



DATE: June 6, 2017

CATEGORY: Public Hearing

DEPT.: Community Development

TITLE: **2300 West El Camino Real Hotel Project**

RECOMMENDATION

1. Approve an Initial Study of Environmental Significance for the four-story, 157-room hotel development project at 2300 West El Camino Real, pursuant to Section 15168 of the California Environmental Quality Act (Attachment 1 to the Council report).
2. Adopt a Resolution Approving a Planned Community Permit, a Provisional Use Permit, a Development Review Permit to Construct a New Four-Story, 75,824 Square Foot, 157-Room Hotel Project with a One-Level Underground Parking Garage, and a Heritage Tree Removal Permit to Remove One Heritage Tree on a 0.97-Acre Project Site Located at 2300 West El Camino Real (Attachment 2 to the Council report).
3. Adopt a Resolution Ordering the Vacation of Public Service Easement at 2300 West El Camino Real (Attachment 3 to the Council report).

BACKGROUND

Site Location and Characteristics

The 0.97-acre project site is located on the north side of El Camino Real between Ortega Avenue and South Rengstorff Avenue. The surrounding land uses include four 2-story, multi-family buildings to the north, single-story vacant commercial buildings to the west, a single-story commercial strip mall development to the east (proposed for redevelopment into a four-story apartment complex), and a Carl's Jr. restaurant and a two-story, multi-tenant commercial building across El Camino Real to the south.

The site is currently developed with two 3-story hotel buildings (31,072 square feet), an underground parking garage, and some additional at-grade parking. The existing hotel development has very few (6) existing trees on-site, which provide 1 percent tree canopy coverage. The existing hotel buildings will be demolished and replaced with the proposed project.



Figure 1 – Project Location

Project Description

The applicant, BPR Properties Mountain View, LLC, proposes to redevelop the site located at 2300 West El Camino Real with a four-story, 157-room hotel development at a 1.80 floor area ratio (FAR), which qualifies as a Tier 1 project, with approximately 75,824 square feet of building area (see Attachment 4 – Project Plans).

Public Hearings and Meetings

Development Review Committee

The project was reviewed by the Development Review Committee (DRC), which provided design recommendations on several iterations of the project design. The project received a recommendation of approval from the DRC in October 2016, with recommended design modifications, which have been incorporated as conditions of approval (see Attachment 2). These include continuing to work with staff on final design details, landscaping, colors, and materials.

Environmental Planning Commission

The project was considered by the Environmental Planning Commission (EPC) at a public hearing on May 3, 2017. The project received a unanimous recommendation of approval, subject to the Conditions of Approval in the attached resolution (see Attachment 2, Exhibit A – Conditions of Approval).

ANALYSIS

This report outlines the project’s consistency with the General Plan and El Camino Real Precise Plan, describes and evaluates the project, and provides a summary of the environmental review process which was completed for the project.

General Plan

The project site has a General Plan Land Use Designation of Mixed-Use Corridor for the parcels fronting El Camino Real, which allows heights up to four stories. The General Plan for the corridor envisions a diverse mix of commercial and residential uses. Buildings in this area are required to transition appropriately to adjacent residential neighborhoods. The proposed project is consistent with the following General Plan policies:

LUD 3.1: Land use and transportation. Focus higher land use intensities and densities within a half-mile of public transit service, and along major commute corridors.

The project is proposing to demolish a 71-unit nonconforming hotel and redevelop the site with a 157-unit, higher-intensity hotel. The project site is located within one-half mile of six Santa Clara Valley Transportation Authority (VTA) local, community, and rapid (express) bus routes and the Marguerite shuttle service operated by Stanford University. The project is located in proximity to several bikeway segments.

LUD 6.3: Street Presence. Encourage building facades and frontages that create a presence at the street and along interior pedestrian paseos or pathways.

The project meets required residential and commercial setbacks along El Camino Real creating a pedestrian-oriented design with a generous and tree-lined sidewalk. The building frontage along the 20' wide public access easement is designed with a lanai, an open patio with seating for the ground-floor hotel restaurant, bike parking, public art, and landscaping to create a pedestrian-friendly interactive environment.

