

CITY OF MOUNTAIN VIEW

ENVIRONMENTAL PLANNING COMMISSION

STAFF REPORT

NOVEMBER 7, 2018

5. PUBLIC HEARINGS

- 5.1 Public Hearing for Consideration of a Zoning Map Amendment from the ML (Limited Industrial) Zoning District to the P (Planned Community) Zoning District, a Planned Community Permit for Construction of Three 6-Story Office Buildings, Two 6-Level Parking Structures and Retain Three 2-Story Office Buildings Resulting in 1.08 Million Square Feet of Office at a 28.7-Acre Campus to Replace Two Existing Office Buildings and Surface Parking Lots; a Heritage Tree Removal Permit to Remove Approximately 138 Heritage Trees; a Lot Line Adjustment to Merge Three Parcels into One Parcel, and the 700 East Middlefield Road Office Project Final Environmental Impact Report**

RECOMMENDATION

That the Environmental Planning Commission (EPC) recommend to the City Council approval of the following:

1. Certification of the 700 East Middlefield Road office project Final Environmental Impact Report (EIR), including a Statement of Overriding Considerations for freeway segment traffic impacts and Mitigation, Monitoring, or Reporting Program (see Exhibit 1 to the EPC Staff Report);
2. Adopt a Resolution Recommending that the City Council Approve a Zoning Map Amendment for the Properties Located at 700, 800 East Middlefield Road and 1101 Maude Avenue from the ML (Limited Industrial) Zoning District to the P (Planned Community) Zoning District (see Exhibit 2 to the EPC Staff Report);
3. Adopt a Resolution Recommending Conditional Approval of a Planned Community Permit for Three 6-Story Office Buildings, Two 6-Level Parking Structures, and Retain Two-Story Office Buildings Resulting in 1.08 Million Square Feet of Office at a 28.7-Acre Campus Site to Replace Two Existing Office Buildings and Surface Parking Lots, and a Heritage Tree Removal Permit for the Removal of 138 Heritage Trees (see Exhibit 3 to the EPC Staff Report); and

4. Adopt a Resolution Recommending Conditional Approval of a Vesting Preliminary Parcel Map to merge Three Lots at 700 East Middlefield Road, 800 East Middlefield Road, 1101 Maude Avenue (Exhibit 4 to the EPC Staff Report).

PUBLIC NOTIFICATION

The Commission'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 parties were notified of this meeting. A City Council meeting will be held regarding this project, and property owners and interested parties will be notified separately.

BACKGROUND

Project Site Location and Characteristics

The 28.7-acre project site is located between West Maude Avenue and East Middlefield Road on the eastern edge of the Mountain View City limit, adjacent to the City of Sunnyvale.

The site is comprised of three parcels—700 East Middlefield Road, 800 East Middlefield Road, and 1100 West Maude Avenue—and is currently developed with five one and two story office buildings.

Site access is available from three public streets, including three driveways along East Middlefield Road and the terminus of North Bernardo Avenue (the main site entrance), one driveway on the State Route 237 (SR-237) Frontage Road, and two driveways on West Maude Avenue.

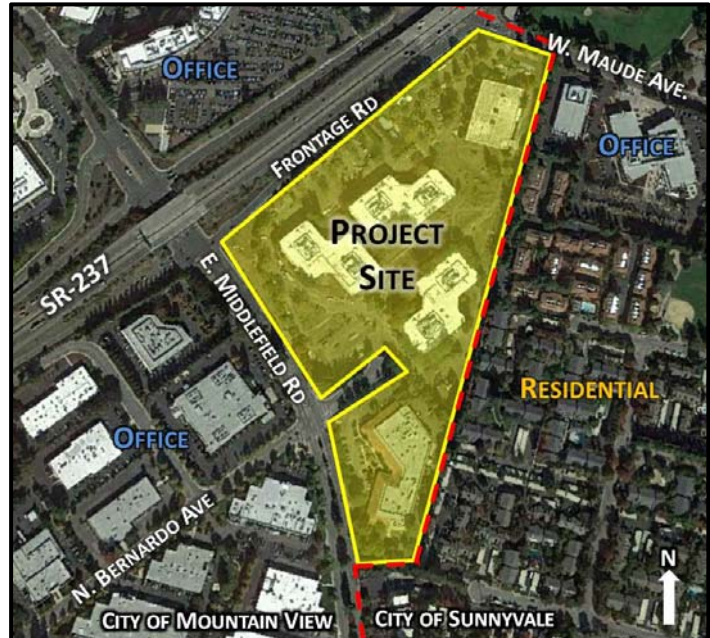


Figure 1: Location Map

Surrounding uses include office uses across adjacent roadways to the south and west (in Mountain View) and a mix of office and residential uses directly to the east (in Sunnyvale). SR-237 is a raised highway, which is positioned behind the at-grade Frontage Road and has elevated views of the project site. Portions of the Sunnyvale Golf Course are located north of the project site.

