

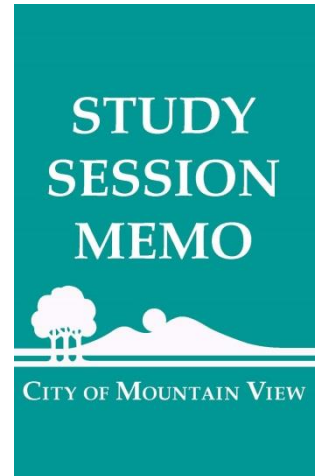
**DATE:** February 26, 2019

**TO:** Honorable Mayor and City Council

**FROM:** Eric Anderson, Senior Planner  
Aarti Shrivastava, Assistant City  
Manager/Community Development  
Director

**VIA:** Daniel H. Rich, City Manager

**TITLE:** 701-747 West Evelyn Avenue Parking and  
Design



## PURPOSE

Staff is seeking City Council feedback on the proposed office development at 701-747 West Evelyn Avenue, including the proposed parking ratio and the development design.

## BACKGROUND

### Project Site

The project site is located in downtown, on the southwest corner of West Evelyn Avenue and Hope Street. The project site is made up of two existing parcels and is currently developed with a Subway restaurant and two other small commercial spaces on the eastern parcel and a car repair and three other small commercial spaces on the western parcel.

The site is across the street from the Downtown Transit Center, and immediately north of City Parking Lot 4, where a new hotel development by The Robert Green Company (TRGC) was approved by Council on



Location Map

November 27, 2018. Blossom Lane, a public alley providing access for businesses located on Castro Street, is to the west. Across Blossom Lane (along West Evelyn Avenue) is a City-owned plaza, which is currently licensed to Olympus Caffe and Bakery for their outdoor dining.

The existing parcels' Evelyn Avenue property lines are not in line. The corner parcel's property line is approximately 16' behind the Evelyn Avenue curb, while the western parcel is about 6' behind the curb. Six feet (6') is inadequate sidewalk width for the pedestrian volumes expected around a building with the proposed retail and office intensity. However, 16' is larger than sidewalks almost anywhere else in downtown, especially in the vicinity of this site. To create a more consistent street wall and to provide an adequate sidewalk, the project proposes an 11' sidewalk between the two property lines. To achieve this, the City would vacate 5' of Evelyn Avenue to the project near the corner, and the project would dedicate 5' of Evelyn Avenue to the City near Blossom Lane.

### Previous Meetings

#### *Downtown Parking – Council Study Session*

On September 19, 2017, staff sought Council direction on use of the Downtown Parking In-Lieu Fee, and whether more parking spaces should be provided within downtown development projects. City Council direction included the following:

- Council supported allowing use of the Parking In-Lieu Fee instead of requiring parking on development sites, especially when the development site is too small to construct its own parking.
- Council encouraged development to provide more aggressive TDM measures.
- Staff was directed to look into creating a downtown Transportation Management Association (TMA), or encouraging downtown representatives on the Citywide TMA. More information on this is provided later in the report.
- Staff was directed to look into expanding use of the fee to address other transportation modes. The City Council could consider this issue with updates to the Downtown Precise Plan, which will be discussed on March 5.
- The City Council placed a low priority on building a new parking garage, but stated that it may become a higher priority in the future.

### *Hope Street Lots Project – Council Study Session*

At the November 28, 2017 Hope Street Lots Study Session, Marwood requested that the City Council consider a joint parking garage between their site and the proposed hotel on the west side of Hope Street (Lot 4). Council directed staff and TRGC to explore the potential implications of a joint parking garage as part of the hotel development project on Lot 4.

### *City Council Closed Sessions*

On March 27, 2018 and October 16, 2018, Council held closed sessions on the negotiations between the City, TRGC, and Marwood which resulted in the following direction for consideration of the Marwood project:

- Increase 24/7 public parking;
- Financial benefit to the City;
- No delay to the Hope Street Lots project; and
- No amendment to the DDA and Ground Lease by and between the City and TRGC.

