



COMMUNITY DEVELOPMENT DEPARTMENT

CITY HALL

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PLANNING COMMISSION STAFF REPORT

Agenda Item No. 2.

Agenda Date: July 26, 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 1-7):

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. Development Agreement (DA-2016-01) per attached resolution (*Attachment 4*)
5. Heart of the City Exception (EXC-2016-03) per attached resolution (*Attachment 5*).
6. Fence Exception (EXC-2016-05) per attached resolution (*Attachment 6*).
7. Tree Removal Permit (TR-2016-14) per attached resolution (*Attachment 7*).

DESCRIPTION

A. Application Summary

Applications: DP-2015-05, ASA-2015-22, U-2015-06, DA-2016-01, 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 Bandle 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. Development Agreement (DA-2016-01) for a 122-room hotel, two mixed-use buildings with 188 apartments, and approximately 26,000 square feet of commercial space in a Planned General Commercial and Residential Zoning District
5. Heart of the City Exception (EXC-2016-03) 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-2016-05) to allow interior electronic vehicle gates.
7. Tree Removal Permit (TR-2015-14) to allow the removal and replacement of 90 trees.
8. Environmental analysis (EA-2015-05). A Mitigated Negative Declaration is recommended.

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	Consistent - 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	Consistent
Environmental Assessment		Initial study/Mitigated Negative Declaration

<u>Requirement/Standard</u>	<u>Allowed/Required</u>	<u>Proposed</u>
Height limit	45 feet and maintain the primary building bulk below a 1:1 slope line drawn from arterial/boulevard curb line	Consistent - 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	Consistent: <i>De Anza Lot:</i> 43.5 feet from edge of curb <i>Bandley Lot:</i> 35 feet from edge of curb
<i>Side</i>	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.	Consistent: <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
<i>Rear</i>	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 (requires Heart of the City Exception) <i>Bandley Lot: Consistent</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 - Consistent
Common Open Space		
Commercial	2,830 sq. ft.	40,733 sq. ft. - Consistent

<u>Requirement/Standard</u>	<u>Allowed/Required</u>	<u>Proposed</u>
Residential	28,200 sq. ft.	28,650 sq. ft. - <i>Consistent</i>

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.

Planning Commission Hearing

The Planning Commission reviewed the proposed project at a public hearing on June 14, 2016. They voted to continue the item to July 26, 2016 to provide additional time to address issues related to easements. A discussion of the issues is provided later in this report.

DISCUSSION

A detailed discussion of the project was provided in the Planning Commission staff report for June 14, 2016 which is attached (Attachment 12).

Development Agreement:

The applicant is proposing a development agreement (DA) as part of the project. The DA includes public benefits in exchange for certainty regarding standards and conditions that will apply to the project during the life of the DA. Public benefits are characterized as those voluntary contributions beyond required fees, outlined as follows and to be included in the development agreement:

1. Transportation Benefits that include:
 - traffic signal modification at Stevens Creek Boulevard and Bandle Drive;
 - bicycle improvements in the vicinity of the project consistent with the recently adopted 2016 Bicycle Transportation Plan,
 - new bus shelter and benches along Stevens Creek Boulevard, and
 - participation in the setup and operating costs of Transportation Management Association (TMA) that would operate a community shuttle.
2. Contributions to Fremont Union High School District and Cupertino Union High School District including property tax in-lieu payments for 20 years and the provision of hotel rooms for each district.
3. Availability of hotel conference room for City use;

The Planning Commission is to evaluate and make a recommendation regarding the consistency of the proposed development agreement deal points with the General Plan, with the agreement to be enacted by City Council ordinance after a public hearing. Findings regarding development agreements are included within the Draft Resolution (Attachment 4).

Continuance from June 14, 2016 Meeting:

At its meeting of June 14, 2016, the Planning Commission continued the public hearing to provide the developer and neighboring property owners with additional time to reach agreements regarding private easements. The applicant is continuing to coordinate with the adjacent property owners regarding the easements.

The recommendation of approval of the project is based on the proposed project's consistency with applicable regulations. Since it is not within the purview of the City to negotiate a private agreement between the parties, the proposed Resolutions include standards conditions (that are typically applied) to require private easements to be resolved prior to the issuance of building permits.

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 from the previous Planning Commission meeting (June 14, 2016) to the date of the posting of this report.

During the June 14, 2016 Planning Commission Meeting, the following topics were referenced in the public hearing for the project:

- Inclusion of Below Market Rate Units was favorable
- Mixed-use nature of the project was favorable
- Concerns over private easements
- Project as being beneficial for the community
- Lack of new allocations for development
- The Project's consistency with development standards was viewed favorably
- Concern over the loss of retail (grocery store)

A detailed version of all comments can be found in the minutes for the June 14, 2016 meeting.

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 September 6, 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, Development Agreement, 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 – DA-2016-01 Draft Resolution
- 5 – EXC-2016-03 Draft Resolution
- 6 – EXC-2016-05 Draft Resolution
- 7 – TR-2016-14 Draft Resolution
- 8 – ERC Recommendation
- 9 – Initial Study/Mitigated Negative Declaration
- 10 – Response to Comments Memo for IS/MND
- 11 – CEQA Memo for Development Agreement (to be attached)
- 12 – Planning Commission Staff Report from June 14, 2016

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