



DATE: June 7, 2016

CATEGORY: Public Hearing

DEPT.: Community Development

TITLE: **580 and 620 Clyde Avenue Office Project**

RECOMMENDATION

1. Adopt a Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program for the 580 and 620 Clyde Avenue Office Project (Attachment 1 to the Council report).
2. Introduce an Ordinance Amending the Zoning Map of the City of Mountain View for the Properties Located at 580 and 620 Clyde Avenue from the ML (Limited Industrial) Zoning District to the P (Planned Community) Zoning District, and Adopting P District Standards, to be read in title only, further reading waived (Attachment 2 to the Council report).
3. Adopt a Resolution Conditionally Approving a Planned Community Permit to Construct a 5-Story, 178,477 Square Foot Office Building and 4-Level Parking Garage, and a Heritage Tree Removal Permit to Remove 29 Heritage Trees at 580 and 620 Clyde Avenue, to be read in title only, further reading waived (Attachment 3 to the Council report).

BACKGROUND

East Whisman Change Area

The 2030 General Plan identifies the East Whisman Change Area as a highly sustainable, transit- and pedestrian-oriented employment center with strong connections to the Valley Transportation Authority (VTA) light rail stations, services, and employers. The area's General Plan Land Use Designation of High-Intensity Office also reflects this intent by allowing projects to have a Floor Area Ratio (FAR) greater than 0.35 (up to 1.0 FAR) if the project is highly sustainable with transit-oriented design. The General Plan includes change area policies related to transit-oriented development,

smaller blocks, and improved bicycle and pedestrian connections (Attachment 4 – 2030 General Plan, East Whisman Section).

Staff is beginning work on a new Precise Plan for the East Whisman area. The Precise Plan process will take approximately 24 months. It will include detailed standards and guidelines for new development, public improvements, and public benefits. For the review of this project, staff built off the goals and policies of the East Whisman Change Area, relevant direction in the North Bayshore Precise Plan, and P District standards from the nearby 625 Clyde Avenue and 600 National Avenue office projects, which were approved in the last several years.

Similar Projects in the East Whisman Area

Since adoption of the 2030 General Plan, two East Whisman projects have been approved through the Gatekeeper and Planned Community District process:

1. 625 Clyde Avenue: The Samsung development, approved on March 19, 2013 (now occupied), is a 6-story, 1.0 FAR office development; and
2. 600 National Avenue: The National Avenue project, approved on May 27, 2014 (under construction), is a 4-story, 0.67 FAR office development.

Key elements of these projects included:

- Programming, monitoring, and enforcement of a 20 percent peak-hour trip reduction (i.e., a transportation demand management (TDM) program, with penalties);
- No more than one parking space per 333 square feet (10 percent less than the minimum in the Zoning Ordinance), and at least one bicycle parking space for every 3,333 square feet (double the requirement in the Zoning Ordinance);
- Off-site circulation improvements and funds for additional improvements. In addition, the Samsung project applicant, TMG Partners, founded the Mountain View Transportation Management Association (TMA);
- Designed to achieve Leadership in Energy and Environmental Design (LEED®) Gold (600 National Avenue) or Platinum (Samsung) green building standard;

- Parking located behind buildings; and
- Large, cohesive common open space.

Previous Meetings

City Council Gatekeeper Authorization

On November 17, 2014, the City Council authorized a Gatekeeper to allow the developer to submit an application for this project. The City Council had the following comments during the meeting:

- This location is not likely to be appropriate for residential; and
- There is need in the area for pedestrian and bicycle improvements.

Environmental Planning Commission (EPC) Study Session

On June 17, 2015, the EPC reviewed the project's first submittal. At that time, the project had more parking spaces, a small parking lot adjacent to Clyde Avenue, and a different orientation of the building.