LUD 8.2: Streets friendly to bicyclists and pedestrians. Encourage a network of streets friendly to bicyclists and pedestrians that create a safe and comfortable environment and include convenient amenities and features.

The project is conditioned to provide an 8' wide public sidewalk with street trees to create a safe and pedestrian-friendly environment along El Camino Real.

Zoning

The zoning designation for the site is Medium-Intensity Corridor (P-38—El Camino Real Precise Plan), which allows a base FAR of 1.35 and maximum height of 45' or three stories. This zoning designation allows a Tier 1 bonus up to the allowed FAR of 1.85

and height up to 55' or four stories, if the project includes public benefits. Hotel use is a provisionally permitted use in this zoning district.

Project Overview

Site Plan

The applicant is proposing a four-story, 157-room, U-shaped hotel building fronting on El Camino Real with a belowground parking garage. The underground parking garage takes access from a single driveway off of El Camino Real (see Attachment 4—Project Plans). The existing site has two curb cuts on El Camino Real, which will be reduced to a single curb cut with the proposed site plan.

The entrance to the hotel will be located at the south side of the project site, fronting on El Camino Real, with all the at-grade parking located to the east side of the proposed building.

The ground floor of the proposed hotel includes a restaurant with outdoor patio, guest lounge, and reception areas which face El Camino Real. From the center to the east side of the ground floor are supportive uses such as a fitness center, hotel offices, restrooms, and entry lounge. Guest rooms are located on all four floors. A spa and fire pit with lounge seating is proposed in the central courtyard. Landscaping is proposed along the perimeter of the project site and in the central courtyard.

Architecture

The proposed architectural design is modern in style, with materials consisting of two types of trespa panels, smooth plaster walls, smooth plaster frames, and metal frame trellises. The front elevation along El Camino Real has smooth plaster framed vertical elements which break up the four-story building mass and provide an attractive building articulation. Along the ground floor, a mix of decorative wood trespa paneling, a prominent and well-defined hotel entrance, and storefront windows are intended to provide an attractive and welcoming pedestrian experience.

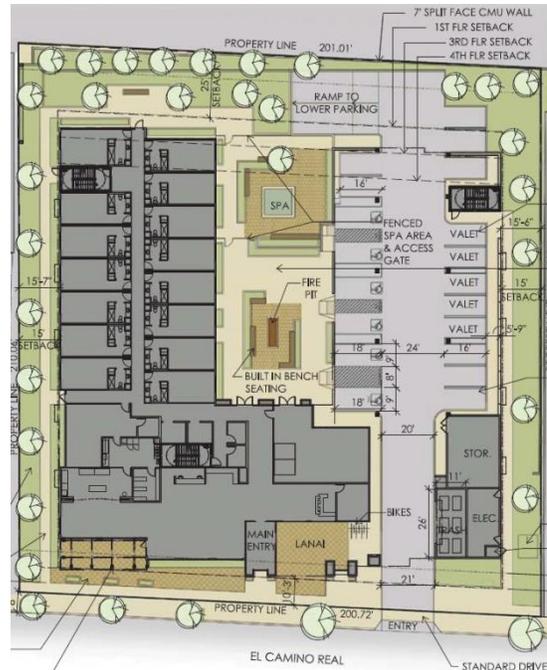


Figure 2 – Site Plan



Figure 3 – View to the Northeast from El Camino Real

The project uses commercial setbacks for the restaurant portion of the building and is designed per the commercial building design requirements set forth in the Precise Plan. The building steps down to two stories at the rear to conform to zoning requirements. This creates a good transition to the two-story apartments abutting the rear property line.



Figure 4 – Side Elevation

The project complies with the development standards and guidelines of the Precise Plan, including FAR, lot coverage, building placement, building massing, and height, with one minor exception to allow 1'4" side-yard encroachments by the upper-level balconies along the western property line. The Precise Plan allows upper-floor architectural projections, such as balconies and porches, to encroach up to 2' into the side yard setback area. The Precise Plan provides flexibility in meeting the development standards if this results in a superior project design which meets the intent of the Precise Plan.