Adjacent residential uses extend along 75 percent of the eastern property line, including a condominium community at the north end (Costa Mesa Terrace HOA) and apartment communities along the remainder (Windemere Apartments, Summerhill Park Apartments, Macara Garden Apartments, and The Meadows Apartments).

The project site is south of the Moffett Federal Airfield within the Santa Clara County Airport Land Use Commission's (ALUC's) Moffett Field Comprehensive Land Use Plan (CLUP) area. The site is also located within the boundaries of the East Whisman Precise Plan Area.

Project Description

LinkedIn, the project applicant, is proposing to retain three existing office buildings on site and three new six-story office buildings and two, six-level parking structures, resulting in an approximately 1.08 million square foot office campus (see Exhibit 5).

The project has three street frontages—Middlefield Road, Maude Avenue, and Frontage Road. The project includes a public-oriented, private open space along Middlefield Road and a recreational area along Maude Avenue, as well as new landscaping throughout the site, increasing open area from 36 percent to 54 percent; and removing approximately 419 trees, 138 of which are Heritage trees.

Zoning Administrator Review: Development Agreement

To allow for flexibility in the timing and phasing of this project, LinkedIn is requesting approval of a Development Agreement (DA). The requested term for the DA is seven (7) years with a possibility for a one-time extension of three (3) years. The City's Zoning Code requires that the DA be reviewed by the Zoning Administrator at an Administrative Zoning Hearing and a recommendation forwarded to the City Council. Public review of the DA and a recommendation to Council is tentatively scheduled for the November 14, 2018 Administrative Zoning Hearing. After the Administrative Zoning Hearing, the DA will be merged with the EPC recommendations on the Zoning Map Amendment and development applications for action by the City Council.

Previous Meetings

Gatekeeper Meeting

On June 19, 2012, the City Council authorized a Gatekeeper from RREEF, an international real estate investment management group, to rezone a 24-acre site from the ML (Limited Industrial) District to a P (Planned Community) District to allow an office development up to 1.0 FAR consistent with the East Whisman Change Area of the 2030 General Plan. The request included two parcels—700 East Middlefield Road and 1100 West Maude Avenue.

Multiple Council Study Sessions (February 12 and February 26, March 28, and May 28, 2013) were held to discuss various aspects of the proposed project design, as well as Council expectations for projects requesting up to 1.0 FAR in East Whisman. Following the Study Sessions, Google Inc. (Google) purchased the properties from RREEF, in addition to the adjacent property at 800 East Middlefield Road, with plans to renovate the sites for occupancy.

In summer 2016, Google and LinkedIn Corporation (LinkedIn) executed a real estate transaction resulting in both parties swapping multiple land holdings, where LinkedIn obtained the 700, 800 East Middlefield Road and 1101 West Maude Avenue sites.

City Council Study Session

At the May 2017 Study Session, the Council provided input on various topics which impact the compliance, design, and review of a higher-intensity office development in East Whisman, including, but not limited to, the project related to parking, affordable housing, expansion of the Gatekeeper site, community benefits, bike-pedestrian improvements (see Exhibit 6—City Council Study Session Staff Report dated May 2017). Key Council direction included:

- desire to improve building transitions to adjacent residential uses;
- support for overall building heights,
- Support for reduced parking,
- building setbacks to streets and proposed public street improvements; and direction to replace a cycle-track on the eastern edge of the site with additional landscaping.

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 final recommendation of conditional approval from the DRC on February 21, 2018. The DRC added a condition of approval for additional details to be provided for staff review with the building permit submittal for the landscaping design, parapet design, building glass frit pattern, and other minor design and material refinements.

Neighborhood Meetings

The applicant held two neighborhood meetings on May 31, 2017 and June 17, 2017 to present the initial project plans to the neighborhood and to hear comments and feedback about the proposed development. Approximately 20 people attended each of the neighborhood meetings. Attendees included 5 residential neighbors, bicycle commuters who pass by the project area regularly, Sunnyvale and Mountain View BPAC member, Mountain View EPC member, and Mountain View and Sunnyvale City Council Members. Attendees were generally supportive of the project and had questions related to traffic, landscaping, shared parking, timing and schedule of the construction, and transition to residential developments.