The EPC supported the project's intensity based on its location near the TMA shuttle stop. However, the EPC had a number of comments on the design of the project, including:

- The building should be designed to the LEED Platinum® standard;
- More open area should be provided by reducing the parking footprint, eliminating the parking lot by the street, and moving the building closer to the street;
- Tree canopy and better pedestrian interest should be provided;
- On-site pedestrian and bicycle paths should be provided to support future connections across the City block;
- The EPC requested TDM and parking performance data for the Samsung project, to inform this project (the data is not yet available from Samsung); and

- Public benefits should include new pedestrian and bicycle paths through the block, additional funding/service for TMA, or funding for future improvements in the East Whisman area.

The project (Attachment 5—Project Plans) has addressed these comments, as described later in this report.

City Council Study Session

The City Council held a Study Session to review the project on October 27, 2015. By this time, the site had been redesigned with no parking along Clyde Avenue, larger central open space, and the building rotated to better follow the curve of the street. The currently proposed project is very similar to what was reviewed by City Council in October. City Council comments on the project included the following:

- Support for the proposed design;
- Concern that the project introduces new jobs and no new housing;
- Water conservation in the design is very important; and
- Support for the range of public benefits proposed, including the Maude Avenue bicycle improvements and affordable housing.

Development Review Committee (DRC)

The DRC reviewed the project and provided direction on its design. The final layout of the building and open area were based on direction from the DRC. In addition, the DRC provided direction on the building's and garage's facade treatments. The DRC recommended approval of the project on April 6, 2016.

EPC Public Hearing

The EPC recommended approval of the project on May 4, 2016. More information about the EPC public hearing is provided later in the report.

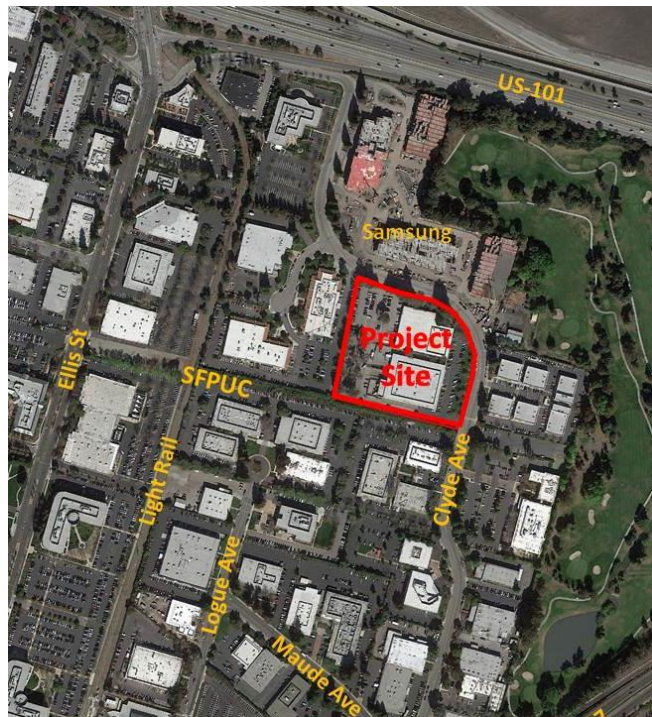
ANALYSIS

Location and Existing Conditions

The site is across Clyde Avenue from the recently constructed 6-story Samsung office campus. It is also adjacent to the Hetch Hetchy right-of-way, owned by the San Francisco Public Utilities Commission (SFPUC). A range of 1-story office and light-industrial uses surround the site on the other sides (see map).

The 5.15-acre site is currently developed with two single-story, light-industrial buildings totaling approximately 75,000 square feet. In addition, there are 50 Heritage trees on the site, including 17 redwoods along Clyde Avenue and 20 large eucalyptus trees in the existing parking lot behind the site.

The TMA operates a shuttle in the East Whisman area during the morning and afternoon peak hours, with access to the Downtown Transit Center and the retail area at Whisman and Middlefield Roads. A stop for this shuttle is directly north of the project site. While the VTA light rail serves the East Whisman area, the closest light rail station to this site is 0.6 mile away on foot.



