

CITY OF MOUNTAIN VIEW

ENVIRONMENTAL PLANNING COMMISSION
STAFF REPORT
OCTOBER 4, 2023

5. PUBLIC HEARINGS

5.1 500 and 550 Ellis Street Hotel and Office Project

RECOMMENDATION

The Environmental Planning Commission recommends the City Council:

1. Adopt the Initial Study of Environmental Significance for the 500 and 550 Ellis Street Hotel and Office Project and determine that the project is consistent with the East Whisman Precise Plan Final Environmental Impact Report and Mountain View 2030 General Plan and Greenhouse Gas Reduction Program Final Environmental Impact Report, pursuant to Sections 15162 and 15183 of the California Environmental Quality Act Guidelines (Exhibit 1 to the EPC Staff Report).
2. 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 Six-Story, 168,647 Square Foot, 201-Room Hotel with a Four-Level Parking Garage, and a Two-Story, 37,611 Square Foot Office Building, Replacing Two Commercial Office Buildings; a Provisional Use Permit for a Parking Reduction to Allow 192 Spaces in Lieu of 209 Spaces Required for the Hotel; and a Heritage Tree Removal Permit to Remove 15 Heritage Trees, All on a 2.16-Acre Site Located at 500 and 550 Ellis Street, to be read in title only, further reading waived (Exhibit 2 to the EPC Staff Report).

PUBLIC NOTIFICATION

The Environmental Planning Commission's (EPC) agenda is advertised on Channel 26, and the agenda and this report appear on the City's 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 Location: 500 and 550 Ellis Street, at the corner of Ellis Street and National Avenue.
- Project Site Size: Approximately 2.16 acres.
- General Plan Designation: High-Intensity Office.
- Zoning Designation: P(41)—East Whisman Precise Plan in the Employment Character Area (North).
- Surrounding Land Uses: North and west—office uses; south—office uses (across National Avenue); east—office uses (across Ellis Street); and northeast—commercial (Specialty’s restaurant).
- Current Site Conditions: One office building on each of the two lots—totaling 32,734 square feet.
- Applicant/Owner: Loren Brown for Portola Land Company.



Figure 1: Location Map

Project Overview

The project proposes a new six-story, 201 guest-room hotel (approximately 168,600 square feet) with a four-level, fully automated parking garage on the southern half of the property and a new two-story office building (approximately 37,600 square feet) on the northern half. The proposed parking garage would be wrapped on three sides by the hotel and completely screened from the public right-of-way. Access to the garage would be from National Avenue, and the driveway continues along the western and northern sides of the property that exits onto Ellis Street. In addition, the project includes the removal of 15 Heritage trees and nine non-Heritage trees. The project will retain 13 Heritage trees, six of which are mature redwood trees along Ellis Street and National Avenue. Along with overall site and landscaping improvements, the project includes a publicly accessible paseo located between the two new buildings to connect to the multi-use path proposed on the adjacent property to the west (465 Fairchild Drive/600 Ellis Street Project—see Figure 1 above).

The project also includes a request to utilize nonresidential Bonus Floor Area Ratio (FAR) allowances under the East Whisman Precise Plan (EWPP) to exceed the Base 1.00 FAR for the hotel, which is discussed in greater detail later in this report.

