



COUNCIL REPORT

DATE: May 23, 2023
CATEGORY: Public Hearing
DEPT.: Community Development
TITLE: **189 North Bernardo Avenue Office Project**

RECOMMENDATION

1. Adopt the Initial Study of Environmental Significance for the 189 North Bernardo Avenue 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 (Attachment 1 to the Council 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 Four-Story, 82,865 Square Foot Office Building, a Parking Structure with Four Levels Above-Grade and Two Levels Below, and Minor Building Modifications to an Existing Two-Story Office Building to Remain On-Site; a Transfer of Development Rights of 28,000 Square Feet from 2535 California Street, 506 Showers Drive, and 350 Showers Drive to the Project Site in Relation to the Los Altos School District Transfer of Development Rights Program; and a Heritage Tree Removal Permit to Remove 61 Heritage Trees, All on a 3.8-Acre Site Located at 189 North Bernardo Avenue, to be read in title only, further reading waived (Attachment 2 to the Council report).

BACKGROUND

- **Project Location:** 189 North Bernardo Avenue, on the southeast corner of North Bernardo Avenue and Central Expressway (see Figure 1).
- **Project Site Size:** Approximately 3.8 acres.
- **General Plan Designation:** High-Intensity Office.
- **Zoning Designation:** P(41)—East Whisman Precise Plan in the Employment Character Area (South).

- **Surrounding Land Uses:** North—office; west—office (across North Bernardo Avenue); south and east—residential, including multi-family and mobile homes (across Central Expressway and Caltrain tracks) and the city-limit boundary with the City of Sunnyvale.



Figure 1: Project Location

- **Current Site Conditions:** Existing approximately 59,000 square foot, two-story office building (to remain) and surface-level parking.
- **Applicant/Owner:** Sand Hill Property Company.

PROJECT OVERVIEW

The proposed development includes a new four-story, approximately 83,000 square foot office building, a new six-story garage (with four stories above-grade and two levels below-grade), and renovations to an existing two-story, approximately 59,000 square foot office building, to remain along with site and landscape improvements. The new office building is proposed to be located within the site's existing surface-parking lot.

The project also includes a request to utilize nonresidential bonus floor area ratio (FAR) allowances under the East Whisman Precise Plan (EWPP) as well as the Transfer of Development Rights (TDR) square footage from the Los Altos School District TDR program, which are discussed in greater detail later in this report.

Prior Meetings and Hearings

Gatekeeper Authorization

On January 16, 2018, the City and the Los Altos School District established a Transfer of Development Rights (LASD TDR) program, allowing LASD to sell and transfer up to 610,000 square feet of development rights to nonresidential and residential developers for use on sites within

Precise Plan areas Citywide. The LASD TDR program is coordinated between the City and LASD to support the purchase of a new school site in the San Antonio Precise Plan area. On January 16, 2018, the applicant, Sand Hill Property Company, received Council authorization to utilize up to 28,000 square feet of TDRs at the project site and construct a new approximately 90,000 square foot office building and associated parking garage (Attachment 3—[Council Report Dated January 16, 2018](#)).

On November 5, 2019, the City Council allowed the LASD TDR projects to be exempt from the jobs-housing linkage requirement in the East Whisman Precise Plan, which was under development at the time the LASD-TDR program was authorized (Attachment 4—[Council Report Dated November 5, 2019](#)). Therefore, this project is not subject to the jobs-housing linkage requirement.

Environmental Planning Commission Review and Recommendation

On March 2, 2022, the Environmental Planning Commission (EPC) reviewed the project at a Study Session (Attachment 5—[EPC Report Dated March 2, 2022](#)) and expressed general support of the project with direction to the applicant to study refinements to the project, focusing primarily on minor modifications to the new office and garage design, and site plan modifications focused on tree retention, increased landscaping, and amenities within publicly accessible open spaces required for office uses in the East Whisman Precise Plan.

