



Date: January 23, 2018

To: City Manager for Council Action

From: Director of Community Development

Subject: Public Hearing for the Early Consideration of Proposed General Plan Amendment Application for the Property Located at 3005 Democracy Way [PLN2017-12924]

BACKGROUND

On May 16, 2017, Council adopted the Early Consideration Policy for General Plan Amendment Applications, setting forth the process for Council review of formally submitted General Plan Amendment (GPA) applications and whether the applications should continue processing or whether the application should be denied prior to significant investment in time and cost by the project proponent and the public's time tracking and commenting on the project proposal.

Per the Early Consideration Policy for General Plan Amendment Applications City Council Policy, all new requests for a GPA should be brought to the City Council for early consideration within three months of the application being formally submitted and following initial staff review and public outreach. The Council may either direct staff to continue processing the GPA or make a determination that the requested Amendment is inconsistent with the goals and policies of the General Plan and that further review is not warranted. In the latter case the application will be closed out and the applicant can avoid the full costs of further processing.

On October 17, 2017, Kylli, Inc. filed a project application to amend the General Plan for a nine parcel 46-acre property located at 3005 Democracy Way. The current General Plan designation is High-Intensity Office/Research. As a result of the 2009 project application by Yahoo!, the subject site is currently zoned Planned Development (PD) and entitled for development of up to 3.06 million square feet of office/R&D development with a FAR of 1.5. The current Development Agreement supporting the future office development was transferred from Yahoo! to Genzon/Kylli, Inc. and would need to be amended to reflect a new proposal.

The proposed amendment would change the land use designation for the site from a strictly office designation with a maximum floor area ratio (FAR) of 2.00, to a newly established mixed-use designation allowing a high intensity mix of office, commercial, and residential uses. The proposed GPA would support future development of the 3.5 million square feet of office/R&D, 400,000 square feet of office amenity/hotel, up to 6.1 million square feet of residential uses (approximately 6,000 dwelling units), and 600,000 square feet of residential amenity space and retail.

A detailed land use plan has not been submitted for the GPA. The applicant will prepare complete plan sets should the City Council direct staff to continue processing the application in accordance with the Early Consideration Policy. Staff is recommending that the City Council direct staff to continue processing the subject GPA application. Based on preliminary analysis and community input, the proposal would potentially be consistent with the City's overall objectives for redevelopment of north Santa Clara, supporting housing stock, job growth, and development intensity in proximity to multi-modal transit.

ANALYSIS

Public Outreach

In accordance with the Early Consideration Policy, a noticed community meeting was conducted to present the development proposal to neighbors and interested parties and engage public input. The meeting was held at the Northside Branch Library from 6:30 p.m. to 8:00 p.m. on November 13, 2017. Public notice of the meeting was mailed to property owners within 1,000 feet of the project site and posted on the City's Community Meetings webpage. The meeting was attended by approximately 40 community members and local San Jose State University students. Attendees expressed general interest in the proposal and other upcoming projects in the area.

Project Clearance Committee Review

The GPA was reviewed by the City's Project Clearance Committee on November 7, 2017 in conformance with the Early Consideration Policy and planning process procedures. As noted above, a detailed site plan was not submitted with the application. The discussion focused on required utilities and necessary open space/parks based on the inclusion of residential uses.

Major Strategies Analysis

Major Strategies are the basis for the goals and policies in the General Plan. Developed through the community planning process in 2008, their purpose is to identify community interest and civic priorities at the macro-level and set the framework for decision-making for future growth and development in the City. The seven major strategies are as follows: 1) Enhance the City's High Quality of Life; 2) Preserve and Cultivate Neighborhoods; 3) Promote Sustainability; 4) Enhance City Identity; 5) Support Focus Areas and Community Vitality; 6) Maintain the City's Fiscal Health and Quality of Services; and 7) Maximize Health and Safety Benefits.