Project Design

The developer, Clyde Avenue Joint Venture LLC (represented by Renault and Handley), proposes a 178,477 square foot, 5-story office building. Project plans are included as Attachment 5, and a site plan is shown below. The site plan has not changed significantly since the City Council reviewed the project in October 2015.

The proposed FAR is approximately 0.8, which is greater than the maximum allowed in the ML (Limited Industrial) Zoning District (0.35 FAR). The proposal is consistent with the High-Intensity Office General Plan Land Use Designation, which allows up to 1.0 FAR. A rezoning to the P (Planned Community) District is necessary to allow the

proposed FAR since the developer is requesting approval before the East Whisman Precise Plan is adopted.



The proposed office building is five stories and 87'6" tall, which is one story and 10' lower than the Samsung building across the street. All other buildings in the immediate vicinity are one story.

The building facades are mostly glass, a portion of which is clear and a portion of which is tinted gray. A large aluminum feature frames the building from the sides while integrating the stairwells and roof equipment. Stone-tile-clad vertical elements help to identify the main entrances. Sun shades along several of the facades help break up the vertical mass of the building and provide architectural interest. A large, curved, glass facade follows the curve of Clyde Avenue, including horizontal detailing that helps to break up its vertical mass. The proposed Clyde Avenue elevation is shown below.



In addition to the office building, the project would include a 4-level parking garage with 485 parking stalls, and 50 on-grade parking stalls along the south (Hetch Hetchy) edge of the site. The parking garage is only one story along Clyde Avenue to minimize its visual impact on the street. It steps up gradually away from the street. The parking garage also includes ground-level green screens (vines and other plantings in a wire mesh), which help screen views of the cars. The parking garage elevation, as seen from Clyde Avenue (north), is below.



A 28,000 square foot plaza is proposed between the building and parking structure. The plaza will have a range of programming, including seating and amenity areas, shaded and unshaded areas, and walkways connecting different parts of the site. High-quality landscaping is proposed along Clyde Avenue, including the retention of many of the redwood Heritage trees.

Green Building

The building will be designed to meet the LEED Platinum standard with a strong emphasis on water-conservation measures, including dual piping and a cistern to collect and use rainwater. The City will require the applicant to show how they are achieving the intent of the LEED Platinum standard during building permit review. Prior to issuance of a Certificate of Occupancy, staff will inspect the improvements to ensure they are built as approved.

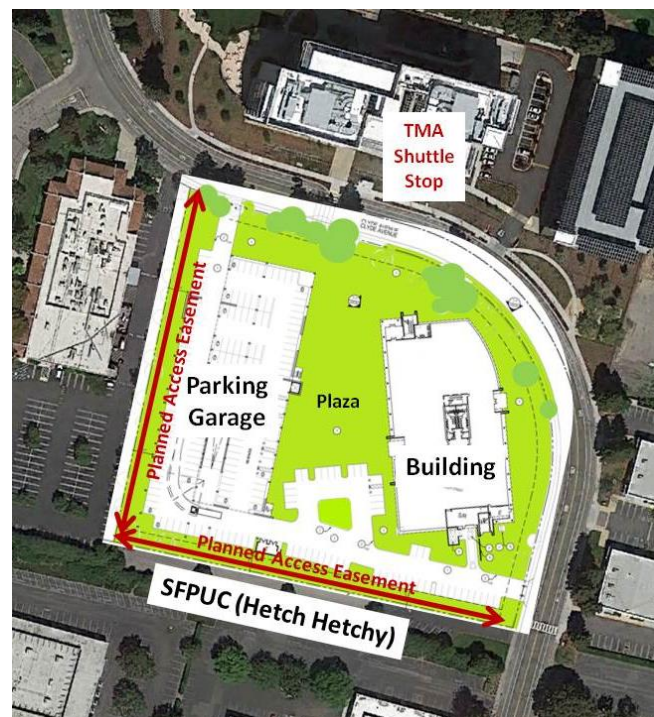
Transportation, Access, and Parking

There are two main entrances to the building: one faces the parking garage and the other faces the street. In addition, there is an employee entrance facing the shuttle stop on Clyde Avenue, which is consistent with General Plan direction that the building be oriented to transit. Lastly, there is a service entrance facing the southeast corner of the site.