On March 22, 2023, the EPC reviewed the project at a public hearing (see Attachment 6—[EPC Report Dated March 22, 2023](#)). One member of the public representing Green Spaces Mountain View spoke at the meeting, encouraging the project to adhere to the International Dark-Sky Association Best Practices for exterior illumination. The EPC unanimously recommended the City Council adopt the Initial Study of Environmental Significance and approve the project, acknowledging the positive changes to the project since the prior EPC Study Session, including preservation of additional Heritage trees. After the EPC meeting, the applicant has said that they intend to work with staff voluntarily through the building permit process to study replacing the proposed exterior lighting with alternatives recommended by the International Dark-Sky Association.

Design Review

The Development Review Committee (DRC) reviewed the project at two meetings: in January and October 2022. Over the course of this review, staff worked with the applicant to improve the overall site and building design, with particular focus on increasing tree retention and canopy, enhancing pedestrian and bicycle-focused improvements and circulation, and refining the new office design to better implement the architectural design intent. Based on the DRC review, staff is recommending approval with design conditions of approval which will be addressed with review of the building permit submittal.

These conditions include continuing to work with staff to: improve transitions between glassy curtain-wall facades and metal-framed elements on the new office building; enhance building-entry design on the new and existing buildings; deemphasize tall stair towers on the new office building; provide warmer/more natural material selections on the office buildings; update the material application on the new garage to simplify the design; and enhance landscaping and amenities throughout the site, including in key locations where higher pedestrian and bicycle traffic are anticipated or where large paved areas predominate.

Other Meetings and Agencies

The applicant hosted a virtual community meeting on February 10, 2022, which was advertised to property owners and tenants within a 750' radius of the project site and nearby neighborhood associations. No members of the public attended the meeting or submitted comments to the City or applicant. Public comments have been provided verbally on the project at the EPC Study Session and DRC meetings, which were generally focused on preservation of Heritage trees and ensuring the glassy office design would be bird-safe. City staff and/or the applicant team have communicated with other neighboring agencies, including the City of Sunnyvale (as an adjacent jurisdiction), Santa Clara County Roads and Airports Department (responsible for Central Expressway), and Valley Transportation Authority (VTA), who is coordinating with the City on the Bernardo Avenue Undercrossing project. These agencies have no comments on the project.

ANALYSIS

General Plan

The proposed project complies with the General Plan Land Use Designation of High-Intensity Office, which allows for office and research and development (R&D) uses. The High-Intensity Office designation allows for building height of up to eight stories and FAR of up to 1.0 for highly sustainable developments when specified in the applicable Precise Plan. The proposed development is compliant with the General Plan, providing a LEED Platinum® development of 0.85 FAR with a building height of four stories.

The project supports the following General Plan policies:

- **LUD 3.1: Land use and transportation.** *Focus higher land use intensities and densities within one-half mile of public transit service and along major commute corridors.* The project proposes a high-density office development utilizing Bonus FAR and TDR square footage adjacent to a major commute corridor, Central Expressway.
- **LUD 8.3: Enhanced publicly accessible bicycle and pedestrian connections.** *Encourage new and existing developments to enhance publicly accessible bicycle, pedestrian, and*

transit connections. The project will provide a multi-use path along the Central Expressway frontage and north-south paseo traversing the site. These facilities will be accessible to the public and accommodate pedestrians and cyclists.

- **LUD 8.4: Pedestrian-oriented civic and public spaces.** *Create and encourage new pedestrian-oriented civic and public spaces throughout the City.* In addition to the multi-use path and north-south paseo, the project will provide several privately owned, publicly accessible open spaces with various amenities, such as bike repair facilities, public barbecue areas, sports and game areas, seating, and pedestrian-oriented lighting. These areas will be easily accessible to pedestrians from the multi-use path and north-south paseo.

