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REPORT TO PLANNING COMMISSION

SUBJECT

Public Hearing: Action on a Rezone of the property located at 2200 Lawson Lane to allow for the construction of an additional 241,419 square foot, five-story office building on an existing office campus

EXECUTIVE SUMMARY

The Sobrato Organization, ("Applicant"), through its affiliate SI 55, LLC ("Property Owner"), is requesting an amendment to the Planned Development (PD) zoning approval for the Lawson Lane Campus Project, currently occupied as the Service Now corporate campus. The requested rezoning would allow intensification of use of the 7.55-acre West Campus (Phase 2) portion of the 16.38-acre site. The applicant intends with this rezoning to construct an additional 241,419 square foot, five-story office building on the campus. The project requires a rezone of the project site from PD to PD to allow this expansion.

As described in the Discussion section below, the proposed expansion would be consistent with the City's General Plan land use designation and applicable policies in that the proposed development would support economic growth at a location planned for such corporate uses. The proposed project architecture would match the quality and style of the existing development. The project includes infrastructure and site design measures consistent with City requirements.

BACKGROUND

The project site is located on the north side of Central Expressway, between Scott Boulevard and San Tomas Expressway. The site is bisected by Lawson Lane which acts as a loop ramp from Central Expressway to San Tomas Expressway. The area is bordered on all sides by a mixture of industrial uses. The portion to the east of Lawson Lane is referred to as the East Campus (Phase 1) and the portion to the west of Lawson Lane is referred to as the West Campus (Phase 2). Phase 1 has been developed and a building is currently under construction for Phase 2.

The Lawson Lane Campus Project has received several different entitlements over the last twelve years.

Original Entitlement - 2008

In April, 2008, the City Council approved a rezoning from Light Industrial (ML) to the Planned Development (PD) Zoning District for the subject campus office site. The 2008 PD Zoning allowed for the construction of three office buildings, totaling 516,000 square feet, with two buildings to be situated on the East Campus and one building on the West Campus. The project was required to include a minimum of 1,720 parking spaces, equivalent to 3.3 spaces per 1,000 square feet of development.

Effective June 2008, the Developer and the City entered into a Development Agreement (DA) that provided the developer with an extended duration of the permits in exchange for public benefits provided by the project, including affordable housing and transportation contributions not otherwise required by the City at the time of the granting of entitlements.

Environmental clearance was initially granted for the project through the preparation of an Environmental Impact Report (EIR) that was certified by the City Council in April 2008.

2013 Expansion Proposal

In April 2013, the City Council approved an amendment to the PD zoning. The 2013 PD Zoning increased the total allowed square footage to 613,800 square feet of office space (306,900 sf on each parcel), and 25,158 square feet of supporting common area. Based upon the applicant's submittal, the amount of required parking was increased in the second PD Zoning to 2,251 parking spaces, equivalent to 3.7 spaces per 1,000 square feet of office development.

A Mitigated Negative Declaration (MND) was issued by the City for the project in April 2013 when the City approved the second PD rezoning.

2018 DA Extension

The developer obtained its entitlements at the start of the Great Recession, which led to a delay in construction, but the Developer ultimately completed Phase 1 of the Development by 2013. Before the Development Agreement was set to expire, the Developer requested an extension of the DA in early 2018 in order to complete Phase 2 which had not yet commenced. In April 2018 the City Council granted a two year extension of the DA (to expire June 2020). At that time, the City Council also approved a first addendum to the EIR and MND.

2018 Architectural Amendment

After the DA extension, the Developer applied for architectural approval of a modified design of the West Campus. Under this revised proposal, the building on the West Campus would contain 244,655 square feet of office space and 19,175 square feet of common space, with a reduction in parking on the West Campus from 1,228 spaces to 978. In November, 2018, the Architectural Committee approved the modified design, and approved a second addendum to the EIR and MND.

Current Proposal

Service Now currently occupies the two constructed buildings and associated parking on the East Campus. The previously entitled West Campus office building and parking garage are now under construction. The proposed rezoning would allow additional building area on the West Campus through the construction of a second West Campus building.

The application under consideration is an amendment to the 2013 PD approval - requiring a rezone from PD to PD to allow intensification of Phase 2 development on the West Campus and includes an Addendum to the 2008 EIR and 2013 IS/MND for the Lawson Lane West Campus Expansion Project. Although the current DA will expire in June, 2020, the applicant has not requested an extension of the DA as the applicant intends to begin construction in the near term.