### *Downtown Committee Meeting*

The proposed project was presented to the Downtown Committee on November 6, 2018. The Committee had questions about the interface between the project and Lot 4 and amenities provided in the corner plaza, and expressed concerns about the proposed low parking ratio.

### *Development Review Committee (DRC) Meeting*

The project was reviewed by the DRC on November 7, 2018. In general, the DRC generally supported the project's massing, step-backs, rhythm, and use of traditional elements. They had several comments on details, programming, and materials, which should be addressed in future iterations of the project before it returns to the City Council for consideration. More information about the project's design is provided later in the report.

## **DISCUSSION**

Marwood Assets Management (“Marwood”) is proposing to demolish the existing commercial buildings to construct a four-story building with 30,840 square feet of office area over 8,050 square feet of ground-floor retail at 701-747 West Evelyn Avenue.

The proposed project complies with the development standards of the Downtown Precise Plan, except for the provision of parking, of which at least 88 stalls would be required under the Plan. They are also proposing three levels of underground parking containing 55 stalls under the building. This parking would be integrated with the adjacent parking garage that will be constructed by The Robert Green Company at City Parking Lot 4, and access to each level of parking would only be through the City’s lot, as no ramp would be constructed on the Marwood project site. A portion of these 55 stalls would be available to the public 24 hours a day, seven days a week, and all 55 stalls would be available nights and weekends.

### **Design**

The proposed building has been through several design iterations. The project’s design direction is based in part on City Council feedback on other projects and compliance with the Downtown Precise Plan. The City Council has expressed interest in traditional architectural styles over modern ones, especially downtown. In addition, the Downtown Precise Plan includes numerous design guidelines, which are intended to encourage new development to use architectural features, details, and materials that are compatible with and reinforce the existing historic buildings and development patterns in the area. For example, the Plan encourages “craftsmanship and detailing within the pedestrian’s range of touch and view,” inset windows “to provide relief, detail, and variation,” and “richly detailed” building materials.

In November, the project was reviewed for the first time by the DRC, who provided design recommendations on development projects. Generally, a project of this scale would be reviewed at least twice by the DRC. The project elevations shown below and in Attachment 1 (Project Plans) reflect what was reviewed by the DRC, but do not reflect any changes based on the DRC’s direction which are anticipated to be made in a future plan submittal following this Study Session.

The project's current design includes several traditional design features, including utilization of traditional building materials such as limestone and sandstone; ornamental elements like parapet caps, water table, awnings, and pedestrian-scale landscaping and lighting; and a regular rhythm of inset windows. The project highlights the corner with a small entrance



Perspective from Transit Center

plaza and a tower element that also integrates a roof deck. The design also successfully reduces the mass of the long Evelyn Avenue facade by creating a break partway through the building, and by setting the fourth floor back behind the street facade. A perspective view of the proposed project from the Transit Center is shown above.

The project's facade facing Castro Street will also be highly visible, since it is adjacent to a City plaza, currently occupied by the Olympus Caffe outdoor dining. The project steps down towards the lower buildings on Castro Street, and includes entrance features that orient to the plaza.



Perspective from Castro Street

The DRC generally supported the project's massing, step-backs, rhythm, and use of traditional elements. They had several comments on details, programming, and materials, which should be addressed in future iterations of the project before it returns to the City Council for consideration. The following were comments from the DRC meeting:

- Improve the corner plaza programming;
- Open the ground floor toward the Hope Street/Evelyn Avenue corner more;
- Provide alternate materials to the upper-floor stucco;
- Add detail to the trellis over the roof deck, and better integrate it with the overall design; and
- Continue to add detail and interest to the ground floor.