East Whisman Precise Plan

The project site is zoned East Whisman Precise Plan (EWPP), P(41), and is located within the Low-Intensity Employment Character Area South. This Character Area allows a base FAR of 0.4, with Bonus FAR allowed up to 0.5 FAR on a discretionary basis for projects proposing community benefits and achieving LEED Platinum® green building standards. Additionally, the EWPP allows development projects pursuing the LASD TDR program up to an additional Bonus FAR of 0.25, allowing for a combined maximum of 0.75 FAR, not including the TDR square footage proposed. This project complies with the combined maximum at 0.68 FAR, without TDR square footage, with a total resulting FAR (inclusive of the TDR square footage) of 0.85. While the project has increased the FAR above the maximum of 0.75, it maintains compliance with the maximum building heights allowed within the EWPP.

The project advances the following EWPP guiding principles:

- **Guiding Principle 8: Minimize Vehicle Trips.** The project will limit the Vehicle Miles Traveled (VMT) through implementation of a Transportation Demand Management (TDM) program, which will include measures such as joining the Mountain View Transportation Management Association (TMA), provision of an on-site bike-share program and bike-related facilities, subsidized transit passes, guaranteed last-mile program and ride-matching resources.
- **Guiding Principle 9: Build Complete Streets for Active Transportation.** The project will bolster the EWPP area's Complete Streets Network by providing a multi-use path and north-south paseo. These facilities will enhance active transportation options to the project site and vicinity.
- **Guiding Principle 10: Create a Highly Sustainable Community.** The project will provide a LEED Platinum® development and comply with the EWPP office trip cap to ensure reduction of the single-occupancy automobile mode share.

Requested Exceptions to EWPP Standards

The proposed development substantially complies with the development standards and guidelines of the EWPP with exceptions as permitted in the Precise Plan due to unique site conditions and additional building square footage to accommodate the LASD TDR square footage. The EWPP allows exceptions to development standards if the project demonstrates that the requested exception: (a) meets the intent and purpose of the Precise Plan, including, but not limited to, its guiding principles and character area expectations; and (b) results in a superior project design or outcome for the community that justifies the exception request. The project exceptions include:

1. Reduction in Required Loading Spaces. To accommodate off-street loading, the Zoning Code requires nonresidential projects provide loading zones at one space for the first 30,000 square feet of floor area and one additional space per 20,000 square feet of additional floor area; this results in the project being required to provide eight loading spaces based on the proposed floor area. To maximize landscaping within the surface parking lot, the applicant requests an exception to provide five loading spaces in lieu of the required eight spaces. The reduced number of loading spaces will accommodate the loading needs for the site and allow for increased landscape coverage for the site design.
2. Exceptions to Multi-Use Path and North-South Paseo Standards. Due to the existing development to remain, the project site's irregular shape, and the applicant's and City's desire to maximize the preservation of existing trees, the multi-use path and the north-south paseo do not meet some of the minimum development standards in the EWPP (see Table 1). The DRC and EPC have expressed support for these exceptions at previous meetings given the site's limitations and the City's priority of maximizing tree preservation. Figure 2 identifies the general location of the requested exceptions to Multi-Use Path and North-South Paseo standards.

These exceptions will allow for the project to accommodate publicly accessible amenities planned in the EWPP Complete Streets Network while also allowing reuse of the existing office building on-site and preservation of an additional nine Heritage trees (seven Coast redwoods and two Coast live oaks), ultimately leading to a superior site design than would be feasible with full adherence to the EWPP standards. Therefore, staff recommends granting the exceptions.

Table 1: Exceptions to Multi-Use Path and North-South Paseo Standards

Development Standard	EWPP Standard	Proposed (New Buildings)
Multi-Use Path		
Setback from Path	10' to 16' with landscaping on both sides	10' at office ground floor. A portion of stories (two to four) will cantilever over the ground floor, projecting into the setback area, approximately 6'. Landscaping will be provided on both sides.
Setback from Property Line	30' minimum	15' to 30' minimum*
Planting Area for Trees	4' to 8' minimum	Landscape buffer will be reduced to 2' between edge of the multi-use path and garage.
North-South Paseo		
Building to Building Setback	35'	30'

* A value range indicates the buildings' setbacks vary from the property line and multi-use path.