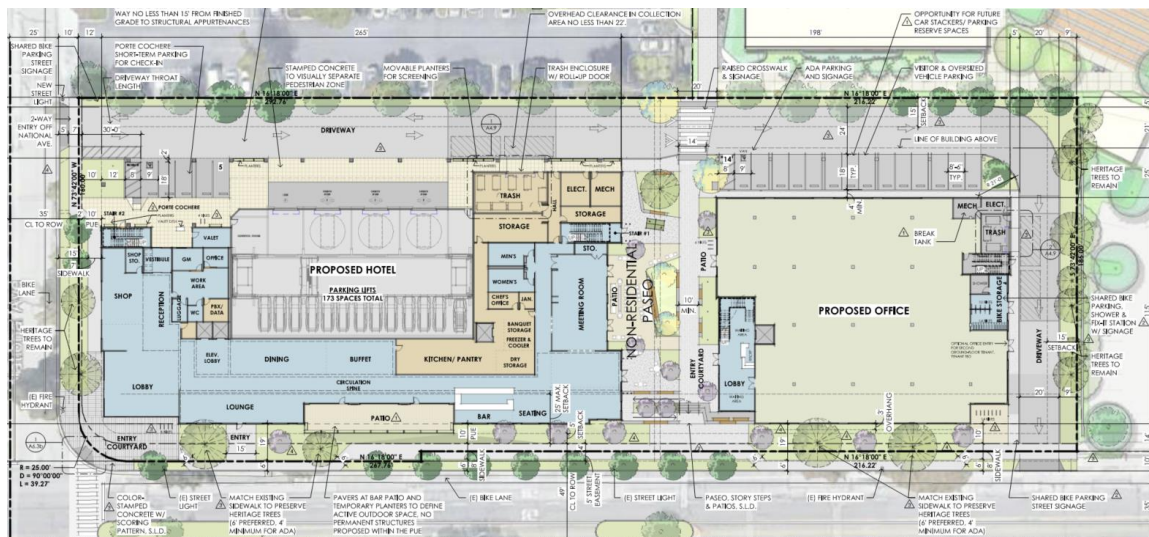


Figure 2: Site Plan

Prior Meetings and Hearings

Neighborhood Meeting

The applicant hosted a virtual neighborhood meeting on October 27, 2022, where approximately seven people attended the meeting, including a mix of nearby residents and other stakeholders. Attendees generally supported the project, specifically public use and

access of the paseo, and the hotel restaurant, bar, and meeting room. After a presentation from the applicant, the applicant team responded to attendees' questions about tenancy of the hotel, office, and hotel restaurant; adaptability of proposed landscaping and tree replacements to drier weather; anticipated views from hotel rooms; design of the proposed art mural on the side of the parking garage; and estimated project approval and construction timeline. No specific project concerns were identified.

Development Review Committee

The Development Review Committee reviewed the project at two meetings in November 2022 and June 2023.

The applicant has worked with staff to address many design recommendations, such as frontage tree preservation; enhanced paseo amenities; improved hotel massing, window detailing, and pedestrian-oriented entries; and refined office entry design and materiality. Based on the Development Review Committee (DRC) review, staff is recommending design conditions of approval for items which will still need to be addressed prior to the building permit submittal. These include:

1. Refine the hotel design to enhance ground-level building and site design features at the key corner (at Ellis Street/National Avenue).
2. Enhance the ground-level experience of the Ellis Street entrance to the midblock paseo (e.g., adjusted visitor bike parking and additional landscaping), the Ellis Street-facing hotel patio (e.g., vine trellis), and the pedestrian pathway along the west (back) side of the hotel (e.g., planters, building materials, lighting, seating, etc.).
3. Improve the second-floor hotel balcony trellis design (north elevation) and refine the material/color on the two-story hotel building volume (along the paseo) to create a warmer and more integrated feature.
4. Improve the office building, particularly at the southeast (main entry) corner, by providing more material detailing and visual interest, such as by employing shaped metal/"C" channel columns and window trim treatments.
5. Provide high-quality material specifications and construction details (e.g., wood trim dimensions, paving materials, etc.).
6. Finalize the design of the hotel mural.

No members of the public spoke at the first DRC meeting; however, prior to the second DRC meeting, one letter regarding the importance of tree preservation policies throughout the

City was received, and at the meeting, one person asked about accessibility and the design of the ramp leading up to the paseo from Ellis Street.

ANALYSIS

General Plan

The proposed project complies with the General Plan Land Use Designation of High-Intensity Office, which allows for office uses and supporting service uses. The High-Intensity Office designation allows for building height of up to eight stories and a maximum office FAR of up to 0.35; however, office FAR up to 1.0 is allowed for highly sustainable developments that comply with Precise Plan standards. The additional FAR proposed by the project is considered compliant, pursuant to the Precise Plan, which allows developments to exceed the Base FAR through the Bonus FAR process discussed later in this report. Furthermore, the project supports the following General Plan policies:

- LUD 3.2: Mix of land uses. The project proposes a mixed-use (office and hotel) development that can benefit from efficiencies in parking demand and shared use of common open areas. It also includes a restaurant and a shop in the hotel and a publicly accessible paseo, which support a range of activities that can serve surrounding residents and employees.
- LUD 3.9: Parcel assembly. The project site is currently two separate parcels; however, the project proposes a lot line adjustment to merge the two parcels into one.
- LUD 8.3: Enhanced, publicly accessible bicycle and pedestrian connections. The project proposes a public paseo adjacent to the common open area for the hotel and office. The paseo provides access and activation for the office lobby and the hotel's meeting rooms, breaks up the block's massing, and enhances publicly accessible bicycle and pedestrian access by connecting to the proposed multi-use path to the west of the property (600 Ellis Street).
- LUD 10.1: Sustainable design and materials; and LUD 19.2: (East Whisman) Highly sustainable development. The project proposes LEED Platinum® building construction and design.
- LUD 19.1: (East Whisman) Land use and transportation. The project includes greater land use intensity within one-half mile of the Bayshore/NASA Light Rail Station.
- LUD 19.3: (East Whisman) Connectivity improvements. The project includes a paseo that contributes to a new pedestrian connection through the block.