**Council Question 1: Does Council support the direction of the project's proposed design, subject to further DRC review? Does the City Council have any additional feedback on the project's design or architecture?**

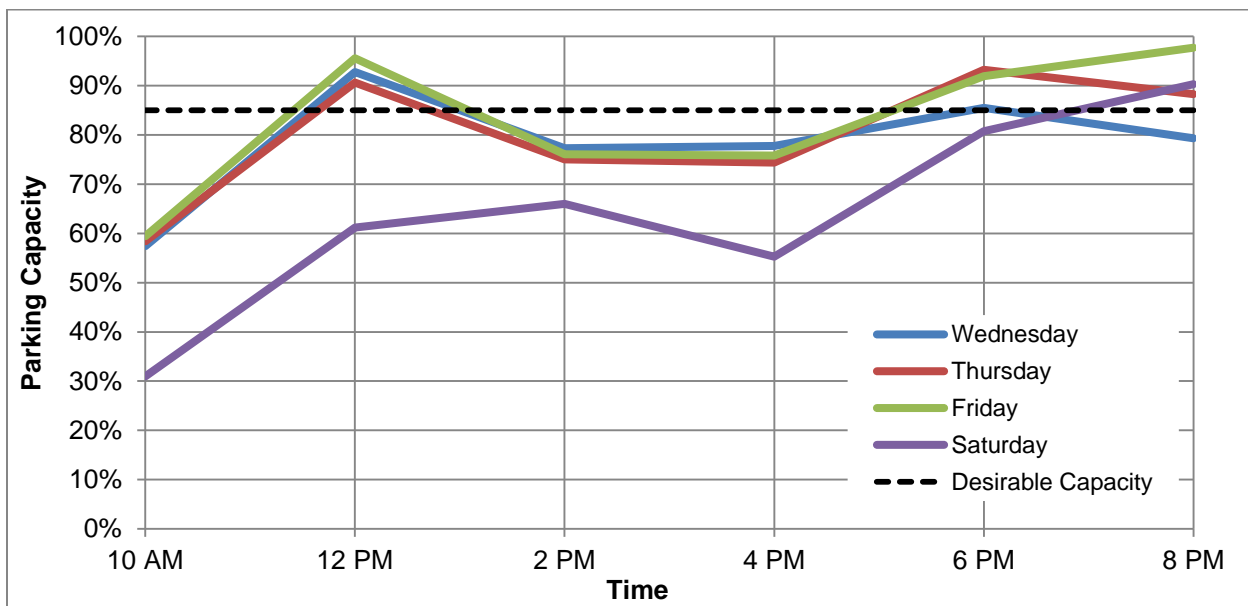
## Parking

### *Downtown Parking Demand*

The City of Mountain View finances and maintains public parking in the Downtown Parking District (District), which was created in 1959. As stated in the Downtown Precise Plan, development outside the District must provide its own parking, while development within the District may rely on public parking spaces. This arrangement has many benefits for downtown and the community. For example, the public parking supports automobile access to older buildings that do not provide their own parking; shared parking can be used by more people than private parking; and carefully sited public parking supports urban design goals for Castro Street and cross streets, which benefit from continuous building frontages.

To help with the overall management of the downtown public parking facilities, staff collects parking occupancy data in the spring and fall to monitor current parking conditions. The most recent counts took place in April 2018 (a Wednesday through Saturday), with results shown in Figure 1. Practical capacity is typically defined as 85 percent (when it becomes difficult for a driver to find a parking space without having to circle or “cruise” for parking). The data continues to show two parking peaks near or above practical capacity at the lunch and dinner hours on weekdays. Saturday has a similar evening peak, but less demand at lunch.

