



**DATE:** October 18, 2016

**CATEGORY:** Public Hearing

**DEPT.:** Community Development

**TITLE:** **750 Moffett Boulevard (Moffett Gateway Hotel and Office Development)**

### **RECOMMENDATION**

1. Adopt a Resolution Certifying the Moffett Gateway Project Final 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. Adopt a Resolution Approving a General Plan Land Use Map Amendment for a Three-Acre Property Located at 750 Moffett Boulevard from Undesignated Caltrans Right-Of-Way to Mixed-Use Corridor, to be read in title only, further reading waived (Attachment 2 to the Council report).
3. Introduce an Ordinance Amending the Zoning Map for the Properties Located at 750 Moffett Boulevard from A (Agriculture) and Undesignated Caltrans Right-of-Way (ROW) to P (Planned Community), to be read in title only, and set a second reading for October 25, 2016 (Attachment 3 to the Council report).
4. Adopt a Resolution Conditionally Approving a Planned Community Permit and Development Review Permit for a 255-Room Hotel, 200,000 Square Foot Office Building, and Six-Level, Above-Grade, Parking Structure; and a Heritage Tree Removal Permit for the Removal of 187 Heritage Trees at 750 Moffett Boulevard, to be read in title only, further reading waived (Attachment 4 to the Council report).
5. Adopt a Resolution Conditionally Approving a Vesting Preliminary Parcel Map at 750 Moffett Boulevard, to be read in title only, further reading waived (Attachment 5 to the Council report).

## **BACKGROUND**

### **Project Site**

The approximately 10-acre project site is located on two vacant properties in the southwest quadrant of the intersection of U.S. 101 and Moffett Boulevard. The site was previously used as the County of Santa Clara Vector Control Yard from approximately 1970 until its closure in 2004.

The two properties that make up the project site are separately owned and will continue to be for the life of the project. The approximately 7-acre parcel, which contains the proposed office building and parking structure, is owned by the City of Mountain View and has been leased to Broadreach under a ground lease and Disposition and Development Agreement (DDA). The approximately 3-acre parcel, which contains the proposed hotel, is excess Caltrans ROW. Broadreach is under contract with Caltrans to purchase the property pending a decision on this project.



Project Location

The surrounding land uses include Stevens Creek and the associated trail to the west; U.S. 101 to the north; Moffett Boulevard and commercial and residential uses to the east; and a PG&E substation and Moffett Boulevard to the south. Access to the site is from the southernmost tip of the property on Moffett Boulevard.

### **Project Description**

The project includes a request to change the General Plan designation of the undesignated Caltrans property to Mixed-Use Corridor and rezone the whole 10-acre project site to P (Planned Community) to allow the site to be redeveloped with a 255-room hotel, 200,000 square foot office building, and six-level, above-grade parking structure (see Attachment 6 – Project Plans).



Council was generally supportive of the preliminary project plans that were presented and provided the following project recommendations and direction to the applicant and staff:

- Supportive of the office building, parking garage, and hotel designs with the incorporation of the Development Review Committee (DRC) design recommendations for an enhanced hotel design;
- Supportive of the increase in the office square footage from 185,000 square feet, which was shown in the early DDA project schemes, to 200,000 square feet;
- Supportive of the site layout and configuration of buildings, open space, and circulation; and
- Requested a biological evaluation be completed for potential impacts to the creek.

#### *Neighborhood Meeting*

The applicant held a neighborhood meeting on April 28, 2016 to present the project plans to the neighborhood and to hear comments and feedback about the proposed development. Approximately 15 people attended the meeting. Attendees were generally supportive of the project and had questions related to traffic, landscaping, project sustainability features, and potential office tenants.

#### *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 July 27, 2016 and made a Determination of Consistency with the Moffett Federal Airfield CLUP.

#### *Development Review Committee*

The project was reviewed by the DRC three times. The DRC provided recommendations on several iterations of the project design and the project received a

final recommendation of conditional approval on August 3, 2016. The DRC added a condition of approval for a revised porte cochère design at the hotel entrance.