Zoning: East Whisman Precise Plan

The project site is zoned P(41) East Whisman Precise Plan (EWPP) and is located within the High-Intensity Employment Character Area (North), where office and hotel uses are permitted. This Character Area allows a nonresidential (office) Base FAR of 0.4 and a hotel Base FAR of 1.0 with Bonus FAR allowed up to 2.00 on a discretionary basis for projects proposing community benefits and achieving LEED Platinum® green building standards. Additionally, the EWPP allows hotels that are part of a mixed-use development a combined maximum of 2.5 FAR (where the individual uses do not exceed their maximum FARs inclusive of Bonus FAR). See Table 1 for a summary of key development standards.

Table 1: Project Details

Standard	Requirement	Proposed
Maximum Office FAR (Base)	0.4	0.4
Maximum Hotel FAR (with Bonus)	2.0	1.79
Maximum Combined FAR (with Bonus)	2.5	2.19
Maximum Height	100'	88' (hotel) 50' (office)

The project advances the following EWPP guiding principles:

- **Guiding Principle 2: Create a Complete Neighborhood.** The project will contribute to the development of a complete neighborhood by limiting office growth to within the Base FAR, while constructing the first hotel in the East Whisman neighborhood, providing a new hotel restaurant and shop, and contributing an enhanced paseo to promote connectivity and accessibility throughout the area.
- **Guiding Principle 8: Minimize Vehicle Trips.** The project will reduce vehicle trips to the site through implementation of a Transportation Demand Management (TDM) program, which will include participation in the Mountain View Transportation Management Association (TMA), provision of an on-site bike repair station and showers within the bicycle storage room, a commuter concierge, and other services like transit subsidies, commuter allowances, and guaranteed ride home program.

Bonus FAR Program

To earn Bonus FAR for the Hotel Use, the project must meet an enhanced Green Building standard and provide a community benefits contribution. The project complies with the requirements by proposing buildings that are LEED Platinum® and providing a community benefits contribution adopted by the City Council, proportional to the 0.79 Bonus FAR

requested for the hotel. Hotels are exempt from the Jobs-Housing Linkage program requirement.

The project is not requesting Bonus FAR for the office use. This means they do not need to provide community benefits or a Jobs-Housing Linkage program for the office.

Requested Exceptions to the EWPP Standards

The development substantially complies with the development standards and guidelines of the EWPP. The applicant is requesting the following exceptions due to the site's unique condition and the proposed use, which is allowed by the Precise Plan and through the Planned Community Permit process.

1. **Streetscape Design Requirements for National Avenue and Ellis Street.** The EWPP identifies specific streetscape design standards that consist of a detached sidewalk where a landscape buffer separates the public sidewalk from the roadway. To preserve existing redwood trees located in front of the existing and proposed buildings, the new sidewalk will meander around the existing redwoods and portions of the existing sidewalk will remain monolithic (e.g., sidewalk adjacent to the roadway without landscape buffer).

The modified sidewalk design was reviewed by the Public Works Department and the Forestry Division of the Community Services Department and was determined to be feasible. As designed, the sidewalks will vary from 6' to 8' to achieve wider sidewalks for enhanced pedestrian experience while preserving existing mature trees. However, if determined necessary during later stages of the project, the sidewalk width may be further reduced in order to prioritize tree protection and avoid any significant root damage.

2. **Loading Spaces.** The Zoning Code requires nonresidential projects to provide on-site loading spaces at a rate of one space for the first 30,000 square feet of floor area and one space per 20,000 square feet of additional floor area. Therefore, the hotel is required to have six loading spaces, and the office is required to have two loading spaces. While the applicant meets the requirement for the office, the applicant has requested an exception to the hotel requirement based on the use and operational needs of the hotel. The proposed hotel is a limited-service hotel that does not have large conference rooms or a banquet space which may require more loading spaces. Additionally, the allowance in the reduction of loading spaces is also consistent with the entitlements approved for two other hotels with similar services. Additionally, a Multi-Modal Transportation Analysis (MTA) was done for the project, and it did not identify any issues with the reduced loading spaces. Finally, the hotel will be allowed

to utilize the two loading spaces adjacent to the office building, if needed and available, for a total of four loading spaces on the site.

