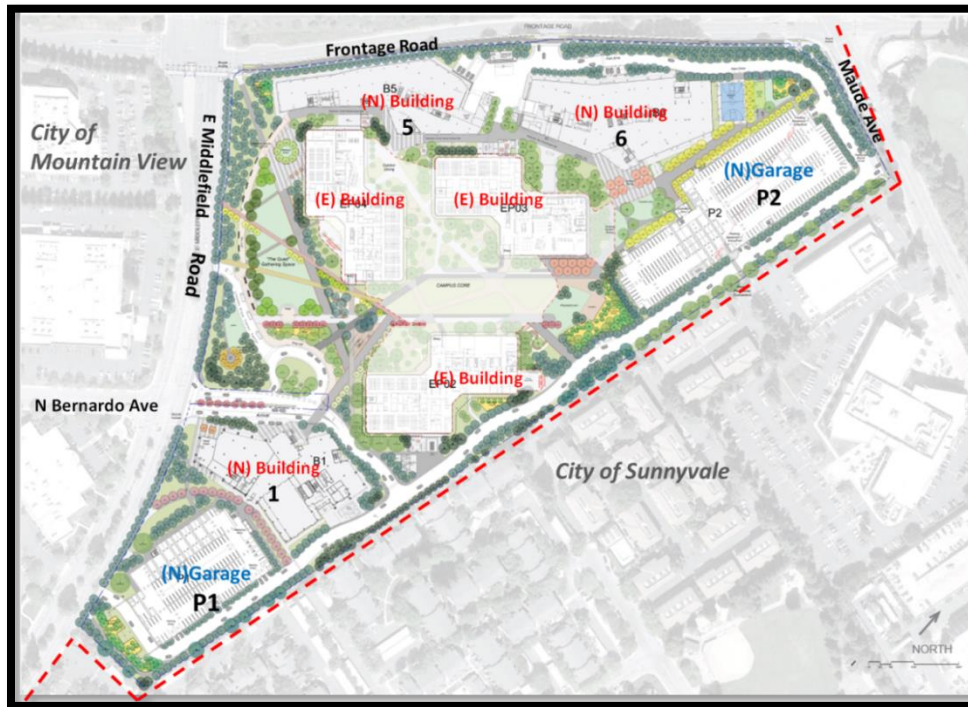


Figure 3: Project Site Plan

- Three new 6-story office buildings (two along the Frontage Road – Buildings 5 and 6 – and one at the terminus of Bernardo Avenue – Building 1) with up to 3,000 square feet of ground-floor retail space in Building 1;
- Two new 6-level parking structures (with one level below-grade) located along a new perimeter drive aisle along the eastern project boundary connecting to Middlefield Road and Maude Avenue;
- A new main entrance will be located at the terminus of Bernardo Avenue for vehicles, bicycles, and shuttles, while service loading/unloading is proposed from the driveway located off the Frontage Road; and
- Extensive landscaped open area on-site (comprising approximately 54 percent), which includes a dedicated recreational area near Maude Avenue (North Campus), a central promenade which was recently constructed (Campus Core), and a 4-acre, public-oriented passive open area along Middlefield Road (South Campus).

The following is an overview of the proposed building locations, building heights, setbacks, and landscaping:

Building Footprint and Heights

The building design responds to the unique site shapes and utilizes a modern design and an innovative building approach designed to suit LinkedIn's needs. This is an infill development, and the building footprint and heights have been designed to transition to the single-family residential developments to the east in the City of Sunnyvale and compatibility with the existing office buildings to remain on-site by providing appropriate building step-backs and aesthetic parking garage screening. The proposed office buildings are 101' tall, including a parapet to screen the rooftop equipment. The parapets have been carefully designed and reviewed to achieve a seamless building facade.