Parking

The proposed project provides 140 parking spaces, including 19 spaces at ground level and 121 spaces in the underground garage. Based on the City of Mountain View Zoning Code, Section 36.37.040, the project is required to provide a total of 171 parking spaces (157 spaces for hotel guests and 14 spaces for 28 employees). A parking study evaluated conditions at similar hotels in the area, as well as the expected effects of the project's Transportation Demand Management (TDM) Plan, and found actual parking demand is estimated to be no more than 116 parking spaces on weekdays and 126 parking spaces on weekends; therefore, the project should provide sufficient vehicle parking.

The underground garage is proposed to include 48 tandem and 34 stacker parking spaces. These spaces would not be available for self-parking. The applicant has agreed to provide full-time valet service at the proposed hotel, allowing all the spaces, including tandem and stacker parking spaces, to be fully utilized (see Attachment 5 – Valet Parking Plan).

Trees

An arborist report was prepared by certified arborist Donald W. Cox to evaluate the existing trees on-site and consider options for preservation. The site has six existing trees, including five Heritage trees. The Heritage trees are in fair to poor condition and are scattered throughout the project site. Some of these trees are located within the proposed excavation area for the garage, the footprint of the proposed building, or in the area where on- and off-site improvements will take place. Because of this, the arborist report recommends removal of one Heritage tree and relocation of two other Heritage trees to the eastern portion of the project site, while retaining the remaining two Heritage trees.

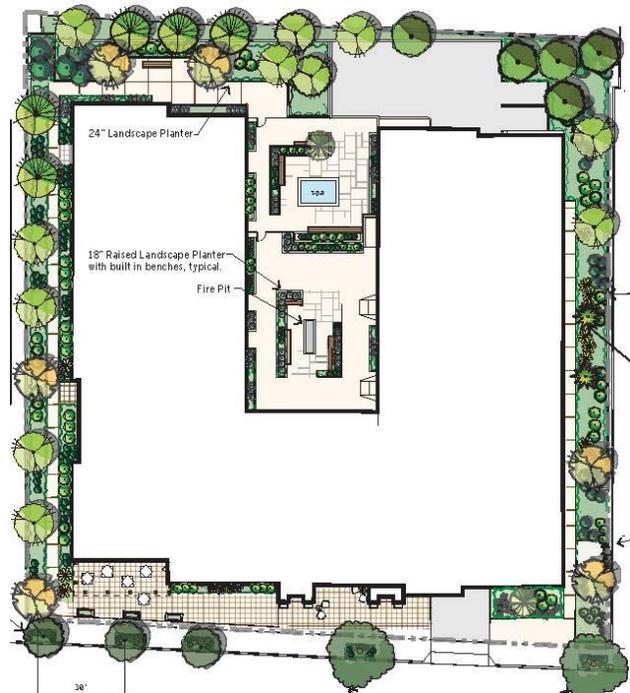


Figure 4 – Landscape Plan

The City arborist has reviewed the report and agrees with the recommendations. Approximately 25 new 24" box trees, including 10 street trees, will be planted throughout the project site.

The existing canopy coverage of the site is 1 percent. After project construction and the planting of the proposed landscape improvements, the anticipated tree canopy coverage after 5 years of planting would be 15 percent, and at maturity or 15 years would be 36 percent of the site.

Open Space and Landscaping

The project proposes 41.6 percent or 17,566 square feet of open area, which complies with the minimum requirement of 40 percent per the Precise Plan. Proposed amenities consist of a spa with lounge seating, an outdoor patio, and a fireplace feature with surrounding seating. Landscaped open spaces and pedestrian pathways can be found surrounding the proposed building, softening the hardscapes and providing shade and visual interest.

Proposed plant species have low-water-use demands, complying with the City's Water Conservation in Landscaping requirements. Open areas along the project street frontages are consistent with an urban streetscape, featuring outdoor dining and pedestrian walkways. In-ground plantings in these areas are limited to street trees and intermittent landscape buffers, given the minimal building setbacks and the Precise Plan's recommended streetscape design.