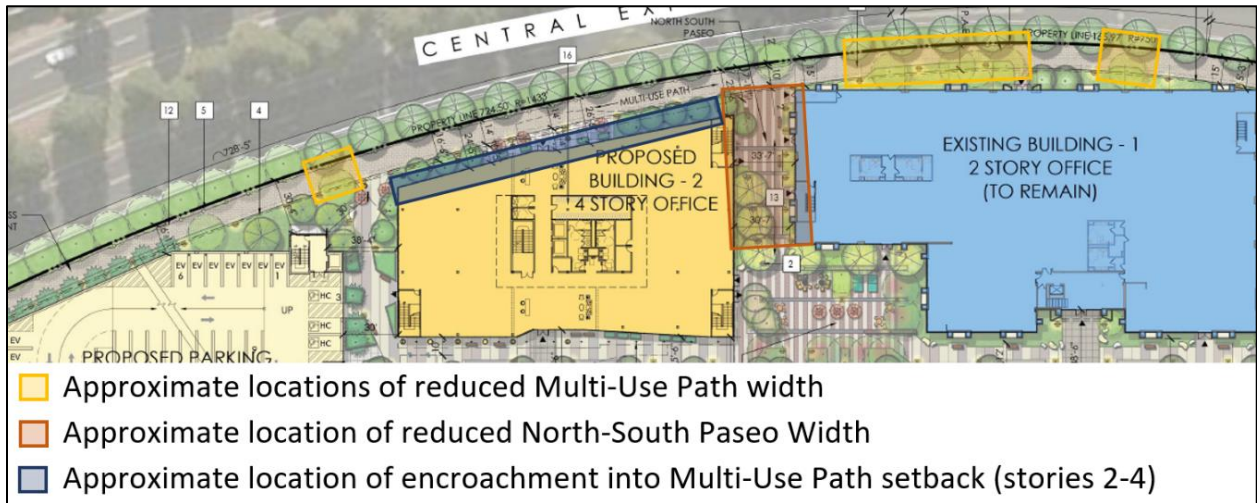


Figure 2: Approximate Locations of Requested Exceptions

EWPP Complete Streets Network

The Complete Streets Network adopted in the EWPP requires a multi-use path with bicycle facilities and a pedestrian paseo on the project site. Figure 3 illustrates the planned multi-modal

street network through the project area from the EWPP. The project site is indicated with a yellow star. The EWPP requires a north-south paseo through the site and a multi-use path along the Central Expressway frontage, shown in red in Figure 4.



