

CITY OF MOUNTAIN VIEW

ENVIRONMENTAL PLANNING COMMISSION
STAFF REPORT
APRIL 20, 2022

5. PUBLIC HEARINGS

5.1 Commercial Development Project at 365-405 San Antonio Road and 2585-2595 California Street

RECOMMENDATION

That the Environmental Planning Commission:

1. Recommend the City Council adopt the Addendum to the San Antonio Precise Plan Certified Final Environmental Impact Report pursuant to the California Environmental Quality Act (Exhibit 1 to the Environmental Planning Commission Staff Report); and
2. Recommend the City Council adopt a Resolution of the City Council of the City of Mountain View Amending the San Antonio Precise Plan Related to the Transfer of Development Rights Program and Office Development Regulations (Exhibit 2 to the Environmental Planning Commission Staff Report); and
3. Recommend the City Council adopt a Resolution of the City Council of the City of Mountain View Approving a Master Plan, a Planned Community Permit, and Development Review Permit for a New 182,352 Square Foot, Seven-Story Commercial Building with 150,000 Square Feet of Transfer of Development Rights from the Los Altos School District Transfer of Development Rights Program; Provisional Use Permit to Allow an Office Use; and Heritage Tree Removal Permit to Remove Five Heritage Trees on a 0.99-Acre Site at 365-405 San Antonio Road and 2585-2595 California Street (Exhibit 3 to the Environmental Planning Commission Staff Report).

PUBLIC NOTIFICATION

The Environmental Planning Commission's (EPC) agenda is advertised on Channel 26, and the agenda and this staff report appear on the City's internet website. All property owners within a 750' radius and other interested stakeholders were notified of this meeting. A City Council meeting will be held regarding this project, and property owners and interested parties will be notified.

BACKGROUND

Project Site and Location

The approximately one-acre project site is located on the southeast corner of San Antonio Road and California Street in the San Antonio Center. The project site is currently developed with two small commercial buildings, totaling approximately 9,400 square feet, and surface parking, all of which would be demolished with this project.

Across California Street and San Antonio Road are a mix of residential and commercial uses, including two recently completed and under-construction residential mixed-use projects by Greystar and Prometheus.

The project is being called “Phase III” of the Merlone Geier redevelopment projects, which have built out the west side of the San Antonio Center (SAC). Merlone Geier refers to the project site and their previously constructed Phase I and II developments as “The Village at San Antonio Center,” although Merlone Geier no longer owns all of the previous development phases.



Figure 1: Location Map



Figure 2: Map of The Village at San Antonio Center

The existing and proposed developments span the entire east side of San Antonio Road, between West El Camino Real (to the south), California Street (to the north), and the main entry drive into SAC at Pacchetti Way (to the east).

Prior Meetings and Hearings

Gatekeeper Authorization

On January 16, 2018, the City Council authorized the City Manager to execute a Memorandum of Understanding (MOU) between the City and the Los Altos School District (LASD) establishing the framework for a transfer of development rights (TDR) program allowing LASD to sell and transfer up to 610,000 square feet of development rights to developers for use on other sites. The LASD TDR Program was the result of years of coordination between the City and LASD to support the purchase of a new school site in the San Antonio Precise Plan (SAPP) area.

The project's initial Gatekeeper request was authorized by the City Council with the original approval of the TDR Program. However, the original Gatekeeper authorization expired before a development application was submitted. In December 2019, Council reauthorized the project's Gatekeeper request to use up to 150,000 square feet of development rights from the LASD TDR Program (see [Exhibit 4](#)—Council Report Dated December 3, 2019), which amounts to roughly 25% of the transferrable development rights created by the LASD TDR Program.

EPC and City Council Study Sessions

In fall 2020, the project was presented at EPC and Council Study Sessions to solicit early project feedback (See [Exhibit 5](#)—EPC report dated November 18, 2020 and [Exhibit 6](#)—Council report dated December 1, 2020), which included the following summarized design direction:

- Create an inviting pedestrian environment.
- Incorporate biophilia and landscape elements.
- Reduce the ground-floor area to increase sidewalk width.
- Comply with the site's setback regulations.
- Design the building exterior using curves to soften building edges.
- Reduce the visual size and scale of the building.