The applicant also held follow up meetings on June 9 and June 13, 2018 to present the updated project plans to the neighborhood. Majority of the comments supported the revised project design and employment opportunities. Other feedback suggested exploring opportunity for sharing of resources such as transit shuttles for residents in the area.

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 June 27, 2018 and made a determination of consistency with the Moffett Federal Airfield CLUP.

ANALYSIS

This report analyzes the project's consistency with the 2030 General Plan and draft East Whisman Precise Plan policies; describes the proposed development; covers issues related to trees, sustainability, parking, and transportation; and a summary of the environmental review that was completed for the project.

General Plan

In July 2012, the City Council adopted the 2030 General Plan. The project site is located in the Moffett/Whisman Planning Area of the 2030 General Plan, more specifically within the East Whisman Change Area. As part of this vision, the goals and policies for this area envisioned to contain new mixed-use, transit-oriented development of high-quality and sustainable design, including improved mobility and neighborhood amenities for residents and workers. Aligning with the current General Plan vision, the proposed project is consistent with the General Plan Land Use Designation of High-Intensity Office, which allows office development up to 1.0 FAR and up to 8 stories in height. No General Plan Amendment is proposed with this project.

The project is supported by 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.
- *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.
- *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 10.7: Beneficial landscaping option.* Promote landscaping options that conserve water, support the natural environment and provide shade and food.
- *LUD 19.1: Land use and transportation.* Encourage greater land use intensity and transit-oriented developments within a half-mile of light rail stations.

- *LUD 19.4: Transportation Demand Management strategies.* Require redevelopment to include and carry out Transportation Demand Management strategies

Zoning Map Amendment

The project includes a request to change the zoning designation of the project site from the ML Zoning District to the P Zoning District (see Exhibit 2—Findings for the Amendment to the Zoning Map and Zoning Map Exhibit). The P District designation allows the City the flexibility to consider a project with an FAR above the 0.35 FAR allowed in the ML District prior to the adoption of the East Whisman Precise Plan. The project sites will be incorporated into the adopted East Whisman Precise Plan Area.

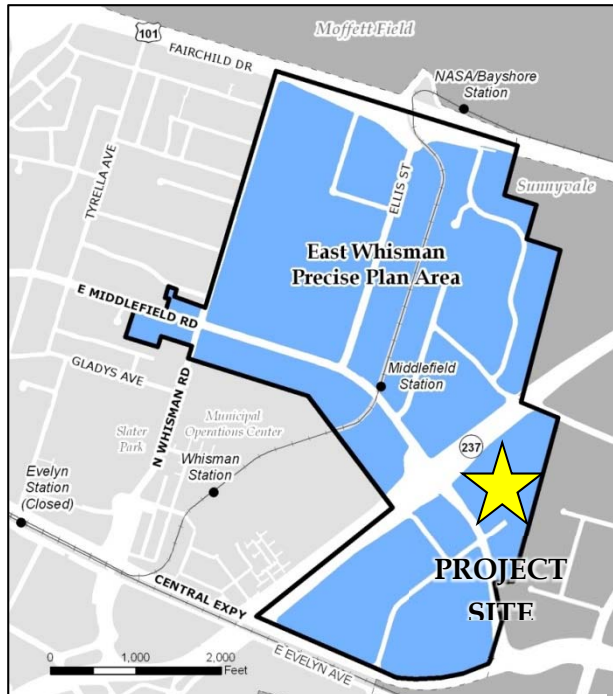


Figure 2: Project Location in EWPP

The P District zoning has been used for several other Gatekeeper projects implementing the General Plan prior to the adoption of new zoning/Precise Plans

East Whisman Precise Plan

The project site is located within the boundaries of the East Whisman Precise Plan area. Representatives for LinkedIn have participated in the Precise Plan visioning process, including attendance at community workshops and public meetings.

While the Precise Plan is currently in development, staff is utilizing Council direction received thus far to review this project, including:

- Locate higher-intensity office development (up to 6 stories) adjacent to freeways (U.S. 101 and SR-237);
- Increase public open space in the area;
- Encourage open and accessible office campuses;

- Increase retail and mixed-use development in the plan area;
- Improve pedestrian and bicycle connectivity throughout the plan area, particularly to the VTA stations and Sunnyvale; and
- Contribute or advance the development of housing in the plan area.