Figure 3: EWPP Complete Streets Network

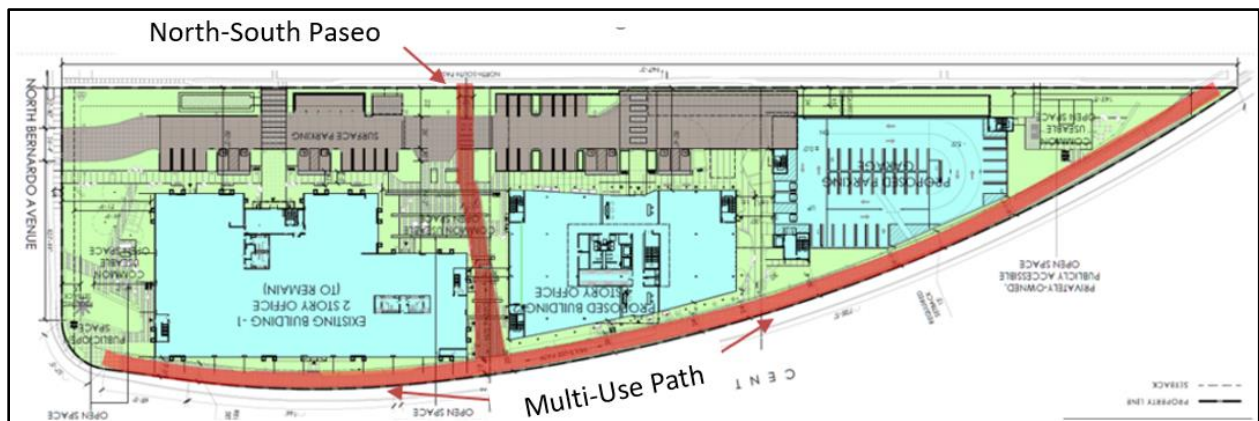


Figure 4: Multi-Use Path and North-South Paseo—Approximate Locations

North-South Paseo

The publicly accessible north-south paseo proposed by the project will provide an approximately 12' wide path for pedestrians to traverse the site, from the multi-use path to the northern property line. As adjacent properties develop, the EWPP envisions paseos will be linked to enhance the plan area's Complete Streets Network.

Multi-Use Path

The multi-use path for this project site is the first portion of the planned path in the southern area of the Precise Plan. Early in the review process, staff and the applicant identified some challenges of placing the multi-use path on this project site. Other portions of the path will be constructed as redevelopment occurs and could face similar constraints, such as existing buildings remaining and an extensive number of existing trees on-site.

To preserve the healthy trees between the existing building and Central Expressway, staff worked extensively with the applicant to explore alternatives to accommodate the multi-use path on the north side of the site (as an exception to the EWPP); however, these options were infeasible, inconsistent with the intent of the EWPP, and resulted in a less attractive site design. Therefore, the project design proposes the multi-use path in the original location identified in the EWPP with minor exceptions as previously discussed in this report.

Project Design

The new office has been designed to appear as a floating glass building with sweeping, curvilinear facades along the north and south elevations, integrating into metal frames on the east and west facades, which each encompasses a system of vertical metal fin sunshades (see Figures 5 and 6). Building entry canopies and warm, wood-accent materials are proposed at the north (surface parking) and south (Central Expressway/multi-use path) facades.



Figure 5: View from Central Expressway



Figure 6: View from North

The project proposes minor renovations to the existing two-story office building (to remain), focusing primarily on building entries, which will be enhanced to incorporate warm, high-quality materials to complement the entries of the new office building. The building will be surrounded by new site and landscape improvements with particular focus on providing engaging features along public frontages and achieving an integrated on-site landscape environment (see Figures 7 and 8).



**Figure 7: Publicly Accessible
North-South Paseo**



Figure 8: View of New Garage

The new garage provides 367 parking spaces and incorporates a mesh material as a facade treatment for the first two garage levels, with vertical metal fins accenting the top two floors. Glassy stair and elevator towers are proposed at the garage corners, and the garage entry incorporates a curvilinear glass facade to relate the garage to the new office. Vehicular access to the site is provided through the existing driveway curb cut from North Bernardo Avenue, north of the office buildings, along a new driveway with 30 surface-parking stalls.

The publicly accessible amenities are proposed at the east and west ends of the site and between the two office buildings. The upper-floor patio decks will provide private open space for employees.

The glass on the new office and garage buildings will include bird safety features to comply with the requirements in the East Whisman Precise Plan. The project conditions of approval also include bird safety requirements, which would allow for further refinement of the design to address the City's bird safety objectives.

Publicly Accessible Open Areas

The EWPP requires nonresidential projects to provide 150 square feet of publicly accessible common usable open space for each 1,000 square feet of building floor area. In compliance with this standard, the project will provide over 23,000 square feet of nonresidential, privately owned,

publicly accessible (POPA) open space in addition to the north-south paseo and multi-use path. The approximate location of the POPA open spaces are shown in Figure 9.