- Avoid a monolithic look.
- Create an iconic, signature building that takes advantage of its location at a key intersection.

Neighborhood Meeting

A virtual neighborhood meeting was hosted by the applicant in August 2021. Five people attended the meeting. The applicant presented the revised project design developed in response to prior Development Review Committee, EPC, and City Council input. Attendees asked questions regarding the pedestrian amenities/infrastructure around the project given concerns about sidewalk widths elsewhere in San Antonio Center, rental of retail space in San Antonio Village, and project timing.

Development Review Committee

The Development Review Committee (DRC) reviewed the project on three occasions in 2020 and 2021. In September 2021, the DRC recommended design approval with final direction for items to continue to work on with staff. Key areas of earlier and final DRC direction are summarized in the Analysis section below.

Administrative Zoning Public Hearing—Development Agreement

In November 2021, the applicant submitted a request for a Development Agreement (DA) to extend the project entitlements to a total of seven years, versus the standard two-year entitlement term. The Zoning Administrator held a public hearing on the DA request on March 23, 2022 and recommended DA approval to the City Council (see [Exhibit 7—Administrative Zoning Hearing Materials of March 23, 2022](#)).

The applicant and one member of the public spoke to express concern about the widths of the proposed public walkways around the project. As this public hearing was limited to the project DA, the member of the public was advised of the upcoming public hearing dates for the project review.

ANALYSIS

Project Overview

The proposed project includes a new seven-story commercial building, with 12,970 square feet of ground-floor retail space, six floors of office space (169,382 square feet) above, and three levels of underground parking (see Exhibit 8—Project Plans). The underground

parking will be accessed through the existing garage under adjacent office buildings in the Phase II development to the south, rather than adding new garage access from adjacent streets. The project will incorporate up to 150,000 square feet of development rights from the LASD TDR Program and includes SAPP Amendments to accommodate the TDR proposal in this location.

After the EPC and Council Study Sessions in fall 2020, the applicant redesigned the project, with particular focus on addressing consistently received feedback that the prior design (see “Previous Design” image) was too rectangular, monolithic, and ordinary. The project architecture and massing were revamped to address this



Figure 3: Previous Design

overarching feedback and other more detailed comments, summarized earlier in the report.



Figure 4: Proposed Design

The revised design uses varied curvilinear wall planes and terraces to create a unique building form, intended to anchor this prominent corner of the San Antonio Center and differentiate itself from adjacent buildings. The design retains the covered ground-level active space concept that was strongly supported in prior

design iterations, while adding wider sidewalks (particularly on Silicon Way) and increased setbacks along the Promenade (east side) as well as other refinements to provide pedestrian-scaled areas around the building. An art installation is also planned at the main building corner (California Street and San Antonio Road intersection).

The east side of the site includes a wide breezeway between the proposed standalone single-story retail “jewel box” building and the rest of the building. The stone and glass-clad second through fourth floors project further than the ground floor, to create the protected ground-level outdoor space, and the cladding is used to provide a stronger visual presence for the lower building levels. Glassier wall materials, private office terraces, and landscaping are employed around the top floors of the building to modulate the building facade, deemphasize upper floors, and provide usable open space for office tenants.



Figure 5: Site Plan

Final design refinements were recommended by the DRC to further address key design feedback provided over the course of the project review. Some of the following design direction has been addressed and is reflected in the plans, while other items have been included as design conditions of approval in Exhibit 3 and will be addressed in the building permit plan review process:

- *Massing:* Design changes creating wider walkways and setback compliance caused some floor area to shift to upper floors. The applicant worked with staff to shape the fifth- through seventh-floor setbacks to decrease the apparent mass and provide a lighter, more glassy appearance. Additional refinements to the glass-cladding design

are expected to further deemphasize the upper floors while providing subtle character.

