



COMMUNITY DEVELOPMENT DEPARTMENT

CITY HALL

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PLANNING COMMISSION STAFF REPORT

Agenda Item No. _____

Agenda Date: June 14, 2016

SUBJECT

Redevelopment of Marina Plaza with associated site and off-site improvements.

RECOMMENDATION

Staff recommends that the Planning Commission recommend that the City Council approve, in accordance with the draft resolutions, (Attachments 1-6):

1. Development Permit (DP-2015-05) and Environmental Analysis (Negative Declaration) (EA-2015-05) per attached resolution (*Attachment 1*).
2. Architectural and Site Approval (ASA-2015-22) per attached resolution (*Attachment 2*).
3. Use Permit (U-2015-06) per attached resolution (*Attachment 3*).
4. Heart of the City Exception (EXC-2016-03) per attached resolution (*Attachment 4*).
5. Fence Exception (EXC-2016-05) per attached resolution (*Attachment 5*).
6. Tree Removal Permit (TR-2016-14) per attached resolution (*Attachment 6*).

DESCRIPTION

A. Application Summary

Applications: DP-2015-05, ASA-2015-22, U-2015-06, EXC-2016-03, EXC-2016-05, TR-2016-14, and EA-2015-05

Applicant: Amy Chan

Property owner: De Anza Venture, LLC

Property Location: 10122 Bandy Drive and 10145 De Anza Boulevard (Marina Plaza)
APN# 326-34-043, 326-34-066

B. Project Description

1. Development Permit (DP-2015-05) to allow the demolition of approximately 44,000 square feet of commercial space, and the construction of a 122-room hotel, two mixed-use buildings with approximately 22,600 square feet of commercial space and 188 apartments with associated underground and surface parking. The project proposes 16 units as very low income, below market rate units, making the project eligible for density bonus in a Planned General Commercial/Residential Zoning District.

2. Architectural and Site Approval (ASA-2015-22) to allow the construction of a 122-room hotel, two mixed-use buildings with 188 apartment units, and approximately 22,600 square feet of commercial space and associated site and off-site improvements.
3. Use Permit (U-2015-06) to allow 24-hour operations for a 122-room hotel including a restaurant with a separate bar.
4. Tree Removal Permit (TR-2016-14) to allow the removal and replacement of 90 trees.
5. Heart of the City Exception (EXC-2015-03) for Building A to allow rear and side setbacks of 10 feet where 22.5 feet are required, and allow a 16-foot setback for an architectural feature where 31 feet is allowed.
6. Fence Exception (EXC-2015-05) to allow interior electronic vehicle gates.
7. Environmental analysis (EA-2015-05). An Initial Study/Mitigated Negative Declaration is proposed.

C. Project Data Summary

<u>Requirement/Standard</u>	<u>Allowed/Required</u>	<u>Proposed</u>
General Plan designation	Commercial/Office/Residential (35 units/acre); HE 35 units/acre	Commercial/Office/Residential (35 units/acre with an additional 35% through Density Bonus that yields approximately 47 units/acre)
Zoning designation	P (CG, Res) – Planned development with General Commercial and Residential Intent	No change
Consistency with General Plan		Yes
Consistency with Zoning		Yes
Environmental Assessment		Initial study/Mitigated Negative Declaration
Height limit	45 feet and maintain the primary building bulk below a 1:1 slope line drawn from arterial/boulevard curb line	45 feet and maintain the primary building bulk below a 1:1 slope line drawn from arterial/boulevard curb line
Setbacks:		
<i>Front –</i>	35 feet from edge of curb	<i>De Anza Lot:</i> 43.5 feet from edge of curb <i>Bandley Lot:</i> 35 feet from edge of curb