The project is substantially consistent with the East Whisman Precise Plan. This includes provision of community benefit package, pedestrian and bicycle improvements, incorporate higher green building standards and sustainable design, and potentially pay a Precise Plan Impact Fee (which may be related to transportation and utility infrastructure improvements needed in the Precise Plan area) in the future, meet the trip reduction goal of 0.9 peak-hour trip per 1,000 square foot development.

Project Overview

LinkedIn used the General Plan as a guide in the design of their project as well as the City's direction that has come out of the preparation of the East Whisman Precise Plan. The General Plan provides the flexibility for 1.0 FAR projects and maximum building heights up to eight stories. The project site is within the Employment High Area in the draft East Whisman Precise Plan, which provides an area for higher-intensity employment uses within walking distance of light rail stations.

Project Design

LinkedIn has used the Form and Character guidance of the General Plan to inform their design. The proposed project is in conformance with the draft development standards and design guidelines under consideration for the East Whisman Precise Plan.

In total, the project includes constructing up to approximately 763,387 net new square feet of office area, resulting in a total campus build-out of approximately 1,078,280 square feet at an FAR of 0.86.

- Three new, 6-story office buildings (two along the Frontage Road – Buildings 5 and 6 – and one at the terminus of Bernardo Avenue – Building 1) with up to 3,000 square feet of ground-floor retail space in Building 1;

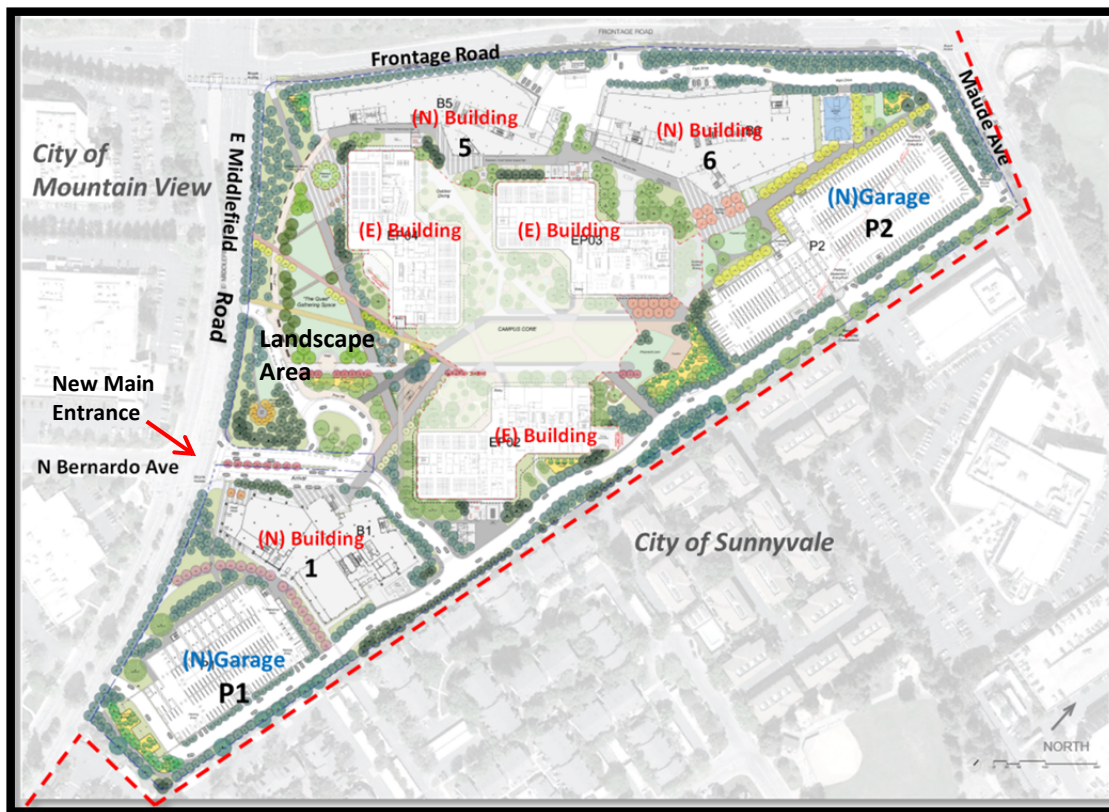


Figure 3: Project Site Plan

- Two new, 6-level parking structures (with one level below-grade) located along a new perimeter drive aisle along the eastern project boundary connecting to Middlefield Road and Maude Avenue;
- A new main entrance will be located at the terminus of Bernardo Avenue for vehicles, bicycles, and shuttles, while service loading/unloading is proposed from the driveway located off the Frontage Road; and
- Extensive landscaped open area on-site (comprising approximately 54 percent), which includes a dedicated recreational area near Maude Avenue (North Campus), a central promenade which was recently constructed (Campus Core), and a 4-acre, public-oriented passive open area along Middlefield Road (South Campus).