#### *Environmental Planning Commission (EPC)*

The EPC held a public hearing on September 7, 2016, where they unanimously recommended approval of the project and Environmental Impact Report (EIR) (see Attachment 8 – [EPC Public Hearing Report, September 7, 2016](#)). The EPC expressed support of the project but requested that the Transportation Demand Management (TDM) program for the site apply to the hotel employees in addition to the office workers. Staff has revised the TDM condition of approval for the project to include this (see Condition of Approval No. 47 in Attachment 4). Two people spoke at the hearing. The first speaker requested that bicycle improvements be included along Moffett Boulevard and the second speaker was a representative from Unite Here Local 19 who presented a comment letter requesting that additional consideration be given to some of the Final Environmental Impact Report (FEIR) comments (see Attachment 10 – Unite Here Local 19 Comment Letter). Staff has reviewed the issues raised in the comment letter and has determined they have been adequately addressed in the DEIR and FEIR response to comments and no additional analysis is required.

## **ANALYSIS**

### **General Plan**

The existing Caltrans site is undesignated on the General Plan Land Use Map and the City-owned property has a designation of Mixed-Use Corridor. The proposal includes a General Plan Land Use Map Amendment for the Caltrans site to Mixed-Use Corridor (see Attachment 2 – Resolution for the General Plan Land Use Map Amendment). This matches the General Plan Land Use Designation of the City property.

The Mixed-Use Corridor General Plan Land Use Designation allows a broad range of commercial, office, residential, and public spaces and an FAR up to 1.85. The proposed project is consistent with the General Plan designation, with a proposed FAR of 0.89 and office and lodging uses.

The project is supported by the following General Plan policies:

- *LUD 3.2: Mix of land uses.* Encourage a mix of land uses, housing types, retail and public amenities, and public neighborhood open spaces accessible to the community.

- *LUD 3.7: Upgraded commercial areas.* Encourage the maintenance, enhancement, and redevelopment of older commercial districts, shopping centers, and corridors.
- *LUD 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 12.4: City-owned land.* Maximize revenue from City-owned land and strategically acquire new land to generate revenue.

### **Proposed Rezoning**

The City site is zoned A (Agriculture) and the Caltrans site currently undesignated. The proposal includes a Zoning Map Amendment for both sites to the P (Planned Community) District (see Attachment 3 – Resolution for the Zoning Map Amendment).

### **Project Overview**

The project includes the redevelopment of the approximately 10-acre site with a new hotel, office building, and above-grade parking structure, which are further described below.



Site Plan

### *Office Building*

The proposed office building is located along the western boundary of the site, south of the proposed parking garage. The office building is approximately 200,000 square feet in size and five stories tall. The office building is designed to LEED Gold® standards.

The architectural design of the proposed building is contemporary and the front facade is oriented toward the site open space and main internal driveway. The building is scaled to the pedestrian at the ground floor with a clearly defined entry path from the parking garage along the front of the building under a one-story colonnade that increases to two stories at the main building entry and ground-floor break-out spaces



Office Building

adjacent to the outdoor patio. The fifth floor of the building is set back from the lower floors and outdoor terraces are provided at various areas all around the building. The main building facades are composed of glass curtain walls with accent materials such as wood paneling, which

are carried through to the hotel and help provide continuity between the buildings.

### *Hotel*

The hotel is located in the northeastern portion of the site, east of the parking garage. The hotel is five stories tall and includes 255 guest rooms, a restaurant, and a conference room area. The hotel is designed to LEED Silver® standards. The hotel has the most prominent position on the



Hotel View from U.S. 101

site at the intersection of Moffett Boulevard and U.S. 101 where it will receive the maximum visibility from the freeway and identify the gateway into the City.

On the freeway side, the gently curving mass of the hotel has been broken into three segments punctuated by deep V-cuts in the building to help differentiate the three segments. As you move from east to west, the building steps down from five stories along the freeway to four stories along Moffett Boulevard, reducing its scale as it

engages the lower-scale residential neighborhood. Tile panels arranged in vertical patterns are proposed along the freeway-side elevations and add architectural interest to these facades.