<u>Requirement/Standard</u>	<u>Allowed/Required</u>	<u>Proposed</u>
Side	One half (1/2) the height of the building (22.5 feet), or ten feet. When adjacent properties are jointly developed. Setbacks between buildings may be reduced to zero.	<i>De Anza Lot (Building A):</i> 10 feet from adjacent property, Heart of the City Exception 14 feet 11 inches from interior, and 37 feet (De Anza Blvd.) <i>Bandley Lot:</i> Building B: 35 feet Building C: 22.5 feet
Rear	One-half (1/2) the height of the building (22.5 feet), or ten (10) feet, whichever is greater. Setbacks between buildings may be reduced	<i>De Anza Lot:</i> Building A: 10 feet (Heart of the City Exception) <i>Bandley Lot:</i> Building B: 18 feet 11 inches Building C: 48 feet
Building area	n/a	389,019 sq. ft.
Lot area	n/a	De Anza Lot: 1.045 acres Bandley Lot: 3.975 acres
Lot coverage	n/a	De Anza Lot: 57.8% Bandley Lot: 51.2%
Vehicle Parking		
<i>See discussion below</i>	668	668
Common Open Space		
Commercial	2,830 sq. ft.	40,733 sq. ft.
Residential	28,200 sq. ft.	28,650 sq. ft.

BACKGROUND

The applicant, De Anza Ventures, LLC, is proposing to demolish an existing shopping center (Marina Foods and Mandarin Gourmet) and construct a new mixed-use development with 188 apartments, approximately 22,600 square feet of commercial space, and a 122-room hotel in a Planned General Commercial and Residential Zoning District. Project Plans are included as Attachment 4. Surrounding land uses currently consists of a mix of commercial, office, and residential which include the following:

- To the north is Aloft Hotel, office space, and Apple Cafeteria
- To the west is the mix of commercial, restaurant, and office uses
- To the south are a mixture of office buildings, and three banks
- To the east, across De Anza Boulevard, is Saint Joseph of Cupertino Parish and Comerica Bank

The application was originally submitted on September 3, 2015. Following the formal application, the applicant worked with Staff and the City's consultants to further refine the plans. The applicant proposes to begin the construction phase in late 2016, with a completion date of late 2019.

DISCUSSION

General Plan and Zoning

North Crossroads Node. The parcels are identified within the General Plan as part of the North Crossroads Node, located within the Heart of the City Special Area. The Heart of the City (HOC) area is intended to function as the City's main mixed-use, commercial, and retail corridor. Residential uses, as identified in the City's Housing Element, should be developed in the "mixed-use village" format. The "mixed-use village" format includes:

- **Parcel assembly:** Parcelization is discouraged in the "mixed-use village." The project avoids further parcelization by maintaining the existing amount of parcels, two.
- **Plan for complete redevelopment:** The Project proposes a complete redevelopment of the site. The complete redevelopment of the site allows for the development to be consistent with development standards, and provide appropriate buffers to adjacent uses.
- **Mixed-use village layout:** By incorporating the concepts of "transect planning" (appropriate street and building types of each area), designed at pedestrian scale and suitability, connect to existing streets, and developing a project that helps to create a walkable urban block, the Project has utilized the concept of the Mixed-Use Village Layout.
- **Uses:** A mix of uses is intended in the "mixed-use village." The project incorporates retail and active uses such as restaurants, outdoor dining areas, and ground floor entries along primary frontages. By providing a mixture of apartment unit types, the Project provides an active "mixed-use" village environment that is suitable for young professions, couples, and/or active seniors who prefer an active environment.
- **Open space:** The project provides open space throughout the site including a centralized plaza, and an active open space between Building A and Building B that serve as community gathering spaces and provide an opportunity for community events. Art will be provided in the Project that activates the frontages at key focal points.
- **Architecture and urban design:** Through the incorporation of development standards within the Heart of the City, and comments from the City's consulting architect, the Project has been designed to be of high-quality buildings with pedestrian-oriented architecture that emphasizes aesthetics, human scale, and the creation of a sense of place.
- **Parking:** Parking for the project is largely provided through underground parking consistent with the "mixed-use village" concept. Where parking above ground is provided, parking is located away from street frontages.