- *Materials:* The applicant worked with staff on the patterning and application of the limestone and glazing proposed on the second through fourth floors to achieve a dynamic facade, which integrates with glassier corner treatments. Continued work is expected to achieve the right balance of solid wall-to-window area in a pattern that strengthens the appearance of these middle floors as a cohesive unit.
- *Ground Floor:* The applicant worked with staff to modify ground-floor commercial and “jewel-box” storefronts to incorporate warmer and brighter tones and more interesting, textured materials. The applicant also incorporated more naturalistic planting areas, amenities, and built-in furnishings to the active-use areas to provide for pedestrian comfort and usability. Additional refinement to building and landscape materials/furniture is expected to fully address these goals of ground-level activation, placemaking, and special detailing.
- *Balcony Landscaping:* Staff anticipates continuing to work with the applicant to incorporate trees and other vertical landscaping into upper-floor balconies.

San Antonio Precise Plan Amendments

The Gatekeeper request includes amendments to the SAPP, which are needed to implement the adopted LASD TDR Program in the SAPP area and allow the proposed 150,000 square feet of TDR to be used on the project site. The proposed Precise Plan Amendments are shown in full within Exhibit 2 to this staff report and summarized below. The EPC and Council were generally supportive of this overall approach, based on staff recommendations at the earlier Study Sessions.

LASD TDR Program

Currently, the SAPP highlights the future potential for a TDR Program through supportive policies encouraging creative partnering solutions for development of a public school to meet the needs of the Plan Area and placeholder TDR Program language requiring subsequent Precise Plan amendments. The proposed Precise Plan amendments will replace this general TDR Program language with specific regulations for the LASD TDR Program. The proposed programmatic language will facilitate City review and approval of this LASD TDR project as well as any future TDR project in the SAPP area and is modeled on the TDR Program language included in the recently adopted East Whisman Precise Plan.

Office Development Regulations

The SAPP also includes an office development cap, which limits net new office development to 600,000 square feet (total in the SAPP area), of which up to 400,000 square feet may occur within the Northwest San Antonio (NWSAC) Master Plan Area, where the project site is located. Currently, nearly 381,000 square feet of net new office area could still be developed under the SAPP office development cap, including around 39,000 square feet remaining in the NWSAC Master Plan Area.

The project proposes approximately 169,000 square feet of office area and could not be built in the NWSAC Master Plan Area without a Precise Plan Amendment to the office development regulations in the SAPP. The proposed amendment would create a new exception to allow LASD TDR square footage to exceed the NWSAC Master Plan Area office cap, but would leave the overall office development cap in place. If the proposed project is approved and constructed, at least 212,000 square feet of additional net new office development could be built elsewhere in the SAPP area.

TDR Project Exceptions and Implementation

This project is one of several projects authorized by the City Council in 2019 to participate in the LASD TDR program. Broadly, any authorized TDR projects generally include additional TDR square footage beyond what would otherwise be allowed by the underlying zoning regulations. As such, regulatory language has been added to allow exceptions to Precise Plan development standards associated with the TDR square footage.

This project is proposing to invoke exceptions to height and FAR as stipulated in the section below. As project implementation is predicated on TDR purchase, conditions of approval will require the applicant to provide proof of purchase for the TDR square footage prior to the issuance of the building permit, and the vesting of the TDR square footage on the property will be memorialized through a legal agreement recorded on the property.