The interior side of the hotel has first-floor pedestrian scaling with a porte cochère at the hotel entrance which extends to the outdoor restaurant patio area. The hotel amenity areas are located at the interior side of the hotel, facing the site open space and main internal driveway, and include an outdoor pool, seating areas, and dining areas. The same tile which is used on the freeway side of the hotel is proposed in limited application on the interior elevations, as well as the wood panels used on the office building.



Hotel View from the Interior of the Site

### *Parking Garage*

A proposed above-grade parking garage is located along the western boundary of the site, north of the proposed office building, and has six levels of parking. The parking structure is shared by the office building and hotel users. The garage exterior is clad with decorative metal grating and vertical panels meant to complement the design and materials of the office building and hotel and provide architectural interest. A green screen is proposed along the creek side (western elevation) to help provide a more natural facade facing the creek and trail, in conjunction with the tree and understory plantings along the western edge.



Parking Garage

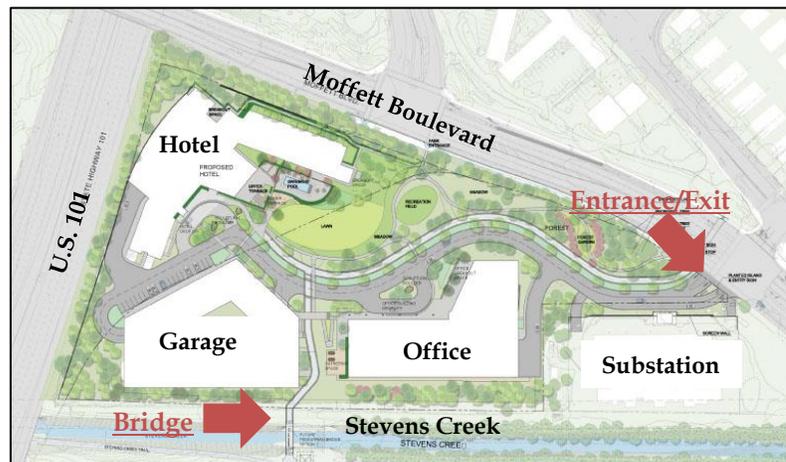
### *Off-Site Improvements*

In addition to the proposed on-site development, the proposed project also includes the following off-site improvements:

- A clear span bicycle/pedestrian bridge is proposed across Stevens Creek, connecting the project site to the Stevens Creek Trail, which is located on the other side of the creek from the project site. A permit is required for this bridge from the Santa Clara Valley Water District (District). District staff has expressed concerns about the impact of this and other planned improvements, such as pedestrian and vehicle crossings over Permanente Creek in the North Bayshore Area, on the District's channel maintenance activities. They believe bridges and other improvements in the channel create an impediment to maintenance equipment and can increase maintenance costs. If the project is approved by the City Council, a permit application will be submitted to the District for the bridge and staff will continue to work with the District to resolve the concerns.
- Stormwater runoff from Moffett Boulevard is currently directed onto the project site. The project proposes to reroute this off-site stormwater runoff from Moffett Boulevard to the southeast U.S. 101 cloverleaf via an 18" storm drain line that would be installed under Moffett Boulevard.
- A 16' screen wall on the PG&E substation property, which would replace the existing dilapidated fence.

### *Access and Circulation*

Vehicular access to the project site would be via Moffett Boulevard near the intersection of Moffett Boulevard and Leong Drive along a private roadway. The private driveway would also be used by PG&E to access the substation that is located adjacent to the project site near the Moffett Boulevard entrance.



Open Space and Circulation Plan

A publicly accessible bicycle and pedestrian Class I trail is proposed parallel to the vehicle roadway. The trail will allow dedicated nonvehicular access through the site and to the Stevens Creek Trail via the new bridge. Two additional pathways are provided from Moffett Boulevard and connect to the internal site circulation network through the open space areas and to on-site buildings.

### **Open Space and Landscaping**

The project proposes a large common open space area along the Moffett Boulevard frontage which would contain passive and active recreation areas and would be used by the on-site hotel and office users as well as available for use to the general public. Additional private open space areas are designated separately for the hotel and office uses. Approximately 37 percent of the project site is designated open space.