- **Neighborhood buffers:** While neighborhood buffers are normally needed when a development is abutting to single-family residences, the Project provides buffers to adjacent uses by incorporating setbacks consistent with the City's development standards.

The project has been designed to be consistent with the "mixed-use village" format.

Furthermore, the General Plan identifies the area with land use designations of Commercial, Office, and Residential. Figure LU-1 within the General Plan identifies development standards with a maximum height of 45 feet, and to maintain the primary building bulk below a 1:1 slope line drawn from arterial curb lines. The project is consistent with these requirements.

Planned development (P) zoning district. The site is within a planned development zoning district for general commercial and multi-family residential ("P (CG, Res)"). Therefore, as a project with commercial and residential components, it is an allowed use within the P zoning district.

Housing Element

The site is identified as a "Priority Housing Element Site" in the Housing Element, with an allocation of 200 dwelling units. The project proposes 188 units, and provides a unit mixture of one (83) and two-bedroom (105) units. Of the 188 units, 16 will be below market rate (BMR) units. The project is consistent with the Housing Element.

Density Bonus

The proposed residential parcel has an area of 3.975 acres. Because the project has a density of 35 dwelling units per acre (du/ac), the parcel is permitted to have 139 units. However, the project proposes to incorporate 11 percent very low income (VLI) BMR units. State density bonus law and the City's density bonus ordinance allow for the project to have a density bonus of 35 percent. The project proposes to utilize the density bonus for a residential yield of 188 units at density of approximately 47 du/ac.

Site Plan

The mixed-use development consists of three buildings consisting of two mixed-used commercial/residential buildings and one hotel building.



General vehicle access through the site will be provided with driveways on Stevens Creek Boulevard and Bandley Drive. A portion of the required commercial parking available in the driveway connecting Stevens Creek Boulevard and Bandley Drive. The access for Building A (hotel) will be from Alves Drive, while Building B will have two driveways along Alves Drive. One driveway for Building B will provide parking access at the ground level, and the other driveway will provide access to the basement parking. Parking access for Building C will be provided at the driveway that transects the property.

A major pedestrian thoroughfare is provided along Alves Drive between Building A and Building B. This paseo serves to activate the space between the two buildings and continues to provide emergency vehicle access for both Building A and Building B. Additionally, the access for the project from Stevens Creek Boulevard has been designed to be more pedestrian friendly by providing a sidewalk, street trees, and different paving materials that aid in slowing vehicles.

Driveway Gates. The applicant proposes the use of driveway gates to the residential parking areas in Building B and Building C, as shown in sheet A.13. Driveway gates may be approved through a fence exception in a mixed-use development, where the parking for different uses needs to be separated to assure availability of parking for each use. In this instance, the gates serve to separate the residential and commercial parking areas to ensure adequate parking for each use, making the fence consistent with the City's requirements.

Setbacks

The project seeks a reduction of the required setbacks for Building A (De Anza lot).

The Heart of the City (HOC) requires a setback of one-half the building height, or ten feet; whichever is more restrictive. In this instance, one-half the building height would be 22 feet 6 inches, making the 22'-6" the required setback. The applicant proposes a setback of ten feet. Staff supports the reduced setback because Building A is located approximately 125 feet away from the adjacent building. Additionally, the HOC allows reduced minimum side and rear setbacks between on-site buildings within a common master plan in accordance with an approved development plan.

The Project also incorporates an HOC exception for a reduced setback for the architectural feature (*porte-cochere*) along the frontage of Building A adjacent to Alves Drive. The setback would be reduced from 31 feet from the edge of curb to 16 feet. The architectural feature has been designed to be pedestrian scaled, and providing frontage improvements to blend into the development.

Hotel Operation

A use permit is required for the project since the City's General Commercial classifies hotels and restaurants with separate bars as conditional uses.