Figure 4: View of Building 1 from Bernardo Avenue

Setbacks

The project proposes three new 6-story, 101' tall office buildings along East Middlefield Road and Frontage Road around the three existing buildings in the central core of the project site. Two 6-level, 63' tall freestanding parking garages with one level below grade are proposed closer to Middlefield Road and Maude Avenue. The setback of the parking garage P1 along Middlefield Road varies due to the building and street shape, but the closest setback is a little over 30', which meets the ML zoning front setback development standards. The largest setback is 120' along Middlefield Road.

The sixth floor of Garage P1 along Middlefield Road is set back from the eastern facade to maintain further setback from the single-family residential uses along the easterly property line. Similarly, Garage P2 off of Maude Avenue reduces to a five-story height towards the core of the site adjacent to single-family homes. The proposed setbacks are consistent with the existing ML District setback requirements, which are an average of 30', with a minimum of 20' as well as the draft standards under consideration for the North Bayshore Precise Plan. The DRC and staff believe that the proposed setbacks are adequate for the proposed heights and configuration of the buildings.

Office Buildings 5 and 6 along the Frontage Road maintain a minimum 10' streetside setback as required in ML Zoning District for corner properties. These two office buildings abut SR 237 and are designed with a landscape buffer at the grade level. The new Office Building 6 is slightly skewed inward from Office Building 5 and is located farther away from the Frontage Road and Frontage Road/Maude Avenue corner. The setback of the buildings varies at each level due to the undulating building facade design, shape, and site configuration, but the building footprint is outside the required setback area. The proposed setbacks are consistent with the existing ML District setback requirements, which are an average of 30', with a minimum of 20' as well as the draft standards under consideration for the East Whisman Precise Plan.

