



# COUNCIL REPORT

**DATE:** June 10, 2025

**CATEGORY:** Consent

**DEPT.:** Community Development

**TITLE:** **Commercial Development at 365-405 San Antonio Road and 2585-2595 California Street—Precise Plan Amendment/Project Approval Resolutions and Development Agreement Ordinance (Second Reading)**

## **RECOMMENDATION**

1. Adopt a Resolution of the City Council of the City of Mountain View Amending the San Antonio Precise Plan Related to the Transfer of Development Rights Program and Office Development Regulations and Adopting an Addendum to the Previously Certified Final San Antonio Precise Plan Environmental Impact Report and Finding that the Addendum and Previously Certified EIR Adequately Address the Potential Impacts of the Precise Plan Amendments and Related Approvals for the Commercial Development Project at 365-405 San Antonio Road and 2585-2595 California Street Project Pursuant to Sections 15162, 15164, and 15168 of the California Environmental Quality Act (CEQA) Guidelines, to be read in title only, further reading waived (Attachment 3 to the Council report).
2. Adopt a Resolution of the City Council of the City of Mountain View Conditionally Approving a Master Plan, Planned Community Permit, and Development Review Permit for a New 182,352 Square Foot, Seven-Story Commercial Building with 150,000 Square Feet of Transfer of Development Rights from the Los Altos School District Transfer of Development Rights Program; a Provisional Use Permit to Allow an Office Use; and a Heritage Tree Removal Permit to Remove Five Heritage Trees on a 0.99-Acre Site Located at 365-405 San Antonio Road and 2585-2595 California Street (APN: 148-22-005, 148-22-006, 148-22-007, and 148-22-023), to be read in title only, further reading waived (Attachment 4 to the Council report).
3. Adopt an Ordinance of the City of Mountain View Approving a Development Agreement Between the City of Mountain View and Merlone Geier Partners IX, L.P. for The Village at San Antonio Center Phase 3 Project on a 0.99-Acre Site Located at 365-405 San Antonio Road and 2585-2595 California Street, to be read in title only, further reading waived (Attachment 5 to the Council report). (First reading: 7-0)

## **SUMMARY**

On May 27, 2025, the City Council conducted a public hearing, closed the public hearing, and made the following motion to:

1. Postpone taking final action on the Resolutions (Attachments 3 and 4) described in Items 1 and 2 (above) to June 10, 2025, the date of final adoption of the ordinance approving the related Development Agreement.
2. Introduce an ordinance (Attachment 5) to approve a Development Agreement (DA) in conjunction with the approval of a commercial development project at 365-405 San Antonio Road and 2585-2595 California Street (“The Village at San Antonio Center Phase 3 Project”) with the following modifications: (1) the effective date of the Development Agreement shall be no sooner than December 19, 2025; and (2) the project shall have a vesting date of July 10, 2025.
3. Direct staff to explore other mechanisms to effectuate the project without Merlone Geier Partners IX, L.P. purchasing Transfer of Development Rights square footage from the Los Altos School District for The Village at San Antonio Center Phase 3 Project, in the event that the City of Mountain View and the Los Altos School District do not execute a new Funding and Joint Use Agreement or other successor agreement.

This item includes adoption of the Resolutions and a second reading for final adoption of the Ordinance approving the Development Agreement as modified by City Council at the first reading on May 27, 2025. The resolutions were also modified to align with the City Council directed modifications to the Ordinance approving the Development Agreement. If adopted, the Ordinance approving the Development Agreement will become effective in 30 days, on July 10, 2025, the Development Agreement will become effective no sooner than December 19, 2025, and the Resolutions will become effective immediately. The resolutions include provisions to render them null and void in the event the DA does not become effective.

## **FISCAL IMPACT**

The project site has a current total assessed value of approximately \$21.4 million. The City’s existing share of property tax is approximately \$34,000 per year. If the site is developed as proposed, the City would receive approximately \$159,000 per year in additional property tax revenue, for a total of approximately \$193,000 per year.

Pursuant to the City’s Below-Market-Rate (BMR) Ordinance, the project is subject to a nonresidential (commercial) housing impact fee. Payment of the required housing impact fee for

net new commercial square footage, including the 150,000 TDR square feet, would result in an estimated payment to the City of approximately \$5.29 million with use of these funds restricted for affordable housing purposes.

In compliance with the SAPP public benefit program, the applicant is required to provide public benefits for additional development intensity above the Base FAR for the site, excluding the 150,000 TDR square feet. The project's estimated SAPP public benefit contribution is approximately \$211,300 based on the current SAPP public benefit value. As part of the DA, the applicant will also provide an additional public benefit contribution of \$500,000 to the City for the extended approval term.

Finally, the project is subject to the Citywide Transportation Impact Fee (TIF), with an estimated fee payment of approximately \$1,131,150 based on the current Master Fee Schedule.

### **PUBLIC NOTICING**

Agenda posting. The City Council's agenda is also advertised on Channel 26, and the agenda and this Council report are available on the City's website. The ordinance was published at least two days prior to adoption in accordance with City Charter Section 522.

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- Attachments:
1. [Council Report Dated May 27, 2025](#)
  2. Addendum to the San Antonio Precise Plan (P(40)) Certified Final Environmental Impact Report (EIR Addendum)
  3. Resolution for San Antonio Precise Plan (P(40)) Amendments (PPA)
  4. Resolution for a Master Plan, Planned Community Permit, Development Review Permit, Provisional Use Permit, and Heritage Tree Removal Permit (Development Permits)
  5. Development Agreement Ordinance