Large setbacks and public access easements will be provided along the south and west edges of the project site to support future bicycle and pedestrian circulation in the East Whisman area. The route along the south side will line up with an existing crosswalk. Pedestrian and bicycle access information is shown on the map below.

The proposed parking ratio is one space for every 333 square feet of building area, which is approximately 10 percent below the office parking ratio in the Zoning Ordinance. This is the same parking ratio provided at the other East Whisman area office developments, National Avenue and Samsung.

A total of 74 bicycle parking spaces are provided, including 20 spaces for visitors near the main entrances, and 54 secure bicycle parking spaces for employees (half in the garage and half in the building). The proposed bicycle parking ratio is one space for every 2,400 square feet of building area, which is 2-1/2 times the ratio in the Zoning Ordinance. This is greater than the number of bicycle



parking spaces proposed at the Samsung and National Avenue sites, which only provided twice the amount required by the Zoning Ordinance. In addition, the project is providing a bicycle fix-it area within the main building.

The development will include a TDM program to reduce the number of vehicles commuting to the site and will be required to join and maintain membership in the TMA. Consistent with other projects in the East Whisman area, the target will be a 20 percent peak-hour trip reduction. The project conditions include TDM enforcement and monitoring. The TDM program includes measures such as membership in the TMA, an emergency ride home program, a subsidy for transit users, incentives for bicycle users, plus many others. These measures also closely mirror programs being implemented at the Samsung and National Avenue sites.

Vehicle trips to and from the project will be monitored and reported to the City annually. If the number of vehicle trips is greater than the required 20 percent peak-hour trip reduction, the applicant will be assessed a penalty based on the number of trips. This penalty fee will be paid to the TMA to help support additional TDM measures for the City.

Heritage Trees

The project site currently contains 88 trees, 50 of which are Heritage trees. Of these Heritage trees, 29 are proposed for removal. Most of the trees proposed for removal are eucalyptus trees in the existing parking lot which are in poor condition. Some redwood trees along Clyde Avenue must also be removed, however, to improve the health of the largest trees and to allow vehicle access to the parking garage. The remaining Heritage trees are proposed for preservation, including the largest and healthiest redwood trees along Clyde Avenue.

The project will plant approximately 162 new trees. At planting, canopy coverage (including existing trees) will be approximately 6.5 percent, but will grow to 19 percent coverage within five years. Total canopy is expected to be approximately 30 percent of the site after 15 years, compared to 10.5 percent coverage today.

Public Benefits

Previous developments seeking higher FAR than what is allowed under existing zoning have provided public benefits, such as off-site pedestrian and bicycle improvements. The table below summarizes the public benefits provided by the Samsung and National Avenue projects, and their estimated value. The National Avenue project was lower since it was a smaller project (0.67 FAR compared to 1.0 FAR).

**Public Benefits at 580-620 Clyde Avenue and Similar Projects
 (dollars per net new square foot)**

Project	Off-Site Transportation Improvements	Other Public Benefits	Total
Samsung (<i>approved 3/19/2013</i>)	Improvements: \$1.36* Funding: \$3.62**	Set up TMA: \$0.93*	\$5.91
600 National Avenue (<i>approved 5/27/2014</i>)	Funding: \$4.74**	None	\$4.74
580 and 620 Clyde Avenue	Improvements: \$2.42 (approx.)	Support for a range of homeless prevention and social safety net projects and programs: \$3.86 (approx.)	\$6.28

* These amounts were estimates at the time of approval. Actual cost may have been different.