Architecture

The design concept and intent is as follows:

- Integrate with the adjacent offices and bank/commercial neighbors, and to be interconnected to the neighboring retail centers for creating a unique Urban Village.
- Central plaza that forms the hub, the meeting, and event area for the entire block.
- Corners accented by significant plazas, urban landscape at the retail components, and a layered softer landscape at the residences.
- Central Plaza as a multipurpose community place not only for Marina's residents and guests, but also for surrounding neighborhoods.
- Tall floor heights for commercial spaces with the use of expansive glass to enhance the quality of interior spaces and increase the possibilities of indoor/outdoor connectivity.
- Bold corners exemplifying the architecture and character of the community with corners composed of interwoven vertical and horizontal elements that create drama, varied massing, and texture.



The project incorporates recommendations and design elements from the City's consulting architect to increase the quality of various design elements, such as the promotion of pedestrian scale and activity, defining tower elements, activation of the building's ground floor, and refinement of colors and materials. The perception of massing is reduced through design elements such as:

- Articulated walls with varying colors and materials;
- Large building setbacks along primary frontages that allow for greater pedestrian activity as well as varied landscaping;
- Ground floor commercial space with large glass walls that allow for activity between the interior and the exterior;
- Outdoor patio areas throughout the commercial space;
- Common open space that includes a paseo between Building A and Building B, and a plaza at the center of the project;

Landscaping and Tree Removal

The proposed landscape plans seeks to utilize low to moderate plantings that will be consistent with the City's Water Efficiency Landscape Ordinance. The demolition and reconstruction of the site will result in the removal of all 90 trees on site. The majority of the trees to be removed are Southern Magnolia and Canary Island Pine.

While the trees slated for removal are not a protected species as defined by Cupertino Municipal Code (CMC) Chapter 14.18: Protected Trees, these trees are protected under the category of "approved development tree," because the trees were planted as part of the originally approved development. Therefore, replacements plantings are required for the proposed removal. The required replacement plantings are 107 24-inch box trees; however, the applicant proposes the planting of 172 trees within a range of 24"-48" boxes as shown on plan sheet L4.01. Tree

replacements will be of species that require low to moderate water needs, and include trees such as Crape Myrtle, Chinese Pistache, and London Plane. A conditions of approval has been added, so that prior to issuance of building permits the City's consulting arborist shall review the final planning. Staff recommends a peer review prior to building final to confirm that replacements have been planted in accordance with the City's Protected Trees Ordinance, and require a replacement bond in the amount to be determined by the City's arborist to ensure that the required tree replacements have been planted and verified by the City Arborist.

Transportation/Parking

Traffic Impact Analysis. The 2015 General Plan EIR as updated by the 2015 Addendum (together, the "General Plan EIR") assumed development of the project site with 232 residential units on 6.86 acres for a density of 35 du/ac, and also analyzed the HOC Special Area, which includes the project site, with permitted development of up to 469 units, 122 hotel rooms, 793,270 square feet of commercial space, and 17,113 of office space.

As analyzed in the project-level Traffic Impact Analysis (TIA), the proposed project would be consistent with the scope of development analyzed in the General Plan EIR. The project site is assigned a maximum density of 35 du/ac in the General Plan, but by providing an adequate number and type of BMR units the project is entitled to increase the number of housing units consistent with the State's density bonus law and the City's density bonus ordinance. With the incorporation of density bonus units, the mixed-use parcel will have a residential density of approximately 47 du/ac; however, since the site was analyzed with a higher unit count and still within the permitted development of the HOC Special Area, the proposed project would be consistent with the General Plan.

The General Plan EIR analyzed buildout of the proposed General Plan. The General Plan EIR concluded that the cumulative traffic impacts of General Plan buildout would be significant. The General Plan EIR further concluded that Mitigation Measure TRAF-1 would reduce these impacts, but not to a less-than-significant level. Therefore, the General Plan EIR concluded that cumulative traffic impacts due to General Plan buildout, of which the proposed project is a part, would be significant and unavoidable. The City Council, accordingly, adopted Mitigation Measure TRAF-1 and incorporated it into the General Plan, and adopted a statement of overriding consideration as part of the required CEQA findings before certifying the EIR and approving Community Vision 2015-2040.