The following is an overview of the proposed building locations, setbacks, building heights, and landscaping:

Setbacks

The project proposes three new 6-story, 101' tall office buildings along East Middlefield Road and Frontage Road around the three existing buildings in the central core of the project site. Two 6-level, 63' tall freestanding parking garages with one level below grade, are proposed closer to Middlefield Road and Maude Avenue. The setback of the parking building from Middlefield Road varies due to the building and street shape, but the closest setback is little over 30', which meets the ML zoning front setback development standards.

The sixth floor of Garage P1 along Middlefield Road is set back from the eastern facade to maintain further setback from the single-family residential uses along the easterly property line. Similarly, Garage P2 reduces to five-story height towards the core of the site adjacent to single-family homes. The proposed setbacks are consistent with the existing ML District setback requirements, which are an average of 30', with a minimum of 20' as well as the draft standards under consideration for the North Bayshore Precise Plan. The DRC and staff believe that the proposed setbacks are adequate for the proposed heights and configuration of the buildings.

Office Buildings 5 and 6 along the Frontage Road maintain a minimum 10' streetside setback as required in ML Zoning District for corner properties. These two office buildings are abutting SR 237 and are designed with a landscape buffer at the grade level. The new Office Building 6 is slightly skewed inward from Office Building 5 and is located farther away from the Frontage Road and Frontage Road/Maude Avenue corner. The setback of the buildings varies at each level due to the undulating building facade design, shape, and site configuration, but the building footprint is outside the required setback area. The proposed setbacks are consistent with the existing ML District setback requirements, which are an average of 30', with a minimum of 20' as well as the draft standards under consideration for the East Whisman Precise Plan.

LinkedIn has made many modifications to the project plans based on City Council and DRC direction. One significant change was to the parking structure adjacent to Middlefield Road, which was moved from 21' to 30' streetside setback and Building 1, adjacent to single-family residential development to the east of the project site, was moved from 61' to 85' streetside setback to create a sensitive transition along the low-intensity developments.



The building design responds to the unique site shapes and utilizes a modern design and an innovative building approach that is designed to suit LinkedIn's needs. This is an infill development, and the building footprint and heights have been designed to transition to the single-family residential developments to the east in City of Sunnyvale and compatibility with the existing office buildings to remain on-site by providing appropriate building stepbacks and aesthetic parking garage screening. The proposed office buildings are 101' tall, including a parapet to screen the rooftop equipment. The parapets have been carefully designed and reviewed to achieve a seamless building facade.



Figure 3: View of Building 1 from Bernardo Avenue

Landscaping and Trees

The new development plan places the new and existing parking spaces in efficient parking structures, opening up many acres of the site for new development. The public face of the office campus will change from a landscape dominated by parking lots into a large park gathering space for employees and guests which has been thoughtfully designed with native plants and trees. The concept maintains and reinforces the continuity of the landscape framework established with the comprehensive landscape renovations recently undertaken on the existing office core on-site. The landscape will define communal spaces, articulate pedestrian circulation, and mark building entries to the proposed project.

New sidewalks and street trees will be provided along the project street frontages to create a street tree canopy. The landscape areas along the street frontages consist of stands of existing Heritage trees and new infill trees that alternate with bioretention zones to capture and treat building and site paving runoff as well as create a substantial tree canopy.

The project site currently contains approximately 644 trees, of which 303 are Heritage trees. The project proposes to remove 138 Heritage trees on-site. A majority of the trees proposed for removal are due to the location of the trees in the proposed building footprints. One-hundred sixty-five (165) Heritage trees are proposed to be retained on-site and approximately 1,000 trees are proposed to be planted.

The applicant is proposing to retain the majority of large redwood trees on-site, in addition to the majority of trees along the shared residential property line to the east. The existing tree canopy coverage is approximately 25 percent. The anticipated tree canopy coverage would be 23 percent in ten years after project construction, and approximately 48 percent at maturity.