As part of the development and environmental review processes, both the parking structure and the office building were moved away from the western boundary along the creek in order to provide a greater setback from the creek corridor and more area for appropriate riparian habitat plantings.

The proposed planting plan for the project contains a mix of native plant species and locally native tree species, including Coast live oak, Western sycamore, and Fremont cottonwood. The plans emphasize locally native species to minimize the potential introduction of invasive species and provide an appropriate buffer between the creek and the developed area. The proposed planting plan and site layout were reviewed by the biological consultant for the California Environmental Quality Act (CEQA) process (WRA) who found the building layouts and proposed planting plan were appropriate and are expected to improve the riparian habitat in the project area as compared to current conditions.

### **Trees**

A tree survey was completed for the project site and areas of off-site improvements by HortScience. The tree survey identified, measured, mapped, and rated the trees for preservation, which took into consideration the trees' age, health, and structural condition. The tree survey found a total of 357 trees (277 Heritage trees) are located on the project site, immediately adjacent to the project site, or in the areas of the proposed off-site improvements. The three most common trees surveyed were the Canary Island pine (98 trees), California pepper (91 trees), and deodar cedar (67 trees).

The vacant site is heavily treed because the County planted a substantial number of trees and created a berm to try and screen the Vector Control use from the surrounding roadways. A separate arborist report was prepared early in the DDA process which showed that the trees had not been cared for since the site's abandonment in 2004 and that many of the trees were in poor condition. Council acknowledged that a substantial number of trees would need to be removed due to their poor health and to accommodate the buildings in the chosen site configuration. Council directed staff to work with the applicant on preserving and/or relocating the greatest amount of healthy trees as possible.

The project proposes to retain 81 healthy trees, transplant 21 trees, and remove 187 Heritage trees on-site and 15 off-site to accommodate the off-site drainage and PG&E substation improvements. Approximately 210 native and region-appropriate replacement trees are proposed to be planted on the project site and in the off-site improvement locations.

The existing tree canopy coverage is approximately 48 percent. The anticipated tree canopy coverage would be 14 percent in year one after project construction and 52 percent at mature tree canopy coverage (10+ years).

## **Transportation**

### *Transportation Demand Management (TDM) Plan*

The applicant hired Fehr & Peers traffic consultants to prepare a TDM plan to achieve a 20 percent reduction in peak-period vehicle trips as measured from the average vehicle trip rate per square foot established by the Institute of Transportation Engineers (ITE) Trip Generation Manual for an office use. In order to achieve a 20 percent reduction in peak-period trips, the applicant proposes a TDM Program which includes the following:

- Membership in the Transportation Management Association (TMA).
- Priority parking for carpools and vanpools.
- On-site transportation team.
- Bicycle parking, showers, and changing facilities.
- Telecommuting/Flexible Work Schedule Program.

- Guaranteed Ride Home Program.
- Rideshare matching services.
- Public transit shuttle services.
- Marketing and information.
- Commuter shuttle services.
- Pretax commuter benefits.
- Subsidized or free vanpools or carpools.
- Biking incentives.
- On-site bicycle repair facilities.

To ensure the long-term effectiveness of their TDM plan and its ability to provide a 20 percent peak-period trip reduction, a monitoring program will be established. Failure to meet the established trip reduction requirement would result in corrective actions to bring the trip reduction back to 20 percent as well as fines.

#### *Traffic Study*

A Traffic Impact Analysis (TIA) was prepared for the project to evaluate potential effects of the project on the roadway system. The analysis estimates project trips based on the ITE Trip Generation Manual trip generation rate for an office building and hotel land use and the TDM plan for the project. Existing traffic counts were taken at 14 intersections around the project and added to the projected trips from approved, “but not yet built” and “not occupied” developments in the area. The 14 studied intersections around the project site all currently operate at an acceptable level of service (LOS).

The TIA found that the project would result in a net increase of 401 a.m. peak-hour trips and 290 p.m. peak-hour trips and that all the studied intersections would continue to operate at an acceptable LOS. An incremental increase in travel delay was noted based on the increase in trips, but none that would push any of the intersections below the level of service threshold.