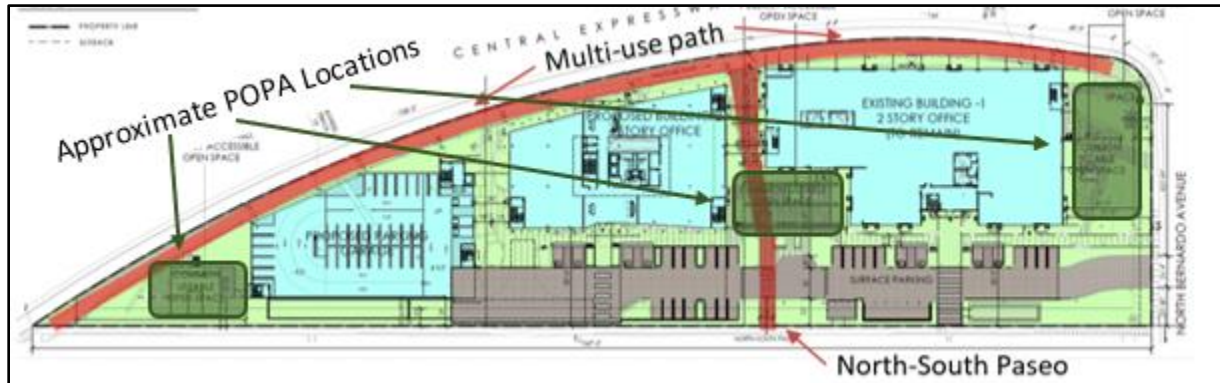


Figure 9: Approximate Locations of Privately Owned, Publicly Accessible (POPA) Open Spaces

These publicly accessible open areas include:

- Corner Plaza at Central Expressway/North Bernardo Avenue: A plaza at the corner of North Bernardo Avenue and Central Expressway featuring a public art sculpture and barbecue area.
- Sport Court/Bocce Court: A sport court at the eastern end of the site, behind the garage, and a bocce court along the northern property line, near the terminus of the north-south paseo.
- North-South Paseo Amenity Area: A public amenity area is proposed between the existing and proposed office buildings. This space will feature bicycle parking and repair facilities, robust landscaping, seating, pedestrian lighting, and a games area.

In addition to these amenities, all the pedestrian circulation areas throughout the site will be publicly accessible 24/7 with a public access easement. All publicly accessible open areas will be demarcated with special paving and feature clear signage, indicating public access is permitted with a public access covenant in accordance with City park hours.

Site Circulation and Parking

The surface-level parking will provide designated stalls for car-share vehicles and loading as well as a pick-up and drop-off area, in compliance with the EWPP. Based on prior EPC and DRC direction, the applicant team refined the site design to reduce the appearance of hardscape and maximize greenspace within the surface parking area. The resulting plan features significantly more landscaping within the surface parking lot than was originally proposed.

Short-term bike parking is provided at various, easily accessible locations throughout the site while a new bike room in the proposed office building and bike locker, west of the existing building, will provide long-term bike storage for employees. In total, 80 bike parking stalls are provided.

Trees and Landscaping

There are 133 trees on the project site, including 73 Heritage trees. Additionally, there are 24 trees off-site, along Central Expressway, including 21 Heritage trees. In total, 111 trees, including 61 Heritage trees, are proposed to be removed to construct the project due to their conditions and/or conflict with the proposed building footprint, underground garage, or multi-use path. A breakdown of the proposed Heritage tree removal is provided below in Table 3 with a color-coded map in Figure 10. The applicant has worked extensively with City staff to develop the optimal site design to achieve tree preservation wherever possible while providing public access envisioned in the EWPP Complete Streets Network. Additionally, many trees proposed to be removed along Central Expressway would otherwise be removed to accommodate the planned Bernardo Avenue Undercrossing project.