The intent of the Early Consideration Policy is to examine a proposed GPA at the project level in relation to the Major Strategies of the General Plan. The proposed GPA from the High-Intensity Office/Research and Development (R&D) designation to a newly established designation allowing high-intensity mixed use development, including residential and office would enhance the City's high quality of life, preserve and cultivate neighborhoods, promote sustainability, enhance the City's identity, support Focus Areas, maintain the City's quality service, and maximize health and safety benefits in that:

- The project would contribute to the City's housing stock in addition to providing for the development of affordable units in accordance with the City's Affordable Housing Impact Fee.
- Long term maintenance of the property (buildings, common area, landscaping, private street, on-site utilities, fencing, etc.) would be governed by Covenants, Conditions and Restrictions through a Homeowners Association and/or maintenance districts.
- The project site is in a location that would allow future employees and residents of the project to take advantage of the proximity to local and regional transit services.
- The on-site mix of land uses and services provide opportunities to reduce vehicle miles travelled, traffic impacts, and energy demands otherwise associated with higher density development.
- The project site is served by existing municipal services and the developer would upgrade and extend existing utilities on-site as required to serve the development.

Subject: Early Consideration of Proposed General Plan Amendment Application for the property located at 3005 Democracy Way [PLN2017-12924]

Page 3

- Tax revenue generated by the density and type of development proposed with the GPA would be more than the revenues generated and benefited to the City's General Fund with redevelopment of the site with office/R&D as entitled by the existing PD Zoning.
- The proposal would provide community amenities and services on-site for public use.
- The project would support and add to the vitality of the immediately adjacent Patrick Henry Specific Plan Area (Great America Parkway Focus Area), which is identified as a future residential neighborhood in the City's General Plan. Future residential development on this site would thus be integrated with the adjacent neighborhood, including the sharing of amenities and services, to build a complete community supporting quality of life for future residents. The introduction of residential uses on the project site would not undermine the City's overall economic development in that the area already has planned residential use and the project would include a significant employment component.

Given the preliminary finding that the proposed GPA is generally consistent with the Major Strategies of the General Plan, further analysis of the proposed GPA is warranted.

ADVANTAGES AND DISADVANTAGES OF ISSUE

Allowing the proposed GPA to proceed would facilitate redevelopment of the site with a mix of uses. Alternatively, early denial of the proposed Amendment would prevent incorporation of commercial and residential into the site and reserve the site as an office/R&D campus.

ECONOMIC/FISCAL IMPACT

There is no cost to the City other than administrative staff time and expense. Staff costs associated with review of the proposed GPA are recovered through application fees paid by the project applicant.

RECOMMENDATION

That the Council direct the City Manager to continue processing the GPA Application for 3005 Democracy Way [PLN2017-12924].



Andrew Crabtree
Director of Community Development

APPROVED:



Deanna J. Santana
City Manager

Documents Related to this Report:

- 1) *Community Meeting Notifications*
- 2) *Statement of Justification*
- 3) *Early Consideration Policy for General Plan Amendment Applications*

Project Information & Introduction Meeting



Join us.
November 13
6:30pm

Project Introduction and Information Meeting

Monday evening
November 13, 2017
6:30 to 7:45pm

Community Room at
the Northside Branch Library
695 Moreland Way, Santa Clara



The 48-acre site at 3005 Democracy Way, originally approved for Yahoo's headquarters, is now being replanned as an exciting mixed-use community through an application for a General Plan Amendment (PLN2017-12924). Come meet the project team and the Santa Clara City staff to engage in a dialogue about the project vision, discuss goals and share opinions. If you have any questions prior to the meeting, please contact Amy Tian at info@kylli.com.

Project Description

Overview

Kylli, Inc. (“Kylli”) is an experienced developer of vibrant urban communities based in Burlingame, CA and headquartered in Shenzhen, China. Kylli recently acquired a 48.6+/- acre property located at 5010 Old Ironsides Drive (at Tasman) in the City of Santa Clara formerly owned by Yahoo! Existing entitlements allow for the development of a large 3,060,000 sq.ft. office/R&D corporate campus spanning the entire property, including thirteen, six-story office buildings and three, two-story commons buildings.