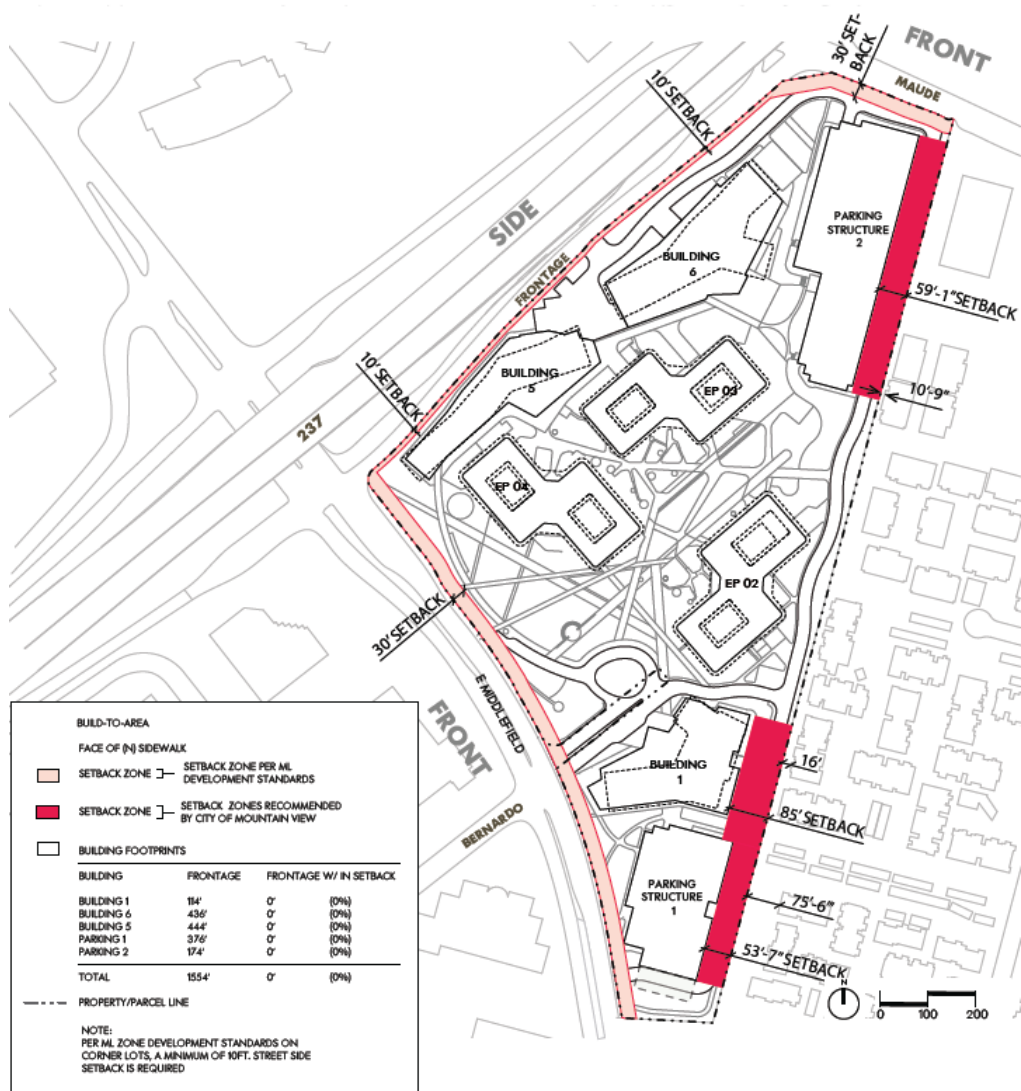


Figure 5: Setback Diagram

LinkedIn has made many modifications to the project plans based on City Council and DRC direction. One significant change was to the parking structure adjacent to Middlefield Road, which was moved from a 21' to 30' streetside setback and Building 1, adjacent to single-family residential development to the east of the project site, was moved from 61' to 85' streetside setback to create a sensitive transition along the low-intensity developments.

Landscaping and Trees

The new development plan places the new and existing parking spaces in efficient parking structures, opening up many acres of the site for new development and open

space. The public face of the office campus will change from a landscape dominated by parking lots into a large park gathering space for employees and guests which has been thoughtfully designed with native plants and trees. The concept maintains and reinforces the continuity of the landscape framework established with the comprehensive landscape renovations recently undertaken on the existing office core on-site. The landscape will define communal spaces, articulate pedestrian circulation, and mark building entries to the proposed project.

New sidewalks and street trees will be provided along the project street frontages to create a street tree canopy. The landscape areas along the street frontages consist of stands of existing Heritage trees and new infill trees that alternate with bioretention zones to capture and treat building and site paving runoff as well as create a substantial tree canopy.

The project site currently contains approximately 644 trees, of which 303 are Heritage trees. One hundred sixty-five (165) Heritage trees are proposed to be retained on-site, and approximately 1,000 trees are proposed to be planted. The project proposes to remove 138 Heritage trees on-site. A majority of the trees proposed for removal are due to the location of the trees in the proposed building footprints.

The applicant is proposing to retain the majority of large redwood trees on-site, in addition to the majority of trees along the shared residential property line to the east. The existing tree canopy coverage is approximately 25 percent. The anticipated tree canopy coverage would be 23 percent in 10 years after project construction and approximately 48 percent at maturity.



Figure 6: Tree Plan

Sustainability

LinkedIn is proposing LEED Platinum-designed buildings which would include sustainable building and site features, including, but not limited to, significant amounts of roof-mounted photovoltaic panels to generate energy for the sites, native and

drought-tolerant plantings with specific plant types that support the native wildlife, electric vehicle (EV) charging stations for 10 percent of the parking spaces on-site, and dual-plumbing in the three new office buildings with future connection to recycled water when available.

In consultation with an ornithologist from H.T. Harvey & Associates, LinkedIn has incorporated many bird-safe building design features into the building and site design, including: internal and external lighting designs that minimize the overall lighting intensities and the direction of the lighting; building facade and parapet with “frit” patterns which are designed to break up the extensive glazed areas and allow birds to perceive the glass as an obstruction to be avoided. Since bird safety design standards for the East Whisman Precise Plan are currently in development, the project followed the bird safety design standards outlined in the North Bayshore Precise Plan and from the consulting ornithologist.