**Figure 1: Downtown Parking Counts – April 2018**



### *Downtown Precise Plan Direction*

The Downtown Precise Plan includes parking regulations for new development in the District (see Attachment 2 – Downtown Precise Plan Excerpt). Not all developments are required to provide parking. For example, ground-floor retail is exempt from parking requirements to provide an incentive for retail uses and because retail trips are more likely than restaurant or office to be “chained” (when a customer parks once to visit multiple establishments). However, new office development is required to provide parking, at a ratio of 1 space for every 333 square feet of gross building area. The Precise Plan allows a 5 percent reduction for developments that agree to Transportation Demand Management (TDM) measures in their operations, a standard of 1 parking stall per 350 square feet. Based on these ratios, Marwood’s proposal has a parking requirement of 88 stalls.

This project is located in Area H of the Precise Plan and located in the Parking District, which allows an in-lieu fee payment up to 100 percent of the required parking (current in-lieu fee is approximately \$52,000 per stall). The decision to allow the payment of parking in-lieu fees versus providing the actual spaces is at the discretion of the City Council. The fee’s intended use is to expand the downtown public parking supply in response to increased demand from new development by collecting funds for City-sponsored parking facilities. Using the fee has the following benefits:

- It provides flexibility for development on downtown’s small parcels;
- It supports development feasibility in a key transit-oriented location;
- It reduces the need for driveways that can interfere with the pedestrian streetscape; and
- It reduces the occurrence of private parking, which is less efficient than shared public parking.

However, the fee also has the following disadvantages:

- There may be a delay of many years between when the development is built and when the parking is built, resulting in greater parking demand than supply for a period of time;
- The amount of money collected from the fee is likely less than the cost of building the parking spaces; and



- The City may not be interested in constructing new parking garages downtown, given changes in how people travel, the City’s goal to reduce vehicle trips, and other factors (see the September 2017 Study Session summary, above).

Previous developments have been allowed to pay the fee instead of providing all their required parking on site (see Table 1).

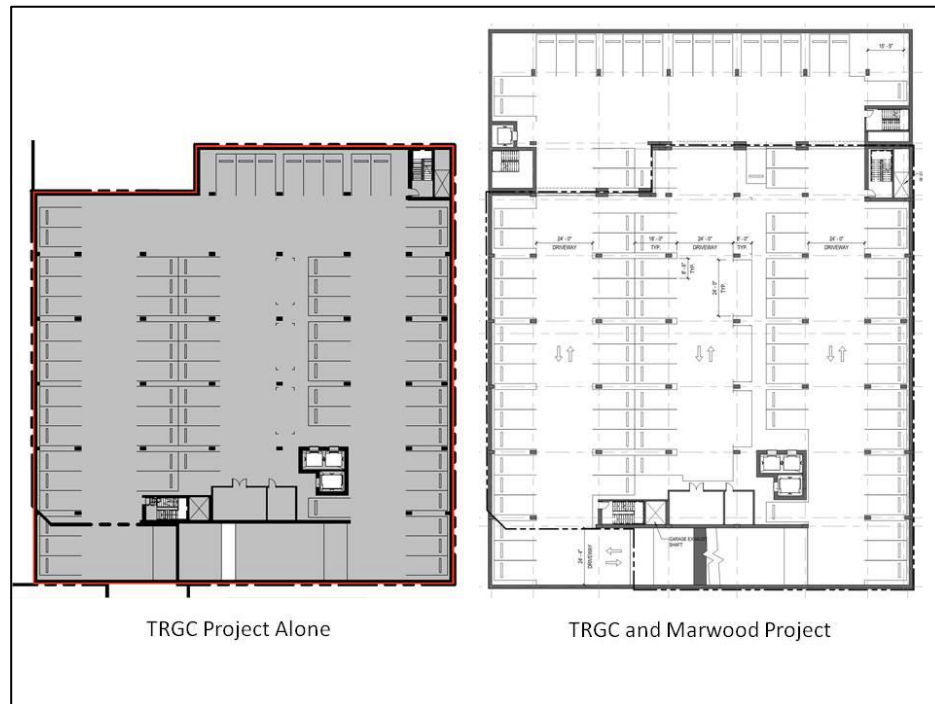
**Table 1: Parking In-Lieu Fees at Downtown Developments**