SAPP Compliance

The project is located in the Mixed-Use Center Subarea of the SAPP and generally complies with applicable requirements, excluding the exceptions shown in **bold** in Table 1:

Table 1: Compliance with Mixed-Use Center Subarea Standards

<u>Standard</u>	<u>Requirement</u>	<u>Proposed</u>
Floor Area Ratio (FAR)	Base FAR: 0.35 (commercial maximum) Tier 1 FAR: 0.75 (with public benefit)	4.22*
Height	6 stories/75' (maximum) 8 stories/95' (with public benefit)	7 stories/95'*
Frontage Line Setback	San Antonio Road/ California Street: 18' (minimum)	Floor 1: 31-33' Floors 2 through 4: 18' to 23'
	Promenade/Silicon Way: 10' (minimum)	Floor 1: 10-18' Floors 2 through 4: 10' to 18'
	Building floors above 55': An additional 10' setback, along 80% of the frontage	Floors 5 through 7: 10' to 30' additional setback
Ground-Floor Height	14' (minimum)	14'
Auto Paving	40% (maximum)	4%
Usable Open Space	15% (minimum)	Public: 37% Private: 27%
Landscape Area	N/A	Public: 7% Private: 13%

Notes: See the FAR and Height Exception discussions below.

FAR Exception

The SAPP allows commercial developments up to 0.75 FAR (with public benefits), which would result in 32,352 square feet of allowed commercial-office space in this project. With the addition of 150,000 square feet of LASD TDRs, the project is proposing 182,352 square feet (4.22 FAR). Staff supports the FAR exception as it is necessary to accommodate the LASD TDRs.

Height Exception

The SAPP permits heights up to six stories/75' or eight stories/95' on a case-by-case basis with provision of public benefits. The proposed project requires a height exception to allow

a seven-story, 95' building to accommodate the LASD TDRs with no additional public benefits provided. Staff is supportive of the height exception for this project, without further provision of public benefits, as it is necessary to accommodate the LASD TDRs and is consistent with prior Council direction to not require community benefits for TDR area.

Provisional Use Permit

The proposed project includes a Provisional Use Permit (PUP) to allow office use, as required by the SAPP. When Council originally established the LASD TDR Program, Council allowed TDR square footage to be used in both commercial and residential projects. The proposed project will place new office space in close proximity to regional transit services, will not cause more office area to be developed in the SAPP than allowed by the overall office development cap, supports creation of a new school site in the SAPP by purchasing/using a significant amount of LASD TDR square footage, and provides new ground-floor retail space in a prominent SAPP location. Staff supports the PUP request for these reasons and because the project generally provides interior and exterior active uses along ground-floor frontage areas as required by the Precise Plan, which will help to avoid creating a closed office campus feel.

Transportation

As part of this project, a Multimodal Transportation Analysis (MTA) was prepared by Hexagon Transportation Consultants, Inc. (Hexagon), which found no new traffic or transportation impacts as compared to the Final SAPP Environmental Impact Report (SAPP EIR). The project is required to comply with the following SAPP EIR mitigation measure as well as the City's standard conditions of approval addressing construction traffic impacts.

- **Mitigation Measure TRANS-1:** Add a right turn overlap phase at Intersection No. 17, San Antonio Road/California Street, for the westbound right-turn movement, or comparable improvement to maintain acceptable intersection level of service (level of traffic stress).

A summary discussion of the transportation analysis and copy of the MTA are provided in the Addendum to the San Antonio Precise Plan (P-40) Certified Final Environmental Impact Report prepared for this project (Exhibit 1—EIR Addendum).

Transportation Demand Management Plan

The SAPP requires large office projects to provide a TDM Plan reducing vehicle trips by 20% to 30%. The project proposes a combined Parking and TDM Plan with The Village at

San Antonio Phase II development and modifies the previously-approved Parking and TDM Plans approved with The Village at San Antonio Phase II Project, accordingly.

The updated TDM Plan proposes a 30% trip reduction and includes measures such as membership in the Mountain View Transportation Management Association (TMA), 100% subsidized transit passes for all employees (including nonoffice employees) for the life of the project, employer-sponsored shuttles, and 40 shared bicycles for office employees, among other measures (see Exhibit 9—Project TDM Plan).

Parking

The Phase III project includes three levels of underground parking, with a total of 280 parking spaces, reserved for the new commercial building and accessed through the underground office garage under the existing Phase II office buildings. The existing office garage has secure access points, which limit access to office tenants and permitted visitors during office business hours. Given the proposed shared garage access, the new garage parking would be similarly secured for office-tenant use during weekday, daytime hours.