The new PD zoning would allow construction of a second five-story office building on the southern portion of the West Campus. The new building would be 241,419 square feet and include a 670 square foot addition to the adjacent common building, expansion of the adjacent six-level parking structure currently under construction, and modification to the surface parking layout. Proposed build-out of the West Campus would then result in two buildings with a total of 486,074 square feet of office (a net increase of 179,174 square feet above the 2013 PD zoning entitlement), 18,631 square feet of common building space (a net decrease of 544 square feet from the 2018 architectural approval), and parking at 1 space per 336 square feet of office (3:1,000) for a total of 1,445 spaces on the West Campus. Of the parking spaces provided, 82 would be clean air/electrical vehicle (EV) spaces and 124 would be wired for future use as EV/charging stations. ADA and employee parking are provided in surface lots in front of the office buildings with the bulk of the on-site parking provided in the six-level parking structure along the west side of the property. The proposal includes 74 Class I and 25 Class II bicycle parking spaces distributed on-site.

Expansion of the two-story common building is designed to link the two office buildings on the east side of the campus fronting Lawson Lane. The common building is unassigned flexible space that may be used as conference/meeting space, gym or dining/cafeteria to serve the corporate user of the property and is consistent in style and materials as the office buildings. The design includes a screen wall to conceal roof mounted mechanical equipment from view. Maximum height of the common/amenity building is 45 feet. Upon completion the Lawson Lane Office Campus Project (West Campus and East Campus) would include a total of 792,974 square feet of office at a 1.11 FAR, 26,631 square feet of common building area, and 2,468 structured and surface parking spaces at 1 space per 320 square feet (3.1:1,000). Site and building design are proposed to meet the LEED version 4D checklist for Core and Shell Office Buildings and exceed State Title 24 California Energy Code requirements for building construction and achieving of this standard is called out as a Condition of Approval (C4). Service Now intends to occupy the entire campus.

The project also includes sidewalk installation along the Lawson Lane, Central Expressway and San

Tomas Expressway frontages. In addition, to link the west and east campuses, the project as previously approved included an at-grade mid-block crosswalk on Lawson Lane. This crosswalk has, however, been removed from the current rezoning based on concerns raised by County of Santa Clara staff. Proposed project Condition (E16) would require construction of an aerial/pedestrian crossing over Lawson Lane in coordination with the County of Santa Clara in lieu of the at-grade mid-block crossing (originally the entitlement identified this as an option for construction at the discretion of the Developer). The County of Santa Clara has already reviewed the preliminary proposal for an aerial connection.

DISCUSSION

The proposed rezoning has been analyzed for consistency with the City's General Plan and Zoning Code.

General Plan Conformance

The General Plan designation for the project site is High-Intensity Office/Research and Development (R&D). This designation is intended for campus-like development that includes office and R&D uses at a maximum FAR of 2.0. The proposed PD zoning would allow uses and a development intensity consistent with this designation.

The High-Intensity Office/Research and Development designation is intended to provide a transition area between light industrial and higher-intensity office and R&D uses. The project site is located in the industrial/office sector of the City north of the UPRR/Caltrain tracks and south of Highway 101 along two major transportation corridors, San Tomas Expressway and Central Expressway, that supports an existing mix of light industrial and office campuses with one and two-story buildings, surface parking, and landscaping. The proposed development would be consistent and compatible with adjacent land uses surrounding the project site.

The proposed project is consistent with the following General Plan policies:

General Land Use Policies

- 5.3.1-P2 Encourage advance notification and neighborhood meetings to provide an opportunity for early community review of new development proposals.
- 5.3.1-P26 Support a community-initiated planning process so that existing neighborhoods can participate in developing more detailed plans for street, landscape and pedestrian facility improvements.

The Developer conducted a community meeting to inform and receive input on the proposed project from neighboring property owners. Notices were mailed by the applicant to property owners within 1,000 feet of the project boundaries and to interested parties. Notice of the community meeting was also posted on the City's Development Projects webpage.