Easement Vacation

The applicant has requested the City vacate Public Service Easements on-site to accommodate the new site design (see Attachment 6). The easements were established in 1984 on a parcel map. All existing public utilities within the easements will be relocated to a new Public Utility Easement, so the easements recommended for vacation will no longer be needed. The project boundary and existing easements to be vacated are shown in Figure 7.

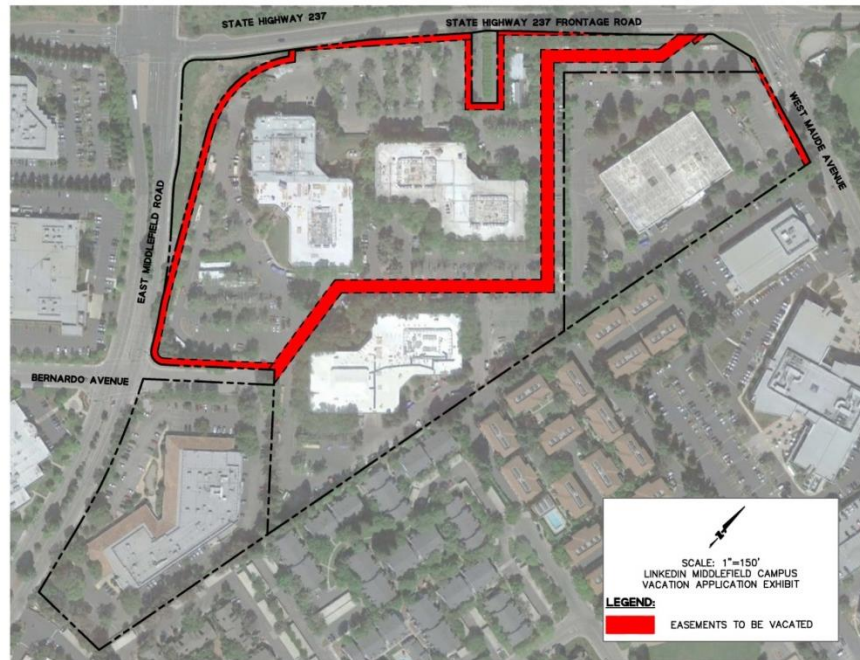


Figure 7: Easement Vacation Exhibit

The easement to be vacated is a nonexclusive easement that is also for the benefit of third parties. The easement was very likely created with the filing of an earlier map, with no compensation by the City. Additionally, new easements will be dedicated on the parcel map for new utilities and the applicant will relocate the existing utilities at their cost. Therefore, no compensation is being sought from the applicant as the City does not have a compensable interest in the easement.

Parking

All of the project's parking is proposed in two new parking structures with one partial level at or below grade, and five above-grade levels. The applicant is proposing a parking ratio of 2.7 spaces per 1,000 square feet of office area, resulting in a total of 2,913 spaces. This ratio is consistent with office parking requirements in the North Bayshore Precise Plan. Overall, this parking ratio is a 19 percent reduction (or 683 spaces less) over the City's standard office parking ratio of 1 parking space per 300 square feet of office area (or 3.3 parking spaces per 1,000 square feet). Staff is supportive of the reduced parking ratio as the project site is near transit and the applicant is also proposing a TDM program achieving a trip reduction target of 22 percent, which equates to 0.9 peak-hour trip per 1,000 square feet of development.

Transportation

East Whisman Precise Plan Transportation Study

In October 2018, Council and EPC held Study Sessions on the East Whisman Precise Plan Transportation policies and provided staff with direction on the transportation options and expectations to be studied and included in the Precise Plan. Council also directed staff to include a trip reduction target of 0.9 peak-hour trip per 1,000 square foot building area, which equates to a 22 percent trip reduction per the Institute of Transportation Engineers (ITE) Manual (10th Edition) and recommended areawide infrastructure improvements which would increase the use of other transit modes.