Sustainability Features

The project is conditioned to be built per the Mountain View Green Building Code, which requires adherence to the Residential Mandatory Measures of the 2013 California Green Building Code (CALGreen). The Green Building Code requires new residential developments with over five units to have at least 70 GreenPoint rated points and meet the mandatory CALGreen requirements. The project would seek to attain Leadership in Energy and Environmental Design (LEED) Silver®. The project would include drought-tolerant landscaping, designated parking for low-emitting vehicles, and plumbing fixtures that reduce indoor water use.

Public Benefits

The Precise Plan requires Tier 1 developments to provide public benefits for all square footage above the base 1.35 FAR at \$21.09 per square foot, amounting to a total of \$568,902.75 for this project. The Precise Plan identifies the provision of new affordable

housing and pedestrian improvements as the highest priority. The original project request included a proposal to install a solar-powered, pedestrian-activated crosswalk system on El Camino Real at Distel Circle and the remaining public benefit contribution (approximately \$240,400) to go toward the City's Affordable Housing Fund. Recent street improvement updates from Caltrans indicate new midblock pedestrian crossing at Distel Circle, will be completely funded by Caltrans. Hence, the applicant is proposing to fund 100 percent of the public benefit contribution toward the City's Affordable Housing Fund.

Transportation

Traffic Study

A site-specific traffic analysis was prepared by Hexagon Transportation Consultants, Inc., for the proposed project and provides a supplemental traffic analysis which builds upon the El Camino Real Precise Plan Environmental Impact Report (EIR) certified in November 2014. Potential impacts were evaluated in accordance with standards set forth by the City and the VTA Congestion Management Program (CMP).

After applying appropriate trip reductions and trip credits for existing land uses in accordance with the VTA's Transportation Impact Analysis Guidelines, the project would generate 59 new trips during the a.m. peak hour and 83 net trips during the p.m. peak hour. The potential impacts of the project were studied for a.m. and p.m. peak-hour traffic conditions for three signalized intersections (El Camino Real/Ortega Avenue, El Camino Real/Distel Drive, and El Camino Real/South Rengstorff Avenue) and one unsignalized intersection (El Camino Real and Distel Circle). The results show that the three signalized intersections are expected to operate at LOS C or better during both peak hours, and project traffic at the three signalized intersections would not result in a new significant impact.

The level of service analysis at the intersection of El Camino Real and Distel Circle was supplemented with an assessment of the need for signalization of the intersection. The analysis revealed that the traffic volumes on the minor stop-controlled approaches would not satisfy the signal warrant. Based on the significance criteria applied to unsignalized intersections, the project impact on this intersection was determined to be less than significant.

For these reasons, the proposed project was determined not to result in any new or substantially increased intersection impacts than those described in the El Camino Real Precise Plan EIR; would not conflict with an applicable plan, ordinance, or policy-

established measures of effectiveness for the performance of the circulation system; and would not conflict with the Santa Clara County CMP.

Transportation Demand Management

The Precise Plan requires all Tier 1 developments to develop and implement TDM plans to reduce vehicle trips associated with new development consistent with the Greenhouse Gas Reduction Program (GGRP). The GGRP requires a 4 percent reduction in peak-hour drive-alone trips. The project applicant has proposed a TDM plan that includes free transit passes for employees and guests, financial incentives to employees who use other transportation modes, and free shuttle services for guests (see Attachment 6—Parking and TDM Memo). The project is also conditioned to join the Mountain View Transportation Management Agency (TMA) and remain a member for the life of the project.

The proposed TDM measures are expected to result in a reduction in peak-hour drive-alone trips by at least 4 percent. To ensure the long-term effectiveness of the TDM plan and its ability to meet the requirements, a monitoring program will be established for the site. Failure to meet the established reduction would result in corrective actions being required and may result in fines.

Public Service Easement Vacation

The applicant has requested the City vacate the unused public service easement (PSE) for such uses as public utilities, cable television, and other similar uses to allow for the proposed development (see Attachment 3). The streets and easements have been unused for public use for more than five consecutive years and are not needed by the City for present or prospective public use. PG&E, AT&T, and Comcast have confirmed that they have no objections to the vacations.