Project	Parking Spaces Required	Parking Spaces Built	In-Lieu Fee Spaces	Percent Fee
871 West Evelyn Avenue	146	33	113	77%
900 Villa Street	63	19	44	70%
250 Bryant Street	194	161	33	17%

Historically, projects providing in-lieu fees have paid based on their full parking requirement (minus the 5 percent allowed in the Plan based on the provision of TDM). However, the City Council may reduce this requirement for both on-site parking and parking in-lieu fees based on a TDM analysis and agreement.

*Marwood’s Parking Proposal*

The property is only 55’ to 75’ deep, which makes the provision of underground parking on the site physically and economically challenging, especially considering the need for an access ramp to multiple levels. The applicant has submitted several plan iterations since early 2017, attempting to accommodate parking and access within their site, each of which were rejected by City staff due to site constraints. In order to provide some parking for their office building, Marwood has proposed to use their site to expand the footprint of the TRGC parking garage under Lot 4. The number of parking spaces available with three levels underneath Marwood’s lot would be approximately 55. In addition, an aisle in the TRGC garage may be removed and filled with additional parking stalls (since a parallel aisle would be provided on Marwood’s property), adding up to nine stalls to the TRGC garage (three per level). These additional stalls are still uncertain and subject to review of final site plans and construction.



Parking Garage Plans

Marwood proposes to transfer ownership of the land to TRGC (so TRGC can construct and manage the garage), but Marwood would retain development rights over the garage and parking rights in the garage in perpetuity. These parking rights, and the necessary access to them through the City's land, represent a new encumbrance on the City's property, which will constrain how the City may use Lot 4 in the future. The City is still negotiating the terms of that encumbrance, based on the framework established at the March and October 2018 Closed Sessions, but Marwood has offered, as one form of payment, that a portion of their parking spaces will be public parking (available 24 hours a day, 7 days a week, and not used by their tenant).

The project proposes 55 spaces composed of 25 dedicated public spaces and 30 office project spaces. With 30 parking spaces proposed for the office use, the parking ratio is approximately 1 stall per 1,000 square feet of office space, a 68 percent reduction from the Precise Plan's standards. Marwood justifies this parking ratio based on a robust Parking and Transportation Demand Management (PTDM) Program that they have submitted to the City (Attachment 3—Marwood PTDM Program). In addition, Marwood asserts that no parking in-lieu fees should be required, based on the extent and enforceability of these measures. Though the PTDM Program includes a range of valuable and effective measures, the proposed ratio is fewer parking spaces than approved at other office buildings on the basis of their transportation demand

management. For example, 1625 Plymouth Street, an approved office building in North Bayshore, included 2.7 stalls per 1,000 square feet of office space (equal to 1 stall per 370 square feet). However, the project's location adjacent to the Downtown Transit Center may increase the effectiveness of Marwood's proposed PTDM measures as compared to other Citywide examples. As stated earlier, no downtown developments have been approved at less than 1 stall per 350 square feet.

#### *TDM Measures*

The proposed PTDM Program includes many measures staff supports, including:

- A flexible subsidy for transit, carpooling, and/or bicycling for office employees (in perpetuity);
- Bicycle parking, showers, and repair;
- A real-time transit kiosk, where the public can see wait times for trains and buses;
- Transit and vanpool subsidies for retail employees;
- Coordination with other downtown employers;
- Ongoing transportation monitoring; and
- Membership in the TMA.

There are two proposed measures that staff has some concerns about, based on consistency with other policies and programs the City manages:

- **Parking Permits:** The applicant will prohibit tenants from purchasing parking permits. Currently, the City does not restrict parking permit sales based on the tenant's address within the Parking District. If the City wishes to adopt address-specific limits on parking permits, there will be administrative costs in managing or updating the parking permit programs and procedures. However, the Council will have a Study Session to discuss additional changes to the downtown parking permit program in March, so this may be wrapped into other changes to the program. Staff does not recommend that this program be modified based solely on a single property request, and that this property should follow the same parking permit process as other office projects in the Parking District.