LinkedIn's TDM Plan

LinkedIn already has a TDM plan for its existing campus and hired Fehr & Peers traffic consultants to prepare an enhanced TDM plan for this project. The proposed TDM plan would achieve a 22 percent reduction in peak-period trips, which equates to 0.9 peak-hour trip per 1,000 square feet of building area during the seven-year term of the Development Agreement. At the end of the Development Agreement term, the project will be subject to trip reduction goals as set in the adopted East Whisman Precise Plan. The TDM plan will be applied to the new buildings as well as the existing buildings that make up the LinkedIn campus.

In order to achieve a reduction in peak-period trips, LinkedIn proposes the following list of TDM measures:

- TMA Membership.
- Priority parking for carpools and vanpools.
- On-site Transportation Coordinator.
- Bicycle parking, showers, and changing facilities.
- Telecommuting/Flexible Work Schedule Program.
- Guaranteed Ride Home Program.
- Rideshare matching services.
- Parking Cash-Out Public transit shuttle services.

- Marketing and information.
- Commuter shuttle services.
- Pretax commuter benefits.
- Subsidized or free vanpools or carpools.
- Biking financial incentives.
- Subsidized or free Transit Passes.
- On-site bicycle repair facilities.
- Bike Buddy program.

To ensure the long-term effectiveness of its TDM plan and its ability to provide a required peak-period trip reduction, a monitoring program will be established. Failure to meet the established trip reduction requirement would result in fines, as well as corrective actions to bring the trip reduction back to the target. Details of the TDM plan can be found in Attachment 10.

Project Site Traffic Study

A Traffic Impact Analysis (TIA) was prepared by Fehr & Peers for the proposed project which estimates project trips based on the ITE Trip Generation Manual trip generation rate for a single-tenant office building land use and the TDM plan for the project. Existing traffic counts were taken at 23 intersections around the project during both peak hours and were added to the projected trips for approved “but not yet built” and “not occupied” developments in the area. The 23 intersections studied around the project site all currently operate at an acceptable level of service.

The traffic study found the project would result in a net increase of 979 a.m. peak-hour trips and 471 p.m. peak-hour trips. The results of the Level of Service (LOS) analysis show that implementation of the proposed project would result in significant impacts to two project study intersections under the “Background with Project Conditions” section of the analysis in the a.m. and p.m. peak hours.

- Maude Avenue and SR 237 Ramps (Caltrans/Mountain View).

- Intersection No. 20: Central Expressway and North Mary Avenue (Santa Clara County/CMP).

The LOS calculations also indicate the project would add more than 1 percent of the freeway's capacity in either/both the a.m. or p.m. peak hour to segments currently operating at Level of Service (LOS) F under "Existing with Project Conditions" (46 segments) and under "Cumulative with Project Conditions" (49 segments). In addition, implementation of the proposed project would result in significant impacts to five project study intersections under "Near-Term Cumulative with Project" conditions in the a.m. and p.m. peak hours.

- Ellis Street/U.S. 101 Northbound Ramps (Caltrans/Mountain View).
- Ellis Street/U.S. 101 Southbound Ramps (Caltrans/Mountain View)
- Maude Avenue/SR 237 Ramps (Caltrans/Mountain View).
- Maude Avenue/Mathilda Avenue (Sunnyvale/CMP).
- Central Expressway/North Mary Avenue (Santa Clara County/CMP).

Freeway segments in the vicinity of the project on Highway 101, Highway 85, and SR 237 were also analyzed for potential project impacts. The volume-to-capacity (V/C) ratio result of the traffic study also indicates that several freeway mainline segments in Santa Clara County will be impacted under Existing with project conditions.