Vision

The large, signature property is at the crux of the revitalization of northern Santa Clara, located within walking/biking distance of regional destinations such as Great America, the 49er stadium and the exciting new retail planned at City Place. Kylli sees a unique opportunity to rethink the overall plan for the site and to create a more balanced community with a synergistic mix of residential, office, retail, recreational amenities and open space uses. Conveniently, the site fronts on Tasman Avenue just west of Great America Parkway, offering direct and ready access to the light rail system. Kylli proposes to maintain existing entitlement capacity for up to 3 million square feet of new office space, but to redesign the space more efficiently to allow for up to 3,500+/- units in a mix of housing types, rich lifestyle amenities and neighborhood serving retail offering the best of walkable urban living. The addition of an array of new housing choices within walking distance of premier work space will help entice new businesses to locate and grow in the city. Kylli commits to work with the City, our neighbors and the broader Santa Clara community to create a complete, sustainable community marked by sound planning principles and innovative design, enhancing Santa Clara’s unique place in Silicon Valley.

Guiding Principles

- Complete Community: A balanced, diverse and synergistic mix of uses
- Connected to our Neighbors: A strong, harmonious relationship between the development, the surrounding built context and natural setting.
- Walkable, Bike Friendly & Transit Ready: An accessible neighborhood that prioritizes walking, biking, connectivity and transit.
- Well-loved Open Spaces: A variety of meaningful open spaces that enable healthy and active living and offer a range of opportunities for the community to gather.



Early Consideration Policy for General Plan Amendment Applications

PURPOSE / INTENT

The Early Consideration Policy provides an opportunity early in the application process for the City Council to review and comment on whether a proposed General Plan Amendment should continue through with a complete application process or whether the request should be denied.

This Early Consideration Policy provides an opportunity for the City Council to review proposed General Plan Amendments prior to the significant investment in time and cost by the applicant and City staff required to complete the full review process. Additionally, the early consideration can save the public time that they would otherwise spend tracking and commenting on the proposal, and it can provide clarity for future applicants on the types of land use conversions that would generally not be supported by the City Council.

APPLICABILITY

The Early Consideration Policy is utilized for all formally submitted General Plan Amendment applications. A formal General Plan Amendment application submittal is required; preliminary review applications will not go through the early consideration process.

TIMING / PROCESS

Following submittal, at least one community meeting would be conducted for the project and the project would be evaluated by the Project Clearance Committee (PCC) before the Council's early consideration of the request. If a community meeting was recently conducted for the General Plan Amendment request, said community meeting may, at the discretion of the Director of Community Development, substitute for the community meeting for the formal application.

Staff will prepare a report for Council's consideration that summarizes the community feedback received to date, significant concerns stemming from the PCC review, an initial analysis of the General Plan Amendment's consistency with the General Plan Major Strategies, and a recommendation as to whether the application should be allowed to proceed through a full Planning review.

The City Council's early consideration of the General Plan Amendment request will typically be conducted within ninety (90) days of the General Plan Amendment submittal.

Early Consideration Policy for General Plan Amendment Applications

OUTCOMES

Through the Early Consideration Policy, the Council can direct staff to continue processing the application or the Council can preemptively deny the proposed General Plan Amendment request as inconsistent with the City's General Plan goals and policies.

Should the City Council provide direction to continue processing the application, staff would complete the review process for the proposed General Plan Amendment, including environmental analysis of the proposed project consistent with the California Environmental Quality Act (CEQA). Upon completion of the City's review and the necessary CEQA documentation, the proposed General Plan Amendment would proceed with the standard public hearing process with a presentation to the Planning Commission for recommendation and to the City Council for a decision. At that time, the City Council would determine whether to approve or deny the request. Should the Council's vote to have the application proceed through the full review process, said action in no way obligates or commits the Council to ultimately approve the proposal.

Should the City Council preemptively deny the proposed General Plan Amendment during the Early Consideration Policy, the site would retain its current General Plan Land Use designation, and partial refund of the application fees would be provided based on the work completed, staff time, and other City expenses to date.