In accordance with the Streets and Highways Code, if the City wishes to give up rights in easements dedicated to the City, they are to be vacated and all property rights returned to the underlying property owner. If the easement has not been used for their intended purpose for five consecutive years immediately preceding the proposed vacation or is superseded by relocation, a summary vacation may be ordered by the City.

When an easement vacation is requested within the City of Mountain View, staff reviews the fiscal impact of the vacation. Without the vacation, the development would not be able to proceed with as large of a building as planned and therefore will impact the development. However, there is no evidence the City ever paid market value for

the PSE. In the cases where the City has charged a developer in order to vacate a street, we were relinquishing an asset and property right that was for our use and that we maintained for some time at our expense. That is not the case in this instance and therefore staff supports the vacation with no compensation to the City.

ENVIRONMENTAL REVIEW

The El Camino Real Precise Plan EIR is considered a program EIR and comprehensively evaluated the environmental impacts of the El Camino Real Precise Plan. The Mountain View City Council certified the El Camino Real Precise Plan EIR and approved the El Camino Real Precise Plan in November 2014.

Subsequent activities which are analyzed in a program EIR may be determined to be adequately evaluated under CEQA, with no further environmental documents required, if it is found that no new environmental effects will occur and no new mitigation measures would be required for the subsequent development activity.

An Initial Study of Environmental Significance was prepared for this project to evaluate whether any new environmental effects would occur as a result of the project which were not already examined under the Precise Plan's program EIR and whether any new mitigation measures would be required. Project-specific technical studies were also prepared to provide technical guidance in the areas of utilities and transportation.

The Initial Study found that with implementation of the El Camino Real Precise Plan standards and guidelines, State regulations, and mitigation measures identified in the Precise Plan EIR and the 2030 General Plan and GGRP EIR and City standard conditions of approval, the proposed project would not result in any new environmental impacts beyond those evaluated in these EIRs and that no further documentation is needed.

FISCAL IMPACT

Based on the construction value information provided by the developer and expected room rates and occupancy rates, the City is estimated to receive approximately \$512,000 in additional annual tax revenues from the combined property tax and Transient Occupancy Tax (TOT) sources. Actual TOT revenues will vary depending on room rates and occupancy rates in any given year, and tend to be cyclical, dropping during an economic downturn.

As per the El Camino Real Precise Plan Tier 1 public benefit requirement, the project is also subject to a public benefit contribution amounting to a total of \$568,902.75. The

applicant has proposed to provide a cash contribution to the City's Affordable Housing Fund.

The project is subject to the City's Affordable Housing Program and will pay a Commercial Housing Impact Fee of \$88,370.48 prior to issuance of building permits to satisfy the program requirements.

CONCLUSION

The proposed redevelopment of the project site with a four-story, 75,824 square foot, 157-room hotel and a one-level underground parking structure is consistent with the General Plan and Zoning requirements and would result in a project which furthers the vision and goals for the development of the El Camino Precise Plan area. The site layout and architecture of the building, including colors, materials, and architectural elements, are well-designed and compatible with the surrounding area. Additionally, approval of the project would not result in significant environmental impacts with implementation of the conditions of approval; therefore, the proposed project would not have a significant impact on the environment. The EPC unanimously supported the project, subject to the recommended conditions found in Attachment 2.

ALTERNATIVES

1. Recommend approval of the project with modified conditions.
2. Refer the project back to the EPC for additional consideration.
3. Refer the project back to the DRC for additional consideration.
4. Deny the project application, finding the site is not physically suitable for the type of development.

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 within a 300' radius and other interested stakeholders were notified of this meeting.

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- Attachments:
1. Initial Study of Environmental Significance for the 2300 West El Camino Real Hotel Project
 2. Resolution Conditionally Approving a Planned Community Permit, a Provisional Use Permit, a Development Review Permit, and a Heritage Tree Removal Permit at 2300 West El Camino Real
 3. Resolution Ordering Vacation of Public Service Easement at 2300 West El Camino Real
 4. Project Plans
 5. Valet Parking Plan
 6. TDM Memo