Mitigation for freeway impacts is typically the provision of additional freeway capacity, which is considered beyond the scope of an individual project due to the inability of a single project or city to acquire right-of-way for freeway widening and improvements. The intersection impacts under "Background with Project Conditions" and "Near-Term Cumulative with Project Conditions" have identified mitigations, but the mitigations may not reduce impacts to a less than significant level. The City of Mountain View cannot guarantee the mitigation would be implemented, and the mitigation measures will require coordination with multiple jurisdictions to address the practical steps of implementing physical improvements. Therefore, the project would result in a significant unavoidable impact that requires the adoption of a "Statement of Overriding Considerations" as part of the EIR for the project, which is discussed under the Environmental Review section of this report. The Statement of Overriding Consideration indicates that the social, economic, and regional environmental benefits of the project outweigh the project impacts.

The TIA includes a queuing analysis for four intersections: SR 237 eastbound off-ramp—Middlefield Road diagonal, SR 237 westbound off-ramp—Maude Avenue diagonal, U.S. 101 northbound off-ramp—Mathilda Avenue loop, and U.S. 101 southbound off-ramp—Ellis Street diagonal. Two out of four intersections (SR 237 Eastbound off-ramp—Maude Avenue diagonal and SR 237 westbound off-ramp—Maude Avenue diagonal, have been found to have existing deficient queuing capacity and will be modified to provide queues that do not exceed the available storage length. While these turn queues with the project are anticipated to exceed the available turn pocket storage, the queue would still be contained within the total ramp storage and, thus, would not spill back into the freeway mainline.

DEVELOPMENT AGREEMENT

Construction of the entire project is anticipated to exceed the City's standard four-year approval and permit extension period. To allow for flexibility in the timing and phasing of this project, LinkedIn is requesting approval of a Development Agreement (DA) (see Attachment 5—Ordinance Approving a Development Agreement). The requested term for the DA is seven (7) years with a possibility for a one-time extension of three (3) years. The applicant is proposing a \$350,000 public benefit fee, which can be used for improvements anywhere in the City, as directed by Council, and an additional fee of \$150,000 for an additional three-year DA extension (see Attachment 5).

The Zoning Code requires the DA be reviewed by the Zoning Administrator at an Administrative Zoning Hearing and a recommendation forwarded to Council. The Zoning Administrator reviewed the draft DA at the Administrative Zoning Hearing on November 14, 2018 and recommended approval to Council. No one from the public spoke on the item at the public hearing.

COMMUNITY BENEFITS

As seen in other recently adopted Precise Plans in the City, projects provide community benefits for the "Bonus FAR" requested above an established baseline FAR for a given development. This baseline has yet to be established in the East Whisman Precise Plan, so a project-specific community benefit study was conducted for this project. Based on this study, the applicant is proposing \$11,000,000 in community benefit contribution, which can be used for future Capital Improvement Program (CIP) projects. Staff will include the allocation of these funds in the annual CIP review. A good candidate for these funds could be the planned vehicular, bicycle, and pedestrian improvements at East Middlefield Road and SR 237 (see Attachment 11).

PARCEL MAP

The proposed project includes a Preliminary Parcel Map to merge three lots to accommodate the proposed development (see Attachment 4).

ENVIRONMENTAL REVIEW

EIR Process

EIRs provide information regarding the potential significant environmental impacts of a proposed project and how to mitigate them to local decision-makers and the general public. The 700 East Middlefield Road office project Draft EIR provides the environmental review appropriate for the project in accordance with the California Environmental Quality Act (CEQA) Guidelines.

Prior to approving the 700 East Middlefield Road office project, the City Council must decide whether to certify the EIR. According to CEQA Guidelines, certification consists of three separate steps. The Council must conclude that: (1) the document has been completed in compliance with CEQA; (2) the Council has reviewed and considered the information contained in the Final EIR prior to approving the project; and (3) the Final EIR reflects Council's independent judgment and analysis.