** These funds were provided to the City for transportation improvements in the East Whisman area. These improvements include pedestrian and bicycle improvements on Whisman and Middlefield Roads, Ellis Street, and area trails.

The applicants have proposed a total public benefit package of \$650,000, including off-site transportation improvements and support for social safety net projects and programs (Attachment 6—Public Benefit Proposal). For their off-site transportation improvements, they propose constructing pedestrian improvements, bicycle lanes, and additional signals through the Maude Avenue/237 interchange (Attachment 7—Maude Avenue Improvements). Maude Avenue is a key bicycle corridor in Sunnyvale, and this interchange is currently difficult for bicyclists to navigate. The applicant estimates the improvement cost to be approximately \$200,000 to \$250,000.

These improvements have been reviewed at a conceptual level by Caltrans, who owns and operates the interchange, and Sunnyvale, whose jurisdiction lies on the other side of the interchange. Neither agency has identified any major issues with the project. However, if either agency ultimately refuses to approve the improvements, the applicant will provide \$250,000 to the City to construct other public improvements in the East Whisman area.

The applicants are also proposing to provide the remainder of the \$650,000 as a donation to one or more local programs and projects to support homeless prevention, homeless services, and safety net services through the Community Services Agency and Hope’s Corner, an organization providing free meals to the homeless. The funding to

each organization will be determined once the Maude Avenue improvement cost is finalized.

The City has never had a public benefit that goes directly to a local nonprofit before. As an alternative, the City Council could accept the remaining funds to the City and direct them to housing or homeless services through a competitive process, or could determine their use at a later date.

These public benefits are in addition to the project's requirement to provide approximately \$2.5 million in Housing Impact fees, which will fund affordable housing projects in the City.

EPC Public Hearing

The EPC recommended approval of the project on May 4, 2016. There were five public speakers during the meeting, all representing Hope's Corner (a local homeless support services provider) and speaking in support of the applicant's proposed public benefits.

EPC comments about the project included:

- Approval of the proposed public benefits: Maude Avenue bicycle improvements and financial support for the homeless and safety net service providers;
- Approval of the LEED Platinum design and sustainability efforts;
- Approval of the on-site pedestrian/bicycle paths; and
- Approval of the TDM and trip-reduction measures.

The EPC added a project condition that the applicants study whether additional trees can be preserved by relocating them on-site. They also requested follow-up information related to the number of companies in the TMA (nine) and the number of employees occupying the Samsung buildings across the street (currently about 1,000, but could be up to approximately 1,200). This information has been provided to the EPC.

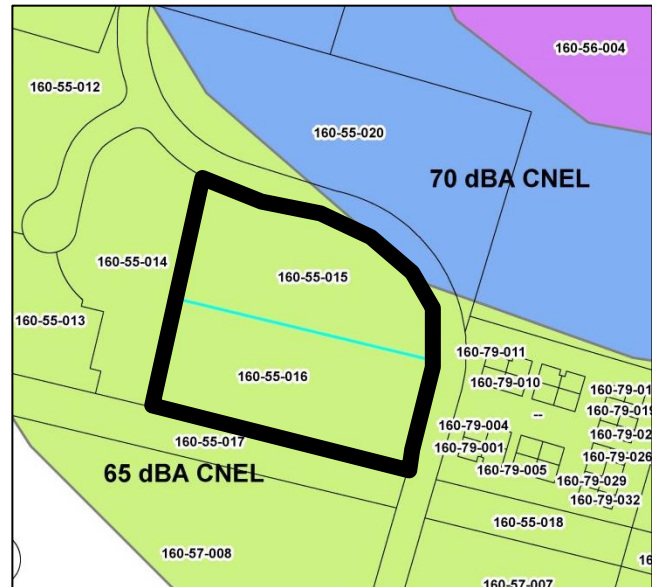
Public Comment

Only one public comment has been received since the City Council Study Session in October 2015 (Attachment 8 – Public Comment). The comment included concern about the loss of Heritage trees.