- **Penalties:** Several other office developments have been approved with enforcement and penalty provisions in their conditions of approval. This tool can be effective at giving tenants and property owners a stake in their TDM measures' success. However, other TDM measures in the City are based on peak-hour trip generation, not parking. In this case, the City is interested in managing drivers who arrive and depart on- or off-peak, but park in the City lots. In addition, the normal tools for monitoring (such as driveway counts) are not effective for this building. Instead, the applicants propose surveys to determine compliance, which are difficult to verify and administer. If the City Council wishes to impose enforcement penalties on this project, additional work would be needed to develop and maintain the program administration. Based on the monitoring constraints and the additional project-specific administration, staff does not recommend the proposed penalty system.

#### *Palo Alto Data*

Mountain View has not conducted downtown surveys of office developments' mode share and parking demand. However, the Palo Alto Transportation Management Association (PATMA) has conducted annual surveys of employers in downtown Palo Alto over the last four years, which may be used as somewhat of an analogy for downtown Mountain View since downtown Palo Alto is similarly adjacent to a major Caltrain and VTA transit center. However, other conditions may be different between the two cities, including the availability of unregulated street parking in nearby neighborhoods; the range of services available in the area; or the range of transportation services provided by affected companies and the TMA.

Attachment 4 includes some data from the PATMA's most recent survey report. Some relevant findings are as follows:

- Technology companies have maintained a roughly 30 percent drive-alone rate. At roughly five employees per 1,000 square feet (the expected job density for downtown technology companies), this is approximately 1.5 employee cars per 1,000 square feet, or one stall for every 670 square feet.
- Other office establishments have been less successful, averaging about a 70 percent drive-alone rate. At roughly four employees per 1,000 square feet (the expected job density for other downtown office establishments), this is approximately 2.8 employee cars per 1,000 square feet, or one stall for every 360 square feet.

Staff expects most tenants will be technology companies, but the City does not have a way to limit other types of office uses from the building. The data has the following

limitations, in addition to the differences between Palo Alto and Mountain View mentioned above:

- The surveys are only from the last four years, a period when traffic congestion has been a significant “push” on mode shift and significant resources have been available from companies to support alternatives. It is unclear how these data would be different in other market conditions.
- Company size may have a significant effect on the mode share. For example, a larger company may have more resources to devote to transportation services, but any building could be broken up into smaller tenancies.

#### *Additional Issues*

There continue to be issues that need to be resolved before the proposed shared parking garage can be approved. These include technical issues, such as how the shared garage will be built and phased, especially if TRGC starts construction before Marwood’s project. They also include legal issues, such as the subdivision requirements to create Marwood’s development rights over the garage. Lastly, the aforementioned City/TRGC/Marwood negotiation regarding the terms for Marwood’s parking encumbrance on Lot 4 must be resolved.

#### *Summary and Options*

Staff is seeking Council feedback on the project’s proposed parking ratio, required in-lieu fees, and the PTDM Program measures. There are several alternatives that Council can consider at this time.

**Support Project’s PTDM Program and Parking Ratio.** All 25 proposed 24/7 public parking spaces would be provided, and the PTDM program would include enforcement and prohibition on permit parking. Because the project would be required to limit its parking impact through ongoing enforcement, Marwood states that a Parking In-Lieu Fee should not be required to build additional parking to serve this project. However, a Parking In-Lieu Fee or other financial benefit may be negotiated for the access rights to the parking. The project would proceed through development review with minimal changes to floor area and PTDM Program.