In accordance with CEQA Guidelines, a Notice of Preparation (NOP) was circulated to the public and responsible agencies for input regarding the analysis in the EIR. The Draft EIR was circulated for public review for a 45-day comment period which commenced on May 31, 2018 and ended on July 16, 2018.

Final EIR

Copies of the response to comments and EIR text revisions which, together with the Draft EIR, comprise the Final EIR (FEIR), were made available to the public on October 17, 2018. The City received seven written comment letters on the Draft EIR. A response to each comment and appropriate text revisions are included in the FEIR, which is attached to this report (see Attachment 1, Exhibit 2 – [Draft EIR](#) and [Final EIR](#)).

After publication of the FEIR, an additional comment letter was received from the County of Santa Clara, Roads and Airports Department regarding the mitigation measure identified to address impacts to the Central Expressway and Mary Avenue intersection, and regarding sharing annual TDM monitoring/ data with the County:

- *Mitigation Measure for Impact to Central Expressway and Mary Avenue Intersection:* The currently proposed mitigation measure to address impacts to the Central Expressway and Mary Avenue intersection is in line with the County's 2040 Expressway Plan to add a third westbound left-turn lane from Central Expressway onto Mary Avenue. This mitigation measure was also confirmed by Santa Clara County staff as the desired improvement during the Draft EIR comment period. The project proposes to pay its fair-share contribution to this improvement, which is the appropriate mitigation for the project's impact. No other near-term mitigation measure has been identified to mitigate the project's impact. While the EIR identifies the most appropriate mitigation for the project's contribution to this impact, because the funding and timeline for these improvements are not known and their implementation cannot be guaranteed, the EIR identifies this impact as "Significant and Unavoidable." The project would be responsible for paying only its fair-share contribution towards any mitigation at this intersection, and the timing and funding source would be controlled by the County.
- *Annual TDM Reporting:* The City does not have a program in place to notify the County if TDM goals for a specific project are not met. Development of a Citywide TDM ordinance has been identified as a Council priority work plan item. Annual monitoring and reporting strategies will be reviewed at the time of draft ordinance review.

Staff also received a comment letter from Caltrans expressing concerns related to the proposed signalization at the project driveway along Maude Avenue and suggesting alternatives to signalization. Staff has reviewed the comment letter from Caltrans and looks forward to continuing to work with Caltrans staff on refining the design for the Maude Avenue driveway to address their concerns. The final design will include turn pockets that meet the City's design criteria to reduce the west-bound backup issues. As for alternatives proposed, many of them are infeasible due to right-of-way and City limitations. However, the City has already begun discussions with the applicant on the details of the proposed signal timing to coordinate with Caltrans signal. Caltrans is suggesting an adaptive signal timing which would link the signal at the driveway with the SR 237 signal. The City's requirement would go beyond an adaptive system to a primary/secondary system where the new signal is secondary (slave) to the primary signal at SR 237, such that queues would not back up onto the SR 237 ramps or mainline.

Significant Unavoidable Impacts

The Draft EIR includes mitigation measures that will reduce most potential environmental impacts from the project to less-than-significant levels with incorporation of the project-specific mitigation measures. However, the project would result in significant LOS impacts to freeway segments, two intersections (Maude Avenue and SR 237 Ramps and Central Expressway and North Mary Avenue) under “Background With Project Conditions,” and LOS impacts to freeway segments and five intersections (impacts to five intersections: Maude Avenue and SR 237 Ramps, Ellis Street/U.S. 101 Northbound Ramps, Ellis Street/U.S. 101 Southbound Ramps, Central Expressway and North Mary Avenue, and Maude Avenue/Mathilda Avenue) under “Near-Term Cumulative With Project Conditions,” which this project alone cannot mitigate to a less-than-significant level.