Freeway segments in the vicinity of the project on U.S. 101, SR 85, and SR 237 were also analyzed for potential project impacts. Over half of the freeway segments are already operating at an unacceptable level of service (LOS F) during the a.m. and/or p.m. peak hours. The traffic study found that the project would add more than 1 percent of freeway capacity on one freeway segment—northbound U.S. 101 between SR 237 and Moffett Boulevard in the a.m. peak hour.

The mitigation for freeway impacts is typically the provision of additional freeway capacity which is considered beyond the scope of an individual project since a single project or city cannot acquire all of the right-of-way or funds necessary for freeway widening and improvements. Therefore, the project would result in a significant unavoidable impact which 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.

### *Parking*

The parking garage contains 804 parking spaces. The project also includes 22 surface parking spaces that would be located along the northeastern side of the parking garage, bringing the total on-site parking to 826 spaces. Bicycle parking would be distributed throughout the project site, both inside and outside buildings. The project proposes a total of 99 bicycle parking spaces, including 58 long-term (Class I) and 41 short-term (Class II) bicycle parking spaces.

Based on the City's standard parking requirements, a minimum of 1,082 parking spaces would be required for both the hotel and office uses. The City's standard parking requirements are based on average parking demands for uses within the City and do not take into account decreased parking demand based on TDM Plans or a sharing of uses. In order to determine the parking requirement for this specific project, a parking study was included in the traffic study to determine the appropriate number of spaces for this project.

Shared parking occurs when complementary land uses on the same site or in close proximity are able to utilize the same parking spaces because they have different peak parking characteristics. In the case of the proposed project, the peak demand for the hotel occurs at night, when office parking is more available. Therefore, a shared parking analysis was conducted to estimate the total peak parking demand, which accounted for the difference in the peak parking times for the proposed office and hotel uses. The Urban Land Institute (ULI) method was used to estimate the parking

reductions based on the time of day activity for the land uses. The City Zoning Code parking rates were used to estimate the baseline supply for each use. Additionally, some internalization would occur as out-of-town visitors to the office building would utilize the hotel space for their visit. To be conservative, this internalization was not accounted for in the analysis.

The results of the shared parking analysis show that the weekday peak parking demand for the hotel and conference rooms is estimated to be 186 spaces and 84 spaces, respectively, at 10:00 a.m. The weekday peak parking demand for office is estimated to be 528 spaces at 10:00 a.m. Combined, the total weekday peak parking demand for both the hotel and office uses is estimated to be 798 parking spaces at 10:00 a.m. Therefore, the 826 parking spaces proposed by the project would be sufficient to serve the peak parking demand of the proposed project.

### **Parcel Map**

A Parcel Map is proposed as part of the project to create necessary easements across the project site for storm drainage facilities, sewer facilities, and public access (see Attachment 5 – Resolution for the Vesting Preliminary Parcel Map).

## **ENVIRONMENTAL REVIEW**

### **EIR Process**

Environmental Impact Reports (EIRs) provide information to local decision makers and the general public regarding the potential significant environmental impacts of a proposed project and how to mitigate them. The Moffett Gateway Project Draft EIR provides the environmental review appropriate for the project in accordance with the CEQA Guidelines.

Prior to approving the Moffett Gateway 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.

## **EIR**

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 and a scoping meeting was held on February 10, 2016.

The Draft EIR was circulated for public review for a 45-day comment period which commenced on May 2, 2016, and ended on June 15, 2016. Staff received five comment letters on the Draft EIR and has provided a response to these comments in the Final EIR document.

The response to comments and EIR text revisions, together with the Draft EIR, comprise the Final EIR. The Final EIR was made available to the public on August 19, 2016 and is attached to this report (see Attachment 1 – Resolution for Certification of the FEIR and EIR Documents).

After publication of the FEIR, an additional comment letter was received from the Department of Transportation regarding the City’s response to their comment letter (see Attachment 9 – Department of Transportation FEIR Comment Letter) as well as the letter received from Unite Here Local 19 which was discussed previously.