Figure 6: Tree Plan

Sustainability

LinkedIn is proposing LEED Platinum-designed buildings which would include sustainable building and site features, including, but not limited to, significant amounts of roof-mounted photovoltaic panels to generate energy for the sites, native and drought-tolerant plantings with specific plant types that support the native wildlife, electric vehicle (EV) charging stations for 10 percent of the parking spaces on-site, and dual-plumbing in the three new office buildings with future connection to recycled water when available.

In consultation with ornithologist from H.T. Harvey & Associates, LinkedIn has incorporated many bird-safe building design features into the building and site design, including: internal and external lighting designs that minimize the overall lighting intensities and the direction of the lighting; building facade and parapet with “frit” patterns which are designed to break up the extensive glazed areas and allow birds to perceive the glass as an obstruction to be avoided. Since bird safety design standards for the East Whisman Precise Plan are currently in development, to the project followed the bird safety design standards outlines in the North Bayshore Precise Plan and from the consulting ornithologist.

Parking

All the project parking is proposed in two new parking structures with one partial level at or below grade, and five above-grade levels. The applicant is proposing a

parking ratio of 2.7 spaces per 1,000 square feet of office area, resulting in a total of 2,913 spaces. This ratio is consistent with office parking requirements in the North Bayshore Precise Plan. Overall, this parking ratio is a 19 percent reduction (or 683 spaces less) over the City's standard office parking ratio of one parking space per 300 square feet of office area (or 3.3 parking spaces per 1,000 square feet). Staff is supportive of the reduced parking ratio as the project site is near transit and the applicant is also proposing a TDM program achieving a trip reduction target of 22 percent, which equates to 0.9 peak-hour trip per 1,000 square foot of development

Transportation

East Whisman Precise Plan Transportation Study

In October 2018, Council and EPC held Study Sessions on the East Whisman Precise Plan Transportation policies and provided staff with direction on the transportation options and expectations to be studied and included as part of the Precise Plan. Council directed staff to include in the precise plan a trip reduction target of 0.9 peak-hour trip per 1,000 square foot building area, which equates to a 22 percent trip reduction per the Institute of Transportation Engineers (ITE) Manual (10th Edition) and recommended area-wide infrastructure improvements which would increase the use of other transit modes.

LinkedIn's TDM Plan

LinkedIn already has a TDM plan for their existing campus and hired Fehr & Peers traffic consultants to prepare an enhanced TDM plan for the project. The proposed TDM plan would achieve a 22 percent reduction in peak-period trips, which equates to 0.9 peak-hour trip per 1,000 square feet of building area during the seven-year term of the Development Agreement. At the end of the Development Agreement term, the project will be subject to trip reduction goals as set in the adopted East Whisman Precise Plan. The TDM plan will be applied to the new buildings as well as the existing buildings that make up the LinkedIn campus.

In order to achieve a reduction in peak-period trips, LinkedIn proposes the following list of TDM measures:

- Priority parking for carpools and vanpools.
- On-site transportation Coordinator
- Bicycle parking, showers, and changing facilities.
- Telecommuting/Flexible Work Schedule Program.
- Guaranteed Ride Home Program.
- Rideshare matching services.

- Parking Cash-Out Public transit shuttle services.
- Marketing and information.
- Commuter shuttle services.
- Pretax commuter benefits.
- Subsidized or free vanpools or carpools.
- Biking financial incentives.
- Subsidized or free Transit Passes.
- On-site bicycle repair facilities.
- Bike Buddy program

To ensure the long-term effectiveness of their TDM plan and its ability to provide a required 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 the target as well as fines. Details of the TDM plan can be found in Exhibit 7, attached to the staff report.

Project Site Traffic Study

A Traffic Impact Analysis (TIA) was prepared by Fehr & Peers for the proposed project which estimates project trips based on the ITE Trip Generation Manual trip generation rate for a single-tenant office building land use and the TDM plan for the project. Existing traffic counts were taken at 23 intersections around the project during both peak hours and added to the projected trips for approved, “but not yet built” and “not occupied” developments in the area. The 23 studied intersections around the project site all currently operate at an acceptable level of service.

The results of the traffic study found that the project would result in a net increase of 979 a.m. peak-hour trips and 471 p.m. peak-hour trips. The results of the Level of Service (LOS) analysis show that implementation of the proposed project would result in significant impacts to two project study intersections under Background with Project Conditions in the AM and PM peak hours.