Airport Land Use Commission

The project includes a rezoning located very close to Moffett Field, which requires review by the Airport Land Use Commission for consistency with the Moffett Field Comprehensive Land Use Plan (CLUP). The CLUP includes direction on appropriate building heights and land uses near Moffett Field based on compatibility issues such as noise and potential airplane emergencies. The proposed project was reviewed and approved by the Airport Land Use Commission on March 23, 2016.

The project site is located within the 65 dBA noise contour of the airport (see map at right). Based on the land use consistency direction of the CLUP, this area may not be appropriate for residential land uses. For example, the CLUP does not allow residential outdoor activity areas or patios in this area.



Environmental Review

An Initial Study was prepared for this project (Attachment 9—Initial Study). It analyzed potential environmental impacts of the project and determined the only significant impacts were related to hazardous materials and utilities. All significant impacts can be mitigated, so a Mitigated Negative Declaration has been prepared.

Hazardous materials impacts and mitigations are regarding the potential for on-site soil or groundwater contamination, or the potential for hazardous materials within the existing structure (such as asbestos). Mitigations include requirements related to construction-worker safety, building improvements such as vapor barriers, and soil testing.

The utility impact is the need to up-size a sewer line that would be affected by the project. The project would be required to build the improvement or provide a fair-share contribution for the improvement.

Two letters responding to the Initial Study were received: from VTA and from Caltrans. In addition, the public comment in Attachment 6 was also considered a comment on the Initial Study, based on when it was received. While several comments and recommendations are made in the letters, the following are major comments and staff responses. More detailed responses to the letters are included in Attachment 8.

Caltrans Comment #1 is about the performance of freeway on- and off-ramps. However, the traffic analysis conducted detailed review of the identified ramps and found no projected impacts from this project. Additionally, field observations did not agree with the finding of existing performance problems at the U.S. 101/Ellis Street southbound off-ramp. VTA Comment #1 is about the potential for transit delay. However, the finding of no vehicle delay is sufficient to conclude that the project results in no transit delay.

FISCAL IMPACT

The City's share of property taxes for this site is currently approximately \$3,400 per year. If the site was redeveloped with the proposed project, the City would receive approximately \$109,600 in property tax revenue per year, or a net increase of \$106,200.

The project is subject to the City's Housing Impact Fee, which is based on the net new square footage of the development. The estimated payment to the City is \$2,440,900.

If the City Council does not support donation of public benefit funding directly to local nonprofits, the project could provide approximately \$400,000 in public benefit funds to the City, with a future use to be determined.

CONCLUSION

The EPC recommends approval of the rezoning, project, and environmental documents by the City Council as they meet the goals and policies of the East Whisman Change Area, align with the previous Gatekeeper project approvals in the area, provide valuable public benefits, and implement important sustainable features such as a TDM program, LEED Platinum design, reduced parking, and off-site bicycle improvements.

ALTERNATIVES

1. Approve the rezoning and the project with modified conditions.
2. Refer the project back to the EPC for additional consideration and continue the item to a future City Council public hearing.

3. Deny the rezoning and/or the project.
4. Direct the nontransportation public benefits contribution directly to the City.
5. Provide other direction.

PUBLIC NOTICING

The 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 300' of the project site and other interested parties were notified of this meeting.

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EA/3/CAM
899-06-07-16CR-E

- Attachments:
1. Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program for the 580 and 620 Clyde Avenue Office Project
 2. Ordinance
 3. Resolution
 4. 2030 General Plan, East Whisman Section
 5. Project Plans
 6. Public Benefit Proposal
 7. Maude Avenue Improvements
 8. Public Comment
 9. Initial Study