## **Significant Unavoidable Impacts**

The Draft EIR includes mitigation measures that will reduce all but one potential environmental impact from the project to less-than-significant levels with incorporation of the project-specific mitigation measures. The project would result in a significant impact to one freeway segment on northbound U.S. 101 between SR 237 and Moffett Boulevard in the a.m. peak hour, which this project alone cannot mitigate to a less-than-significant level.

This significant unavoidable impact will require the adoption of a Statement of Overriding Considerations by the City Council at the time the Final EIR is certified. A Statement of Overriding Considerations demonstrates that the benefits of a project outweigh the significant unavoidable impacts. The benefits of the project have been included in the attached “Findings of Fact and Statement of Overriding Considerations” (see Exhibit 1 – Resolution for Certification of the FEIR and EIR Documents).

## **FISCAL IMPACT**

Financial return to the City is projected on an annual basis (after three years of operation) to be approximately \$4 million dollars on the combined City/Caltrans site, including rent, Transient Occupancy Tax (TOT), Sales Tax, and Possessory Interest Tax. Revenue from the City site is 76.8 percent fixed and 23.2 percent variable revenues, and projected revenue from the combined City/Caltrans site is 41.3 percent fixed and 58.7 percent variable revenues, which is subject to economic swings. The City has discussed bonding against a significant portion of this revenue to fund renovations of the Police/Fire Administration building.

The project is subject to the City's commercial Housing Impact Fee. Payment of the required fee would result in an estimated payment to the City of \$5.3 million.

## **CONCLUSION**

The Project maintains and enhances the appearance of the community as it allows an underutilized property to be redeveloped and enhanced into a development that supports the surrounding community and visitors. The Project will redevelop the vacant site with a new hotel, office building, and parking structure and publicly accessible, landscaped open space that will be more harmonious in appearance with the existing residential and commercial development in the surrounding area. The Project will maintain property values through quality development as the hotel will meet LEED Silver and the office development will meet LEED Gold standards. The Project ensures compatibility of private development with surrounding properties and neighborhoods, public rights-of-way, and other facilities because it provides a publicly accessible, landscaped open space area which engages the street and creates pedestrian activity, as well as new pedestrian/bicycle paths.

The project has been reviewed by the City Council at a Study Session, the DRC, the EPC, the County Airport Land Use Commission, and was presented to the surrounding neighborhood at a neighborhood meeting. The DRC and EPC found the project well designed and compatible with the density, massing, and character of the surrounding neighborhood and that the proposed development provides ample common useable open space and on-site amenities for the office and hotel users, appropriate height transitions, adequate setbacks, and adequate parking for both on-site uses.

The EPC finds that the proposed project is consistent with the 2030 General Plan, the Heritage Tree Ordinance, and the Subdivision Map Act and recommends that the City Council conditionally approve the FEIR, Statement of Overriding Considerations,

General Plan Land Use Map Amendment, Zone Change, development project, and Vesting Preliminary Parcel Map.

### **ALTERNATIVES**

1. Do not certify the FEIR, finding that it is not adequate (if this alternative is followed, the project applications cannot be approved).
2. Approve the FEIR and project applications with modified conditions of approval.
2. Refer the project back to the EPC for reconsideration of topics related to the FEIR or development project.
3. Deny the project applications, finding that the site is not physically suitable for the type of development.

### **NEXT STEPS**

If approved by Council, Broadreach would submit for building permits for the construction of the hotel, office building, and parking garage within three months of Council approval. After building permit review and approval, construction is anticipated to take approximately 18 months, with an anticipated project completion date in the first quarter of 2019.

## **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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SW-TB/7/CAM  
818-10-18-16CR-E

- Attachments:
1. Resolution for Certification of the FEIR and EIR Documents
  2. Resolution for the General Plan Land Use Map Amendment
  3. Ordinance for the Zoning Map Amendment
  4. Resolution for the Planned Community Permit, Development Review Permit, and Heritage Tree Removal Permit
  5. Resolution for the Vesting Preliminary Parcel Map
  6. Project Plans
  7. [Council Study Session Memo, June 23, 2015](#)
  8. [EPC Public Hearing Report, September 7, 2016](#)
  9. Department of Transportation FEIR Comment Letter
  10. Unite Here Local 19 Comment Letter