- Maude Avenue and SR 237 Ramps (Caltrans/Mountain View)
- Intersection #20: Central Expressway and North Mary Avenue (Santa Clara County/CMP)

The results of the LOS calculations also indicate that the Project traffic would add more than one percent of the freeway’s capacity in either/both the AM or PM peak hour to segments currently operating at LOS F under Existing with Project Conditions (46 segments) and under Cumulative with Project Conditions (49 segments).

In addition, implementation of the proposed project would result in significant impacts to five project study intersections under Near-Term Cumulative with Project conditions in the AM and PM peak hours.

- Ellis Street / US 101 Northbound Ramps (Caltrans/Mountain View)
- Ellis Street / US 101 Southbound Ramps (Caltrans/Mountain View)
- Maude Avenue / SR 237 Ramps (Caltrans/Mountain View)
- Maude Avenue / Mathilda Avenue (Sunnyvale/CMP)
- Central Expressway/North Mary Avenue (Santa Clara County/CMP)

Freeway segments in the vicinity of the project on Highway 101, Highway 85, and SR 237 were also analyzed for potential project impacts. The volume-to-capacity (V/C) ratio results of the traffic study also indicates that several freeway mainline segments in Santa Clara County will be impacted under Existing with project conditions.

The mitigation for freeway impacts is typically the provision of additional freeway capacity, which is considered beyond the scope of an individual project due to the inability of a single project or city to acquire right-of-way for freeway widening and improvements. The intersection impacts under Background with Project Conditions and Near-Term Cumulative with Project Conditions have identified mitigation, but the mitigation may not reduce impacts to a less than significant level. The City of Mountain View cannot guarantee that the mitigation would be implemented, or the mitigation measures will require coordination with multiple jurisdictions to address the practical steps of implementing physical 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.

The TIA includes a queuing analysis for four intersections: SR 237 eastbound off-ramp—Middlefield Road diagonal, SR 237 westbound off-ramp—Maude Avenue diagonal, U.S. 101 northbound off-ramp—Mathilda Avenue loop, and U.S. 101 southbound off-ramp—Ellis Street diagonal. Two out of four intersections (SR 237 Eastbound off-ramp—Maude Avenue diagonal and SR 237 westbound off-ramp—Maude Avenue diagonal, have been found to have existing deficient queuing capacity and will be modified to provide queues that do not exceed the available storage length. While these turn queues with the project are anticipated to exceed the available turn pocket storage, the queue would still be contained within the total ramp storage and, thus, would not spill back into the freeway mainline.

COMMUNITY BENEFITS

A community benefit for the requested Development Agreement is required as part of the Development Agreement process. The applicant has proposed a \$350,000 community benefit fee for the proposed seven-year Development Agreement with an option for a one-time extension for three years with a \$150,000 additional benefit fee.

As seen in other recently adopted Precise Plans in the City, the project requirement to provide community benefits is for the portion of “Bonus FAR” requested above an established baseline FAR for a given development. This baseline has yet to be established in the East Whisman Precise Plan so a project-specific community benefit study was conducted for this project. Based on this study, the applicant is proposing \$11,000,000 in community benefit contribution, which can be used for a future Capital Improvement Program (CIP) projects. Staff will include in the annual CIP review the allocation of these funds. A likely candidate for these funds is the planned vehicular, bicycle, and pedestrian improvements at East Middlefield Road and SR 237 (see Exhibit 8).

HOUSING IMPACT FEE

The project is subject to the City’s Affordable Housing Program based on the net new floor area of the project and the fees in effect at the time of building permit issuance. The estimated fee for the entire project is \$16,209,507, which incorporates credit for existing floor area. The applicant prepaid a portion of the Housing Impact Fee amounting to \$10,000,000 through its investment in Housing Trust Silicon Valley’s (HTSV) TECH Fund in the form of a Community Impact Note. LinkedIn’s Community Impact Note shall be transferred to the City to satisfy the Note’s corresponding amount of the Housing Impact Fee requirement at the time of first building permit issuance. The project is proposed to be developed in two phases. The remainder of the Housing Impact Fee (estimated at \$6,209,507), after deducting the LinkedIn’s Community Impact Note amount, will be due to the City at the time of Phase 2 building permit issuance.

PARCEL MAP

The proposed project includes a Preliminary Parcel Map to merge three lots (see Exhibit 4) to accommodate the proposed development (see Exhibit 4).

ENVIRONMENTAL REVIEW

EIR Process

EIRs provide information regarding the potential significant environmental impacts of a proposed project and how to mitigate them to local decision-makers and the general public. The 700 East Middlefield Road office project Draft EIR provides the environmental review appropriate for the project in accordance with the California Environmental Quality Act (CEQA) Guidelines.