**Staff’s Recommendation.** TJKM, a transportation consulting firm, provided a peer review of the proposed PTDM Program. Based on their review of the project, the PTDM Program, regional and State Best Practices, the Palo Alto data and its limitations above, and professional judgment, staff recommends a parking ratio no less than 1 stall

per 500 square feet, especially if the PTDM Program does not include enforcement or a prohibition on parking permits. This ratio is 33 percent below the Downtown Precise Plan and would result in 62 stalls dedicated to the building. This assumes that roughly 40 to 50 percent of the estimated 120 to 150 office employees in this building would use the building's private parking.

A parking ratio of 1 parking stall for every 500 square feet of floor area gives the City some assurance that, in the near term, the project will not demand more 24/7 public parking stalls than it creates to satisfy Council's request for additional 24/7 public parking. Staff will continue to work with Marwood on the number of 24/7 public parking stalls provided, based on project design and feasibility, the "baseline" offer of 25 stalls, and other operational considerations.

In addition, to comply with the Precise Plan, any shortfall of private parking from the Precise Plan TDM Parking Standard (1 stall per 350 square feet) should be provided through Parking In-Lieu Fees. This would allow the City to add public parking spaces over time, to address potential unforeseen increases in this project's parking demand.

The PTDM program should be revised to remove enforcement and prohibitions of parking permits, so that this project is treated similarly to other downtown developments.

This option would obviously require more parking than appears to fit in the garage. To comply, the applicant would have several choices for how to proceed. On the one hand, Marwood could reduce the project size. For example, a 22,500 square foot office building would demand only 45 parking stalls, consistent with the recommendation. However, this would significantly impact the project's feasibility, and Marwood has stated that this would kill the project. On the other hand, Marwood has stated that there may be additional opportunities for increasing parking capacity in the garage, such as the potential for parking lifts or valet parking. In addition, net new parking spaces may be created through removal of the aisle in the TRGC garage. Marwood and TRGC are still working on an estimate of the number of new spaces available through these opportunities.

A comparison of Marwood’s proposal and the Staff Recommendation is shown in Table 2.

**Table 2: Comparison of Parking and PTDM Program Options**

<b>Topic</b>	<b>Marwood Proposal</b>	<b>Staff Recommendation</b>
Private Parking (Public Nights and Weekends)	30 stalls (1 per 1,000 sf)	62 stalls (1 per 500 sf)
24/7 Public Parking	25 stalls	Continue to work with Marwood
Parking In-Lieu Fee	No	Yes
Enforcement	Yes	No
Prohibit Parking Permits	Yes	No

***Council Question 2:*** Does the City Council support staff’s recommended Parking and PTDM Program option, the Marwood Proposal, or some alternative?

**RECOMMENDATION**

Staff is seeking City Council input on the following questions:

***Council Question 1:*** Does Council support the direction of the project’s proposed design, subject to further DRC review? Does the City Council have any additional feedback on the project’s design or architecture?

***Council Question 2:*** Does the City Council support staff’s recommended Parking and PTDM Program option, the Marwood Proposal, or some alternative?

**NEXT STEPS**

Based on Council feedback, staff will continue to review the proposed project and return for final consideration at a future date. The City will continue to negotiate with the applicant regarding terms for the encumbrance on City land and will continue to work with the applicant and TRGC on the design revisions to the garage. The TRGC project will proceed through building permits. The applicant hopes to start construction of their project concurrently with the TRGC hotel, but the Marwood application will include construction contingency measures in case they are not prepared to start construction at that time.

## **PUBLIC NOTICING**

The Council's agenda is advertised on Channel 26, and the agenda and this report appear on the City's website. All property owners and tenants within a 750' radius and other interested stakeholders, including the Central Business Association, the Chamber of Commerce, the Old Mountain View Neighborhood Association, and Livable Mountain View, were notified of this meeting.

EA-WC/3/CAM

899-02-26-19SS

- Attachments:
1. Project Plans
  2. Downtown Precise Plan Excerpt
  3. Marwood TDM Program
  4. Palo Alto TMA Data