Table 3: Heritage Tree Removal Breakdown

Reason for Removal	Total Count by Species		
	Conflicts with multi-use (M/U) path	Coast redwood	26
Eucalyptus		1	
Conflicts with building/garage footprint	Shamel ash	20	Total: 28
	Coast redwood	8	
Removal due to condition	Shamel ash	3	Total: 6
	Raywood ash	3	

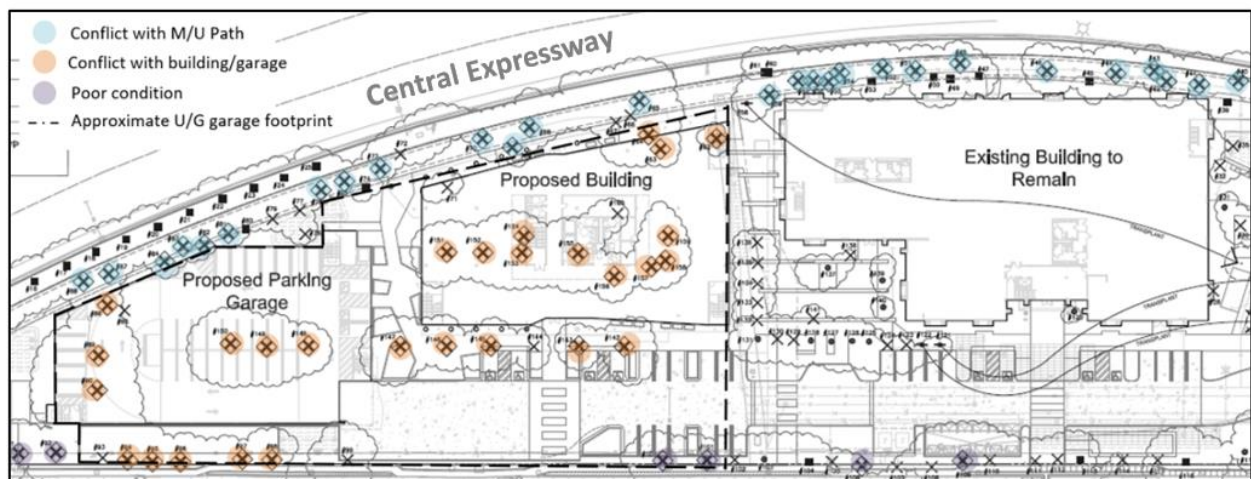


Figure 10: Heritage Tree Removal Map

The project will plant 220 new trees, exceeding the minimum replacement requirement of 172 trees. The replanting plan includes 46 Coast live oaks and 36 Valley oaks at key locations throughout the site, including along the North Bernardo Avenue frontage and between the multi-use path and Central Expressway. Three existing trees (No. 58, Coast redwood; and Nos. 121 and 122, swamp myrtles) will be transplanted from their current locations to a new location along the project frontage. The proposed plant palette provides varied, robust landscaping and features 85% native plants. In total, the project will result in increased tree canopy once trees have reached full maturity, as summarized in Table 4.

Table 4: Canopy Coverage

Existing	32.1%
Canopy after 10 years	24.2%
Canopy at 15 years	39.7%

Community Benefit

The EWPP’s Bonus FAR program requires new development to provide community benefits supporting key projects and policy goals established by Council or Precise Plan in exchange for additional floor area. The project requests use of 47,950 square feet of Bonus FAR from the 2 million square feet of the EWPP development reserve in exchange for payment of the City’s adopted community benefit fee value of \$27.75 per square foot of requested Bonus FAR, for a total of \$1,330,612.50. With approval of this project, the EWPP development reserve will retain 584,404 square feet for use on other projects in the area.

Bernardo Avenue Undercrossing

In lieu of allocating the approximately \$1.3 million fee contribution to the community benefits fund, staff recommends that the contribution be allocated to the Bernardo Avenue Undercrossing Capital Improvement Project, a planned and partially funded grade separation project coordinated by the cities of Sunnyvale and Mountain View. The undercrossing will go underneath the Caltrain railroad tracks and Central Expressway to provide a pedestrian and bicycle pathway from South Bernardo Avenue in Sunnyvale into the EWPP area. The undercrossing is tentatively planned to terminate near the multi-use path at this project site.