Prior to approving the 700 East Middlefield Road office 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.

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. The Draft EIR was circulated for public review for a 45-day comment period which commenced on May 31, 2018 and ended on July 16, 2018. Staff received seven comment letters on the Draft EIR and has provided a response to these comments in the Final EIR document.

Final EIR

Copies of the response to comments and EIR text revisions which, together with the Draft EIR, comprise the Final EIR, were made available to the public on October 17, 2018. The City received seven written comment letters on the Draft EIR. A response to each comment and appropriate text revisions are included in the Final EIR, which is attached to this report (see Exhibit 8—[Draft EIR](#) and [Final EIR](#)).

After publication of the FEIR, an additional comment letter was received from the County of Santa Clara, Roads and Airports Department regarding the City's response to their comment related to mitigation measure identified to address impacts to the Central Expressway and Mary intersection, and sharing annual monitoring report of TDM data with County.

Mitigation measure for impact to Central Expressway and Mary Intersection: The currently proposed mitigation measure to address impact on Central and Mary

intersection is in line with the County's 2040 Expressway Plan to add a third westbound left-turn lane from Central Expressway onto Mary Avenue. This mitigation measure was also confirmed by Santa Clara County staff as the desired improvement during the Draft EIR comment period. The Project proposes to pay its fair share contribution to this improvement, which is the appropriate mitigation for the project's impact. No other near-term mitigation measure has been identified to mitigate the Project's impact. While the EIR identifies the most appropriate mitigation for the project's contribution to this impact, because the funding and timeline for these improvements are not known and their implementation cannot be guaranteed, the EIR identifies this impact as Significant and Unavoidable. The project would be responsible for paying only its fair share contribution towards any mitigation at this intersection and the timing and funding source would be controlled by the County.

Annual TDM Reporting: The city does not have a program in place to notify the County if TDM goals for a specific project are not met. Development of a City-wide TDM ordinance has been identified as a priority Council Work item. Annual monitoring and reporting strategies will be reviewed at the time of draft ordinance review.

Significant Unavoidable Impacts

The Draft EIR includes mitigation measures that will reduce most potential environmental impacts from the project to less-than-significant levels with incorporation of the project-specific mitigation measures. However, the project would result in significant LOS impacts to freeway segments and freeway segment , two intersections (Maude Avenue and SR 237 Ramps and Central Expressway and North Mary Avenue) under Background With Project conditions, and LOS impacts to freeway segments and 5 intersections (impacts to five intersections: Maude Avenue and SR 237 Ramps, Ellis Street/U.S. 101 Northbound Ramps, Ellis Street/U.S. 101 Southbound Ramps, Central Expressway and North Mary Avenue, and Maude Avenue/Mathilda Avenue) under Near-Term Cumulative With Project conditions, , which this project alone cannot mitigate to a less-than-significant level.

These significant unavoidable impacts will require the adoption of a Statement of Overriding Considerations by the City Council at the time the project is approved, after certification of 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—Findings for the Final EIR, Including a Statement of Overriding Considerations).

NEXT STEPS

The EPC recommendation from this public hearing will be forwarded to the City Council for consideration at a public hearing tentatively scheduled for November 27, 2018.

CONCLUSION

Staff believes that the proposed LinkedIn project achieves the General Plan goals for innovative and highly sustainable development in the East Whisman Area and provides a project that is sensitive to the existing lower-intensity office uses in the vicinity and future vision for the plan area. Since the Council Study Sessions in 2017 and through the DRC review process, the applicant has made many revisions to the project, which have addressed the City's project design recommendations and addressed the City's transportation expectations for new development in the East Whisman Precise Plan Area.

ALTERNATIVES

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

Prepared by:

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Approved by:

Stephanie Williams
Planning Manager/Zoning
Administrator

DP/2/CDD
807-11-07-18SR

- Exhibits: 1. Resolution Recommending that the City Council Certify the Project EIR with Statement of Overriding Considerations and Mitigation Monitoring Plan

2. Resolution Recommending that the City Council Approve a Zoning Map Amendment
3. Resolution Recommending that the City Council Approve a Planned Community Permit and Heritage Tree Removal Permit
4. Resolution Recommending that the City Council Approve a Vesting Preliminary Parcel Map
5. Project Plans
6. [City Council Study Session Report, May 2017](#)
7. TDM Plan
8. CIP Project Funding
9. [Draft EIR](#) and [Final EIR](#)