The applicant proposes a shared parking plan between The Village at San Antonio Phase II and Phase III developments, which includes an 8.6% parking reduction request (see Exhibit 10—Shared Parking Plan Analysis). With the new Phase III garage and shared parking proposal, a total of 2,866 parking spaces would be provided to serve the office, retail, hotel, cinema, and restaurant uses of the Phase II and Phase III development areas along, and including, 46 spaces required to cover residual parking demand from the adjacent Phase 1 area, in lieu of the 3,133 parking spaces which would otherwise be required by the City Code.

Of the total proposed parking spaces, 1,646 parking spaces are reserved for the existing and new hotel and office uses, and the remaining (unreserved) 1,220 parking spaces would be available for general parking purposes. The parking analysis has concluded the proposal would not cause any parking deficits. However, to ensure deficiencies will not occur, the applicant will conduct a parking-supply evaluation once the Phase II and III developments reach 90% occupancy and implement a valet parking program to provide additional parking capacity based on the findings of the study and/or if the City otherwise determines a parking shortage exists.

The San Antonio Precise Plan encourages shared parking between properties and uses and allows up to a 20% parking reduction with a parking analysis. Staff supports the proposed shared parking plan and small parking reduction as the mix of site uses (office, retail, hotel, cinema, and restaurant) have different peak parking demands, and the shared parking analysis indicates a parking shortage will not occur. The parking analysis was conservative

and did not assume any reduced parking rates due to TDM measures, which would be likely to further reduce anticipated parking demand within the development areas.

Open Space and Pedestrian Areas

The project proposes 18,662 square feet of ground-level, publicly accessible active space, including 2,879 square feet of planting area. In order to foster an improved pedestrian-oriented environment, the applicant has increased exterior open space and widened walking paths through ground-floor setbacks around the entire building. Pedestrian amenities include minimum 8' public sidewalks with landscape strips along San Antonio Road and California Street and minimum 6' sidewalks with landscape strips along the Promenade and Silicon Way (on-site roadways). These sidewalk widths comply with SAPP requirements, and all four frontages feature on-site improvements to expand sidewalk widths and/or provide additional on-site active use and circulation spaces. Cross-section diagrams of the proposed pedestrian pathways and exterior programming can be found on Sheets L4.01 and L4.02 of the project plans (see Exhibit 8—Project Plans).

In addition, private open space and roof-level planting are proposed within large terraces on the fifth and seventh floors, totaling 11,794 square feet. An additional 4,293 square feet of planting area is proposed on upper levels of the building. These private open space areas provide amenities to future office tenants/users, in addition to their role in reducing apparent building height and mass.

Trees and Landscaping

An arborist report was completed for the project by Mayne Tree Expert Company, Inc., and reviewed by the City arborist. The tree survey identified, measured, mapped, and rated the trees for preservation suitability, which took into consideration the trees' age, health, structural condition, and proximity to the proposed structures and site development. The arborist report analyzed a total of 22 trees, which included five Heritage trees: one ash, one sweet gum, one magnolia, and two mimosa trees.

The project proposes to remove the five Heritage trees as they are within the proposed project footprint. None of the trees proposed for removal are in good condition, and the project arborist and City arborist agree the Heritage trees are not suitable candidates for preservation through transplantation due to their size and health. The project proposes to plant 18 new trees, which includes a replacement ratio of approximately 3:1 for the Heritage tree removals in the form of 15 (36" box) trees, which exceeds the City's minimum

24” box size for replacement trees. The following table shows the existing and estimated future tree canopy coverage for the site:

Table 2: Tree Canopy Coverage

	Canopy Coverage
Existing	5%
Retained Plus New After Five to 10 Years	13%
Retained Plus New at Maturity	24%

While many native plants are included in the plant palette, a condition of approval has been placed on the project to ensure a minimum 75% of plants will be native.