The Bernardo Avenue Undercrossing project is currently beginning preparation of required environmental review per State and Federal laws and, in total, the project is estimated to cost up to \$60 million to design and construct. It has been awarded \$18 million in grant funds from VTA Measure B Sales Tax, \$2.5 million in Federal funds, and \$500,000 in One Bay Area Grant Cycle 2 funding. It is anticipated that the cities of Mountain View and Sunnyvale will share the balance of funding needed. The current five-year Capital Improvement Program (CIP) includes \$3 million for the project.

ENVIRONMENTAL REVIEW

In compliance with the California Environmental Quality Act (CEQA), an Initial Study of Environmental Significance was prepared for the project (Attachment 1 to this Council report). 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.

Vehicle Miles Traveled

The Precise Plan FEIR identified a significant impact to project-generated Vehicle Miles Traveled (VMT), largely due to the mix of land uses and presence of relatively high-VMT-generating legacy office to remain in the EWPP area. Additionally, portions of the Precise Plan area are more than one-half mile from the VTA light rail station on Middlefield Road. As anticipated in the Precise Plan FEIR, this project would result in a significant impact to project-generated VMT because it is greater than one-half mile to the VTA station. However, because this impact was already disclosed in the Precise Plan FEIR and the impact is not worsened by this project, it does not result in a new or substantially more severe significant impact than previously disclosed in the Precise Plan FEIR.

The project will mitigate the project-generated VMT impact to the greatest extent feasible through implementation of the following:

- Compliance with the EWPP trip cap of 0.95 a.m. and 0.88 p.m. peak-hour trips per 1,000 square feet across all office, R&D, and industrial sites.
- Implementation and annual monitoring of a TDM plan, including the following measures: joining the Mountain View Transportation Management Association (TMA); provision of bike storage, repair facilities, and showers; provision of an on-site bike-share program; subsidized transit passes; and guaranteed last-mile program and ride-matching resources.
- Provision of publicly accessible bike and pedestrian facilities (e.g., the multi-use path and north-south paseo).
- Fair-share contribution of East Whisman Development Impact fees, which contribute toward transportation and infrastructure improvements in the plan area.

- If supported by the City Council, the project's community benefits contribution of approximately \$1.3 million allocated toward the Bernardo Avenue Undercrossing project to further enhance the transportation improvements in the project area.

FISCAL IMPACT

The City's current share of the County of Santa Clara property taxes from the project site is approximately \$53,134 per year. If the site were redeveloped to include the new office building and improvements with the retention of one existing office building, the City would receive approximately \$137,963 property tax revenue per year.

The project is subject to the City's Housing Impact Fee based on the net new commercial floor area of the project, estimated at \$2,380,283. The project is also subject to the East Whisman Precise Plan Development Impact Fee based on the net new commercial floor area of the project, which is estimated at \$890,800. Both fees are collected prior to building permit issuance.

CONCLUSION

Staff recommends the City Council approve the proposed project as it furthers General Plan policies and East Whisman Precise Plan Guiding Principles related to active transportation and sustainable development, is compatible with existing and anticipated future development that surround the site, substantially complies with applicable development standards of the East Whisman Precise Plan, and will provide publicly accessible private open spaces and active transportation amenities envisioned in the East Whisman Precise Plan Complete Streets Network. Staff also recommends the City Council adopt the Initial Study of Environmental Significance, which determined that 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.

ALTERNATIVES

1. Approve the project with modified conditions of approval, including reallocating the community benefit fee into the East Whisman Community Benefit fund.
2. Refer the project back to the Environmental Planning Commission and/or the Development Review Committee for additional consideration.
3. Deny the project and adopt findings for denial.

PUBLIC NOTICING

The City Council’s agenda is advertised on Channel 26, and the agenda and this 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.

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- Attachments:
1. Initial Study of Environmental Significance
 2. Resolution Approving the Project
 3. [Council Report Dated January 16, 2018](#)
 4. [Council Report Dated November 5, 2019](#)
 5. [EPC Report Dated March 2, 2022](#)
 6. [EPC Report Dated March 22, 2023](#)
 7. Project Plans