- 5.3.1-P3 Support high quality design consistent with adopted design guidelines and the City's architectural review process.
- 5.3.1-P10 Provide opportunities for increased landscaping and trees in the community and a minimum 2:1 on- or off-site replacement for trees removed as part of the proposal to help increase the urban forest and minimize the heat island effect.
- 5.3.1-P28 Encourage screening of above-ground utility equipment to minimize visual impacts.
- 5.3.1-P29 Encourage design of new development to be compatible with, and sensitive to, nearby existing and planned development, consistent with other General Plan policies.

The new office building and common building expansion are designed to mirror the office building and common building currently under construction on the site in architectural style, form, height, materials and screening of mechanical equipment. The parking garage expansion extends the existing structure and design features, including the architectural screen on the west elevation facing San Tomas Expressway. Both the office building, common building and parking structure currently under construction were reviewed and approved at Architectural Committee and determined to be consistent with the City's Design Guidelines. The proposed project is an extension of the approved design scheme for the Lawson Lane West Campus and ties with the architecture of the East Campus to create a unified corporate campus.

A landscape plan is proposed that includes replacement planting of trees in excess of the 2:1 mitigation for trees removed with development of the site. It also includes a varied plant palette to screen above ground utility equipment and augment the landscape plan approved with development of the structures on the north side of the project site for a cohesive landscape design aesthetic.

- 5.3.1-P9 Require that new development provide adequate public services and facilities, infrastructure, and amenities to serve the new employment or residential growth.
- 5.3.1-P12 Encourage convenient pedestrian connections within new and existing developments.
- 5.3.1-P14 Encourage Transportation Demand Management strategies and the provision of bicycle and pedestrian amenities in all new development greater than 25 housing units or more than 10,000 non-residential square feet, and for City employees, in order to decrease use of the single-occupant automobile and reduce vehicle miles traveled, consistent with the CAP.

The project includes the construction of public and private infrastructure to serve the site. Pedestrian connections to adjacent land uses would be provided with the construction of a sidewalk along the perimeter of the property and buildings on the site. Construction of the grade separated overcrossing would provide pedestrian access across Lawson Lane and link the west and east campuses.

The project provides bicycle spaces on-site to support alternatives to vehicle travel and EV parking charging stations for use/parking of clean air vehicles. The project would be required as a condition of approval to develop and implement a Transportation Demand Management Plan with annual reporting to reduce vehicle miles travelled by 10% consistent with the Climate Action Plan requirement.

- 5.3.5-P1 Work with existing Santa Clara businesses to retain and expand employment opportunities and strengthen the existing tax base.
- 5.3.5-P5 Allow the development of Office/Research and Development in varied configurations and intensities to meet the needs of existing and new businesses.
- 5.3.5-P6 Encourage innovative design of new office space to promote higher-intensity new development and on-site expansion of existing uses.
- 5.3.5-P7 Require building heights to conform to the requirements of the Federal Aviation and Administration, where applicable.
- 5.3.5.-P10 Encourage employee-serving amenities, such as restaurants, cafes and supporting commercial uses, to meet the needs of employees in High Intensity Office/Research and Development areas by excluding such areas from the Floor Area Ratio for development.

The proposed increase in office and common space are designed to create a visually cohesive and unified corporate campus while meeting the needs of the tenant for future growth. The five-story structure would match the design of the office building currently under construction and conform with FAA height requirements. The common building is designed to link the two office buildings and provide flexible space for employee-serving ancillary uses to support the office use; that may include meeting space, gym or dining/cafeteria. In addition, passive open space and an outdoor barbeque area are integrated into the landscape design for tenant/employee use.

Zoning Code Conformance

The proposed rezoning to Planned Development is consistent with development standards including height and setbacks approved through previous Planned Development zoning. A Planned Development rezoning was initially requested in 2008 to allow the project's buildings a maximum height of 101 feet, which exceeded the maximum height of the 70 feet allowed in the previous ML Light Industrial zoning district. Parking is proposed at 1 space per 336 square feet of office space for a total of 1,445 spaces with the expansion of the parking garage currently under construction and reconfiguration of on-site surface parking with build-out of Phase 2. The modification to the parking ratio is proposed by the applicant to address their tenant's request. The parking ratio proposed is slightly below the parking ratio for office uses prescribed in Section 18.74.020 of the Zoning Code, 1 space per 300 square feet, which would be 1,620 spaces.