These significant unavoidable impacts will require the adoption of a Statement of Overriding Considerations by the City Council if the project is to be approved, after the Final EIR is certified. A Statement of Overriding Considerations demonstrates the benefits of a project outweighing the impacts. It is found that the project’s benefits, including, but not limited to, sustainability efforts, Trip reduction efforts, community benefit contribution, prepayment of housing impact fees etc., outweigh the project impacts. The economic, social, and regional environmental benefits of the project have been included in the attached “Findings of Fact and Statement of Overriding Considerations” (see Attachment 1 – Findings for the Final EIR, Including a Statement of Overriding Considerations).

FISCAL IMPACT

The City’s share of the existing property tax revenue is currently approximately \$586,000 per year. If the site were redeveloped with the proposed project, the City would receive approximately \$733,000 of additional property tax revenue per year.

The project is also subject to the City’s Affordable Housing Program based on the net new floor area of the project and the fees in effect at the time of building permit issuance. The estimated fee for the entire project is \$16,209,507, which incorporates credit for existing floor area. The applicant prepaid a portion of the Housing Impact Fee amounting to \$10,000,000 through its investment in Housing Trust Silicon Valley’s (HTSV) TECH Fund in the form of a Community Impact Note. LinkedIn’s Community Impact Note shall be transferred to the City to satisfy the Note’s corresponding amount of the Housing Impact Fee requirement at the time of first building permit issuance. The project is proposed to be developed in two phases. The remainder of the Housing

Impact Fee (estimated at \$6,209,507), will be due to the City prior to the issuance of the Phase 2 building permit. At the expiration of the development agreement, if the applicant decides not to pursue the second phase of development, the amount of housing impact fee for the second phase, which has been prepaid with the community note, will be refunded back to the applicant.

CONCLUSION

The project is proposing 763,387 net new square feet of office area at 0.86 FAR with various community benefits, a TDM plan, and sustainable design aspects. The EPC found the project achieves the General Plan goals for innovative and highly sustainable development in the East Whisman Area and provides a project that is sensitive to the existing lower-intensity office uses in the vicinity and future vision for the Plan area. The EPC supported the project design, the wildlife-sensitive building design, TDM plan, and off-site improvements. The EPC unanimously recommended approval of the EIR, Statement of Overriding Considerations, zoning change, and development project, and the Zoning Administrator recommended approval of the DA.

ALTERNATIVES

1. Do not adopt the EIR, finding that it is not adequate (if this alternative is followed, neither the rezoning or project can be approved).
2. Certify the EIR, but do not adopt the P District rezoning, finding that the proposed site is not physically suitable for the 1.0 FAR (if this alternative is followed, the project cannot be approved).
3. Certify the EIR, zone change, and project but with modified P District standards, such as enhanced public benefit requirements (such as a contribution to the VTA or Caltrans).
4. Certify the EIR, zone change, and project, but with modified conditions of approval.
5. Refer the project back to the EPC for reconsideration of topics related to the EIR, zone change, or development project.

PUBLIC NOTICING

The meeting agenda and Council report were posted on the City website and announced on cable television Channel 26. All property owners within a 300' radius and other interested stakeholders were notified for this meeting.

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DP-SW/2/CAM
807-11-27-18CR

- Attachments:
1. Resolution Certifying EIR with Statement of Overriding Considerations and Mitigation Monitoring Plan
 2. Ordinance Amending the Zoning Map
 3. Resolution Conditionally Approving a Planned Community Permit
 4. Resolution Approving a Vesting Preliminary Parcel Map
 5. Ordinance Approving a Development Agreement
 6. Resolution Vacating Public Service Easements on 700 and 800 East Middlefield Road and 1100 Maude Avenue
 7. [Project Plans, November 2018](#)
 8. [City Council Study Session Report, May 2017](#)
 9. [EPC Public Hearing Staff Report, November 2018](#)
 10. TDM Plan
 11. CIP Project Funding