Project Design

The six-story hotel has a simple, modern design with a mix of smooth and textured materials, including a stucco-like material called EIFS, Trespa® panels, metal panels, and wood-look paneling. The building is designed with three primary volumes: a key corner tower, a horizontal street wall comprised of the lower four stories (located closer to Ellis Street), and two upper floors that are stepped back. Both the hotel and office building follow the Precise Plan's street wall standards to maintain facade consistency on the site frontage along Ellis Street. The hotel frontage on Ellis Street also features additional entries to interior amenity spaces (e.g., bar/restaurant) and an outdoor patio area to provide additional pedestrian-engaging features.

The hotel building wraps around a shared garage structure comprised entirely of automated parking lifts, accessed from an on-site driveway along the westerly edge of the hotel and with a mural planned on what would otherwise be a long, blank garage wall. Along National Avenue, the hotel facade is generally taller, complemented by large street trees to be preserved and with additional porte-cochere and hotel shop entries. The midblock paseo-facing facade steps down to two-stories at its interface with the two-story office building.

The two-story office building is located to the north of the hotel. The distinct building entry is oriented toward and helps activate the paseo. Along Ellis Street, the building includes high-quality and finely textured materials along the first floor, such as stone-look porcelain tile, and a projecting second-story element that adds interest to the glass facade. The north facade uses warmer tones to individualize a separate entrance to the building.

Overall, the material and color mix of the buildings are intended to relate to, but not duplicate, each other. The color palette for both buildings is primarily white, gray, and sand with warmer wood-like siding employed within key accent locations, such as the Ellis Street hotel patio and within the projecting second-floor feature on the office building. Large windows and, to the extent feasible, publicly accessible and active frontage uses are located at the ground floor on both buildings to provide transparency, visual connection, and engagement between public frontages and interior building spaces.

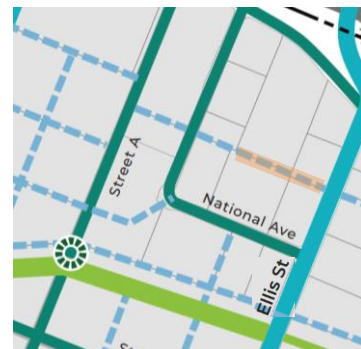
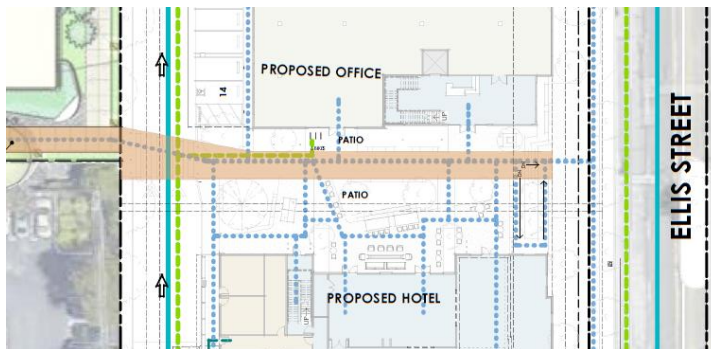


Figures 3 and 4: View of the Hotel for Intersection and View of the Paseo from Driveway

Paseo

As required in the Precise Plan, the proposed paseo includes a public walkway with a width of 10'. The paseo is accentuated by the hotel and office's common open spaces, all of which is publicly accessible, and provides amenities like movable tables and chairs, an outdoor fireplace, built-in seating in planters, an outdoor "lawn game" area, direct access into the buildings and an enhanced overall pedestrian experience (see Figure 4). The area proposes landscape in curvilinear planter boxes and also preserves an existing mature redwood tree as a focal point at the western terminus of the path.

In November 2020, Council approved an office development project on an adjacent parcel (600 Ellis Street) that proposed a multi-use path that ran along the southern property line of the subject property. With the construction of this paseo, the two portions will be connected and provide direct public access from Ellis Street, two thirds of the way through the block (see Figures 5 and 6, shown in orange).



Figures 5 and 6: EWPP Mobility

Trees and Canopy

An arborist report was prepared for the project, analyzing a total of 47 trees within and adjacent to the project area, of which 30 are designated Heritage trees. This project includes removal of 15 Heritage trees and nine other trees, due to conflicts with the building envelope, risks from demolition, site grading, and low suitability for preservation due to construction impacts.