General Plan Policy M-10.2 requires the City to enact a transportation impact fee for new development to ensure sustainable funding levels for the Transportation Improvement Plan (see General Plan Policy M-10.1), and General Plan EIR Mitigation Measure TRAF-1 requires the City to commit to preparing and implementing a Transportation Mitigation Fee Program (TMFP) to guarantee funding for roadway and infrastructure improvements that are necessary to mitigate

impacts from future projects based on the then current City standards. As part of the preparation of the TMFP, the City is required to prepare a nexus study.

Because the project is part of the General Plan development contributing to the need for funding a transportation improvement plan to meet the City's needs, the project is required to contribute its fair share. The TMFP has not yet been adopted; therefore, as a condition of project approval the project will contribute its fair share of the cost to accommodate cumulative traffic improvement needs due to build out of the General Plan. That amount is currently estimated to be \$3,000 per residential unit and \$2,000 per hotel room. No contribution for commercial uses is required, because the project will reduce the commercial square footage on the site. If a traffic impact fee is adopted that is less than this estimate prior to the time that building permit is issued, the applicant will only be required to pay the amount of the fee. If a traffic impact fee is adopted that is more than this estimate, the applicant will only be required to pay the estimated fee and not the higher, actual fee. A detailed discussion of methodology and intersection analysis is within the IS/MND, page 5-81 and technical appendix.

Transportation alternatives. The City has added a condition of approval to incorporate a Transportation Demand Management (TDM) program that seeks to reduce travel demand by encourage other modes of transportation through requirements or incentives. The TDM Program may include, but is not limited to:

- Transportation coordinator;
- Bicycle lounge;
- Secured bicycle storage facilities;
- Fix it bicycle repair station(s);
- Carpool and clean-fuel parking spaces;
- Transit subsidies and/or transit passes;
- Unbundled parking;
- Participate in fair-share contribution if and when a Transportation Management Association (TMA) is formed;

Parking. The project proposes to have parking (vehicle and bicycle) consistent with the City's requirements as shown in the Project Data Summary and reiterated below.

	Required	Proposed
Vehicle Parking		
Hotel – 1/unit + 1/employee	135	135
Retail – 1 per 250 sq. ft.	44	65
Restaurants without Separate Bar – ¼ + 1/employee	99	99

Residential – 2 per parking spaces per market rate unit and BMR units 1 parking space for 1 bedroom and 2 parking spaces for 2 bedroom	368	369
Bicycle Parking		
Commercial – 5% of auto parking Class II	16	16
Residential (High Density Multiple-Family) – 40% of units Class I	148	148

The City's parking requirement for multi-family developments is to have two parking spaces per unit, regardless of bedroom count. Through the use of the State's and City's density bonus regulations, the applicant seeks approval of a parking reduction for the one bedroom BMR units. In this case, the applicant will have one parking space for a one-bedroom unit, and two parking spaces for a two-bedroom unit, consistent with the State and City's regulations.

Site Circulation. The Applicant has designed the project to continue to provide circulation from adjacent properties throughout the site. However, the location of the buildings will result in the modification of some of the reciprocal access. Staff has reviewed, and determined that circulation will continue to be provided adequately throughout the site and to adjacent properties. Because the project proposes the relocation and closure of access easements, a condition of approval has been added to for the Applicant to update and record necessary easements between the properties.

Environmental Review

Pursuant to the requirements of the California Environmental Quality Act (CEQA), an Initial Study/Mitigated Negative Declaration (IS/MND) has been prepared and is included as Attachment 5. The IS/MND is tiered from the General Plan Environmental Impact Report (EIR) in accordance with Sections 15152 and 15168 of the CEQA Guidelines and Public Resources Code Section 21094. The General Plan EIR analyzes full implementation of uses and physical development proposed under the General Plan, and it identifies measures to mitigate the significant adverse program-level and cumulative impacts associated with that growth. The proposed project is an element of the growth that was anticipated in the General Plan and evaluated in the General Plan EIR.