ENVIRONMENTAL REVIEW

A Third Addendum to the 2008 Final EIR and 2013 IS/MND for the Lawson Lane West Campus Expansion Project was prepared in accordance with CEQA Guidelines to analyze the additional 179,174 square feet of construction with the proposed rezoning that was not previously anticipated with the 2013 IS/MND. The purpose of the Addendum is to analyze and determine whether the changes in site design and intensification of development as proposed would result in new significant impacts or substantially more severe impacts than previously addressed in the prior documents. The Addendum discusses the environmental impacts of the currently proposed project compared to the impacts of the previously approved projects.

The analysis in the Addendum concluded that the currently proposed project would not result in new significant environmental impacts; and that no new information has come to light that would indicate the potential for new significant impacts or substantially more severe environmental impacts than were discussed in the 2008 FEIR, 2013 IS/MND, or either of the first two addenda. The analysis determined that the currently proposed project would have the same or similar impacts identified for the earlier projects. Therefore, no further evaluation or Subsequent EIR is required. The proposed project would apply and continue to implement the mitigation measures adopted with certification of the 2008 FEIR and approval of the IS/MND with build-out of Phase 2 development.

The full administrative record is available for review during normal business hours in the Planning Division office at City Hall, 1500 Warburton Avenue, Santa Clara.

FISCAL IMPACT

There is no fiscal impact to the City for processing the requested application other than administrative staff time and expense typically covered by processing fees paid by the applicant.

COORDINATION

This report was coordinated with the City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Planning Commission agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov or at the public information desk at any City of Santa Clara public library.

Public Notices and Comments: On March 27, 2020, the notice of public hearing for this item was posted within 1,000 feet of the project site and mailed to property owners within 1,000 feet of the project site. At the time of this staff report, there has been no public comment received in support or opposition to the proposed project.

Public Outreach Meetings

A community meeting was conducted to introduce the project and engage the public in the planning process. The public outreach meeting was held on November 13, 2019 from 6:00 p.m. to 7:00 p.m. at Service Now Headquarters, located at 2215 Lawson Lane (Lawson Lane East Campus) and was attended by two individuals. Construction activities related to noise, vibration, air quality and traffic were identified by the two individuals as concerns. The applicant discussed the mitigation measures that would be implemented with project development and confirmed that vibration creating activities such as pile driving would not be employed in construction of the office or parking structure.

Notices of the meeting were mailed by the applicant to property owners within 1,000 feet of the project boundaries and to interested parties and was also posted on the City's website.

ALTERNATIVES

1. Adopt a resolution to recommend the City Council adopt the Addendum to the 2008 Final Environmental Impact Report and 2013 Initial Study/Mitigated Negative Declaration for the Lawson Lane West Campus Expansion Project.
2. Adopt a resolution to recommend the City Council approve a rezoning from Planned Development (PD) to Planned Development (PD) to construct a 241,419 square foot five-story office building and 670 square foot addition to a common building and expand a six-story parking garage to provide a total of 1,445 parking spaces on the West Lawson Lane Campus located at 2200 Lawson Lane.
3. Adopt a resolution to recommend the City Council deny a rezoning from Planned Development (PD) to Planned Development (PD) to construct a 241,419 square foot five-story office building and 670 square foot addition to a common building and expand a six-story parking garage to provide a total of 1,445 parking spaces on the West Lawson Lane Campus located at 2200 Lawson Lane.

RECOMMENDATION

Alternatives 1 and 2:

That the Planning Commission:

1. Adopt a resolution to recommend the City Council adopt the Addendum to the 2008 Final Environmental Impact Report and 2013 Initial Study/Mitigated Negative Declaration for the Lawson

Lane West Campus Expansion Project.

2. Adopt a resolution to recommend the City Council approve a rezoning from Planned Development (PD) to Planned Development (PD) to construct a 241,419 square foot five-story office building and 670 square foot addition to a common building and expand a six-story parking garage to provide a total of 1,445 parking spaces on the West Lawson Lane Campus located at 2200 Lawson Lane.

Reviewed by: Andrew Crabtree, Director of Community Development

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Addendum to the 2008 Final Environmental Impact Report and 2013 Initial Study/ Mitigated
Negative Declaration for the Lawson Lane West Campus Expansion Project
2. Resolution Recommending Council Approve the Addendum
3. Resolution Recommending Council Approve the Rezoning
4. Conditions of Rezoning Approval
5. Project Data Sheet
6. Development Plan