The Heritage trees are typically required to be replaced at a 2:1 ratio (equal to 30 Heritage tree replacements), and the non-Heritage trees are typically required to be replaced at a 1:1 ratio (equal to nine replacement trees), for a total replacement requirement of 39 trees. However, there is limited space for all the replacement on the site due to a number of factors, including the EWPP street wall standard (which requires the front facades of buildings to be located within 20' of the sidewalk), preservation of existing trees, and the circulation needs of the site. Therefore, the project is only able to accommodate 30 of the 39 replacement trees on-site and will pay an in-lieu fee for the remaining required replacements. The project also provides for an additional nine street trees.

Based on the new tree plantings, the on-site tree canopy coverage is expected to be 36.4% at full growth, a slight increase to the existing condition, as shown in Table 2 below.

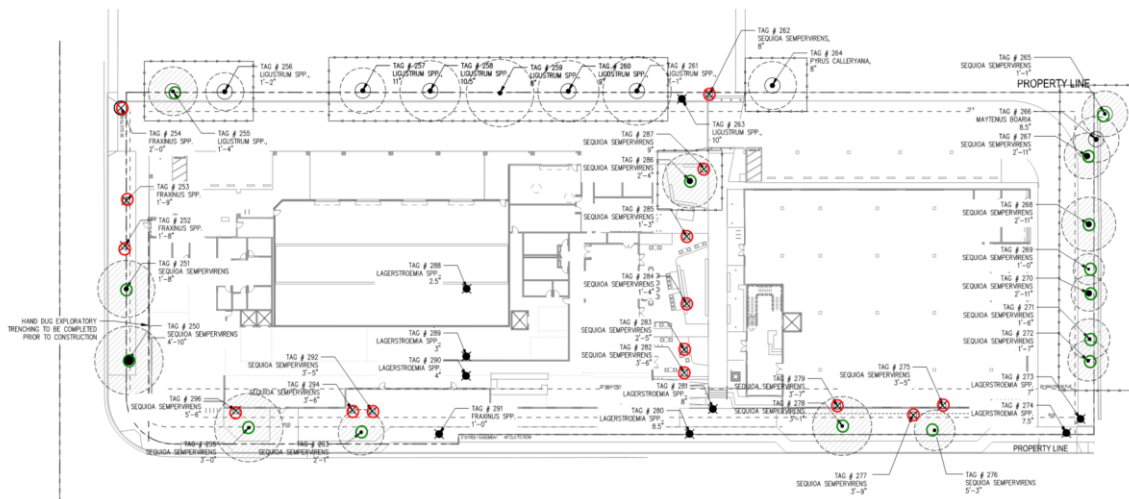


Figure 7: Heritage Tree Removal and Protection Map

Table 2: Tree Canopy Coverage

Coverage Canopy	Site Coverage
Existing	30.1%
New After Five to 10 Years	29.6%
New After 15 Years (~Full Growth)	36.4%

As discussed earlier, the project proposes modified sidewalk design from the EWPP standards in order to protect six mature redwood trees that were selected to be most viable for protection during construction. Additional redwood and privet trees are also protected along the western and northern property lines and within the proposed paseo.

Parking

The project includes a total of 192 total spaces (173 within the parking garage, 14 surface parking spaces behind the office, and five short-term parking stalls in the hotel's porte-cochere area). The project proposes on-site parking that is provided in a parking lift system in an enclosed garage attached to the hotel and some surface parking to the rear of the office. The parking will be shared by both the hotel workers, hotel guests, and office users.

The project is subject to minimum parking standards for the hotel. (Assembly Bill 2097, recently passed State legislation that, effective as of January 1, 2023, prohibits cities from enforcing parking minimums on a site within one-half mile of a major transit stop, does not apply to hotel uses.) The minimum parking requirement for the hotel is 209 spaces. However, the Multi-Modal Transportation Analysis for the project (see Exhibit 5) conducted a study of the proposed parking supply and found that there would be adequate parking for the hotel and office based on comparable projects and its proposed operations. Therefore, the applicant requests, and staff recommends, approval of a Provisional Use Permit to reduce the required parking for the project to 192 spaces.

The project is also subject to maximum parking standards, which apply to the office use pursuant to the EWPP. The project proposes to dedicate 70 spaces for the office use in the parking garage, which is less than the 109 spaces maximum (2.9 spaces per 1,000 square feet). These maximum parking requirements are intended to encourage multi-modal transportation and to reduce the incentive to drive and the development costs associated with parking facilities. The project includes a condition of approval to develop a parking management plan that will limit office parking to the required maximum by reserving the remainder for the hotel.