As discussed in greater detail of the IS/MND Chapter 1.2, the CEQA concept of "tiering" refers to the evaluation of general environmental matters in a broad program-level EIR, with subsequent focused environmental documents for individual projects that implement the program. CEQA and the CEQA Guidelines encourage the use of tiered environmental documents to reduce delays and excessive paperwork in the environmental review process. This is accomplished in tiered

documents by eliminating repetitive analyses of issues that were adequately addressed in the program EIR and by incorporating those analyses by reference.

The proposal is consistent with the General Plan and General Plan EIR because:

- The proposed project was included in the scope of the development projected in the General Plan and analyzed in the General Plan EIR, which also identified and analyzed project scenarios with a higher number of residential units and height limits.
- The Heart of the City Special Area allocated development consistent with the project.
- The project site is located in an area designated for commercial, office, and residential land uses within the General Plan.
- Changes to the population and employment projections are included within the scope of the General Plan EIR and the General Plan.
- The proposed project is within the scope of the cumulative impacts analyzed in the General Plan EIR

A more detailed discussion is provided within the IS/MND, Chapter 4 under the topic "General Plan EIR Consistency Analysis."

On May 26, 2016, the Environmental Review Committee held a public meeting and recommended approval of the Initial Study/MND (See attachment 3).

PUBLIC NOTICING & OUTREACH

The following is a brief summary of the noticing completed for the project:

Public Notice	Agenda
<ul style="list-style-type: none">▪ Legal ad placed in newspaper at least 10 days prior to the hearing▪ Mailed notice of public hearing to property owners within 300 feet radius▪ Posted site notice on two property lines abutting street▪ Project updates provided to subscribers of e-notices on www.cupertino.org▪ Community meeting held on April 7, 2016 and April 9, 2016	<ul style="list-style-type: none">▪ Posted on the City's official notice bulletin board at least one week prior to the hearing▪ Posted on the City of Cupertino's Web site at least one week prior to the hearing

PUBLIC COMMENTS

No public comments and questions have been received to date of the posting of this report.

PERMIT STREAMLINING ACT

The project is subject to the Permit Streamlining Act (Government Code Section 65920-65964). The City has complied with deadlines in the Permit Streamlining Act.

Project Received: September 3, 2015

Deemed Incomplete: October 8, 2015, January 21, 2016, March 16, 2016

Deemed Complete: May 18, 2016

The City has 180 days (November 11, 2016) to make a decision on the project since a Mitigated Negative Declaration under CEQA is recommended (CEQA Section 15107).

NEXT STEPS

The Commission's recommendations will be forwarded to the City Council for action. Staff will amend the draft resolutions to be consistent with Planning Commission's recommendations and present them for City Council consideration at its July 5, 2016 hearing date. The City Council will review the IS/MND for adequacy and will exercise its independent judgment regarding adoption. The Council will also make a decision on the discretionary permits for the project, which include a Development Permit, Use Permit, Architectural and Site Approval, Tree Removal Permit, Heart of the City Exception, and Fence Exception.

Prepared by: Erick Serrano, Associate Planner

Reviewed by: Benjamin Fu, Assistant Director of Community Development

Approved by: Aarti Shrivastava, Assistant City Manager

ATTACHMENTS:

- 1 – DP-2015-05 and EA-2015-05 Draft Resolution
- 2 – ASA-2015-22 Draft Resolution
- 3 – U-2015-06 Draft Resolution
- 4 – EXC-2016-03 Draft Resolution
- 5 – EXC-2016-05 Draft Resolution
- 6 – TR-2016-14 Draft Resolution
- 7 – ERC Recommendation
- 8 – Initial Study/Mitigated Negative Declaration
- 9 – Response to Comments Memo for IS/MND

PDF files of plan sets available here: www.cupertino.org/marina