Community Benefits

The project will provide community benefits per the SAPP requirement for a Tier 1 Project. The base FAR permitted without community benefit is 0.35, and a Tier 1 commercial project is permitted up to 0.75 FAR with a community benefit proposal. The project proposes a voluntary monetary contribution to satisfy the SAPP community benefit program requirement for the net new building area between 0.35 and 0.75 FAR (7,854 square feet). The current adopted SAPP community benefit value is \$24.39 per square foot, which would result in an estimated community benefit contribution of \$191,705.40 from this project to be used for capital improvement projects in the area.

Per prior Council direction, the project does not propose community benefits for the 150,000 square feet of LASD TDRs as those were considered to be a community benefit on their own. If the project is approved and Merlone Geier proceeds with developing the project, the purchase of 150,000 square feet of TDRs will provide approximately \$20 million to LASD to help cover the purchase costs of the school site with joint-use open space on the east side of San Antonio Center.

ENVIRONMENTAL REVIEW

The certified San Antonio Precise Plan EIR (2014) comprehensively evaluated the environmental impacts of the SAPP, including the overall amount of office and commercial uses anticipated in the SAPP area.

An Addendum to the SAPP EIR was prepared to evaluate this project (see Exhibit 1—EIR Addendum), including the proposed Precise Plan Amendment and development proposal, pursuant to the California Environmental Quality Act (CEQA) Guidelines. The Addendum evaluated whether any new or substantially worsened environmental impacts would occur

as a result of the project, which were not already examined under the SAPP EIR. Project-specific technical studies were also prepared to provide technical guidance in the areas of air quality, cultural (historic) resources, noise, transportation, and utilities.

The Addendum prepared for the project found the proposed project would not result in new environmental impacts beyond those already evaluated in the EIR, with implementation of SAPP standards and guidelines, State regulations, City standard conditions of approval, and mitigation measures identified in the SAPP EIR (2014), and 2030 General Plan and Greenhouse Gas Reduction Program EIR (2013).

NEXT STEPS

Following this EPC public hearing, the project and EPC recommendation will be considered at a City Council public hearing, tentatively scheduled for May 24, 2022.

CONCLUSION

The proposed Precise Plan Amendment and development of the project site with a 182,352 square foot commercial building with ground-floor retail below six floors of office, three levels of underground parking, and site improvements are consistent with the SAPP and further the vision and goals for development in the San Antonio area. The site and architectural design of the project, including colors, materials, and architectural elements, are well designed and compatible with the surrounding area.

Staff finds the proposed project is consistent with the 2030 General Plan, the SAPP, and other adopted City regulations, and would help support longstanding goals to establish a new public school in the SAPP area through its participation in the LASD TDR Program. Additionally, the project would not result in significant environmental impacts with implementation of previously adopted SAPP EIR mitigation measures and standard conditions of approval. Therefore, staff recommends the EPC recommend approval of the project to the City Council.

ALTERNATIVES

1. Recommend approval of the project with modified conditions.
2. Refer the project back to the DRC for additional consideration.
3. Recommend denial of the project.
4. Provide other direction.

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RS/4/CDD
803-04-20-22SR

- Exhibits:
1. Addendum to the San Antonio Precise Plan (P-40) Certified Final Environmental Impact Report (EIR Addendum)
 2. Draft Resolution for San Antonio Precise Plan (P-40) Amendments (PPA)
 3. Draft Resolution for a Master Plan, Planned Community Permit, Development Review Permit, Provisional Use Permit, and Heritage Tree Removal Permit (Development Permits)
 4. [Council Report Dated December 3, 2019](#)
 5. [EPC Report Dated November 18, 2020](#)
 6. [Council Report Dated December 1, 2020](#)
 7. [Administrative Zoning Hearing Materials of March 23, 2022](#)
 8. Project Plans
 9. Transportation Demand Management (TDM) Plan
 10. Shared Parking Analysis