The project also exceeds the requirements for bicycle parking by providing a total of 24 secure long-term bike parking spaces where 17 spaces are required, and 32 short-term bicycle racks where 28 spaces are required. The long-term parking spaces are provided in

an enclosed room located on the north side of the office building. The short-term parking spaces are located at various convenient locations throughout the site, such as the corner courtyard, the porte-cochere, the paseo, and in front of the office use closest to the NASA/Bayshore Light Rail Station.

Transportation Demand Management

The East Whisman Precise Plan identifies specific transportation demand site design features and operational measures required for all new office projects, including a TDM Plan that provides details on the implementation and reporting of the TDM measures. The project has provided a plan that meets the Precise Plan requirements and includes, but is not limited to:

- Compliance with the EWPP Trip Cap of 0.95 a.m. and 0.88 p.m. peak-hour trip per 1,000 square feet of office.
- Implementation and annual monitoring of a TDM plan, including the following measures: joining the Mountain View TMA; provision of bike storage, repair facilities, and showers; subsidized transit passes; and guaranteed ride home program and ride-matching resources.

ENVIRONMENTAL REVIEW

In compliance with the California Environmental Quality Act (CEQA), an Initial Study of Environmental Significance was prepared for the project (see Exhibit 1). The Initial Study determined that, with implementation of City standard conditions of approval and certain mitigation measures identified in the East Whisman Precise Plan Final Environmental Impact Report (Precise Plan FEIR) and 2030 General Plan and Greenhouse Gas Reduction Program Final Environmental Impact Report (General Plan FEIR), the proposed project would not result in any new or substantially more significant environmental impacts beyond those previously evaluated and disclosed in these Environmental Impact Reports.

Middlefield-Ellis-Whisman Superfund Study Area

The Project is located within the Middlefield-Ellis-Whisman (MEW) Superfund Study Area, which was identified as a Superfund Area in the late 1980s due to semiconductor, electronic, and other manufacturing companies operating in the area that contaminated the soil and groundwater with volatile organic compounds (VOC) in the 1960s and 1970s. As part of the project review, a Phase I Environmental Site Assessment (ESA) was completed and peer-reviewed for the project development. The report concluded that there is potential for VOC-contaminated soil vapor and groundwater due to the project's location within the MEW.

All projects within the MEW Superfund Study Area are required to prepare and submit monitoring plans and vapor barrier design solutions and comply with other reporting requirements for the vapor control measures and receive approval from the U.S. Environmental Protection Agency (EPA). The project applicant has contacted the EPA and will continue work with that agency prior to issuance of building permits. Additionally, the applicant will be required to complete reports of installation of the vapor intrusion control measures approved by the EPA prior to building occupancy.

Based on the above, the project is in compliance with existing regulations for the area with the implementation of mitigation measures identified in the Precise Plan FEIR (MM HAZ-3.1), including the submission of a Phase 1, and impacts associated with hazardous materials would be less than significant and consistent with the findings of the Precise Plan FEIR.

Vehicle Miles Traveled

The Precise Plan FEIR identified a significant impact to project-generated Vehicle Miles Traveled (VMT), largely due to the amount of new office and the existing conditions of relatively high VMT-generating office uses. However, the City Council adopted its VMT Policy in June 2020 as the metric for determining significant transportation impacts consistent with State regulations, including SB 743.

The City's VMT Policy includes screening criteria for projects which are presumed to have a less than significant VMT impact and would not require further project-specific VMT analysis if the project meets certain criteria. This project complies with the screening criteria because the site is located within 0.5 mile of the Bayshore/NASA and Middlefield Light Rail Stations, has an FAR greater than 0.75, and provides reduced parking supply (less than the City's maximum parking allowance); therefore, the project is determined to be consistent with the City's VMT Policy and have a less-than-significant VMT impact.

NEXT STEPS

Following this EPC public hearing, the project and EPC recommendation will be considered at a City Council public hearing, tentatively scheduled for November 7, 2023.

ALTERNATIVES

1. Recommend approval of the project with modified conditions of approval.
2. Recommend denial of the project.

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EY/1/CDD
810-10-04-23SR

- Exhibits:
1. Initial Study of Environmental Significance (CEQA)
 2. Draft Project Resolution
 3. Project Plans
 4. Arborist Report
 5. Multi-Modal Transportation Analysis