



## Agenda Report

18-488

Agenda Date: 7/17/2018

### REPORT TO COUNCIL

#### SUBJECT

Public Hearing: Action on 575 Benton Street Mixed Use Project

#### BACKGROUND

The 5.75-acre project site is located at the northwestern corner of Benton Street and El Camino Real and consists of 12 parcels and is currently developed with buildings, roadways, sidewalks, and parking lots including approximately 101,207 square feet of commercial and light industrial space, 10 residential units, portions of Fremont and Sherman streets, and site serving infrastructure. The existing public rights-of-way will need to be vacated by the City and acquired by the developer in order to implement the project.

The proposed project would consist of up to 355 apartment units including 8 live-work units, 650 parking spaces, 1,601 square feet of leasing office space, a 346 square foot pet spa area, 1,528 square feet of bike amenity space, an amenity roof deck with 4,341 square feet of a club room and a fitness center, three private courtyards and a public courtyard facing The Alameda. The proposed residential density of the project would be 61.7 dwelling units (DU) per acre. The project includes 19,985 square feet of retail space and potentially an additional 2,364 square feet of commercial space within 8 live-work units. The project site plan would allow preservation of two historic single-family houses located at 3410 The Alameda and 3370 The Alameda on the project site.

The project application consists of a General Plan Amendment (GPA) from Santa Clara Station High Density Residential to Santa Clara Station Very High Density Residential, a Rezoning to Planned Development (PD), approval of a Vesting Tentative Parcel Map, and approval of a Development Agreement (DA) for the project site to allow development of a proposed residential mixed-use project (PLN2017-12489, PLN2017-12574, PLN2017-12575, and PLN2017-12837). The project is located within the Santa Clara Station Focus Area. The Santa Clara Station Focus Area is the 244-acre portion located within the City of Santa Clara of a larger, multi-jurisdictional planning area. At the center of this Focus Area is the existing Transit Station, which is served by Caltrans, Altamont Commuter Express, and Valley Transportation Authority (VTA) bus service. The Station will include the Bay Area Rapid Transit (BART) terminus. The Station will be a major transit hub for the Bay Area and supports the Major Strategies to promote sustainability and economic vitality.

The Planning Commission considered the project on May 23, 2018 and June 13, 2018 and recommended to the City Council to approve the requested entitlements.

The Planning Commission staff report with previous attachments and excerpt minutes from the Planning Commission meeting of May 23, 2018 and June 13, 2018 are included in this report.

At the June 26 City Council meeting, after public testimony and a brief discussion on the relationship

of the proposed project with a separate agreement related to Franklin Street scheduled for July 17, 2018, the City Council voted 4-0-2 (Gillmor and Mahan abstaining) to continue the item to the July 17, 2018 City Council meeting so that the two items could be discussed at the same hearing.

### **DISCUSSION**

At the May 23 Planning Commission meeting, staff provided a presentation of the proposed project and explained the staff recommendation to include additional retail space at the northeast corner of The Alameda and Benton street to better meet the community goals. Approximately five members of the public spoke. The Commission asked about the project's potential impacts to the proposed Downtown Specific Plan. Staff clarified that the boundaries of the Downtown Specific Plan do not include the project site, as it is instead within the Santa Clara Station Area Focus Area. Planning Commissioners Saleme and Becker expressed a desire for more time to get up to speed on the project. The Planning Commission voted 4-2 in favor of continuing the item to the next Planning Commission meeting.

At the June 13 Planning Commission meeting, staff provided a brief presentation. Approximately 15 members of the public spoke on this item, mostly in support of the project. Several speakers expressed appreciation for Prometheus's level of engagement with the Old Quad neighborhood and the high quality of the current architectural design. Two speakers raised concerns that they were uncertain about the adequacy of the project's parking. The Planning Commission voted in favor (4-0-1; Commissioner Chahal abstaining) of recommendations to the City Council to approve the requested General Plan Amendment, rezoning, tentative parcel map, development agreement, vacation of portions of Fremont Street and Sherman Street, and Addendum #1 to the Mission Town Center FEIR. The staff report with previous attachments and excerpt minutes from the Planning Commission meetings are included in this report.

The design of the project will necessitate the vacation of portions of Fremont Street and Sherman Street. In its June 13 action, the Planning Commission found that this proposed vacation would be consistent with the General Plan. Should the Council vote to approve the project entitlements, the roadways will have to go through the process for the sale of public property mandated by Charter Section 714 at a future Council meeting. A resolution to vacate the roadways will be brought to Council at that time.

### **FISCAL IMPACT**

There is no cost to the City to act on the proposed entitlement actions other than administrative staff time and expense which are offset by permit application fees. The proposed increase in residential density would have a small incremental increase in demand for City services (e.g., police and fire calls) associated with the population growth and may be partially offset by increases in property values and sales tax revenue. Residential development generally incurs a net fiscal cost to the City. Generally, higher density residential development generates less of a fiscal impact as the compact nature of the development reduces per capita service costs.

### **ENVIRONMENTAL REVIEW**

On February 23, 2016, the City Council certified the Final Environmental Impact Report (FEIR) and adopted the Findings and the Mitigation Monitoring Program pursuant to California Environmental Quality Act (CEQA) for the Mission Town Center project.

The Mission Town Center Project analyzed in the FEIR included the demolition of the existing buildings on the project site and the construction of a mixed-use residential development that would consist of 385 apartment units, three distinctive private open spaces, approximately 27,000 square feet of ground floor retail, 6,000 square feet of amenity space, three courtyards, 4,000 square feet of leasing space, and 839 parking spaces. The current project includes fewer residential units than were analyzed in the Mission Town Center FEIR (355 rather than 385) as well as less retail space and parking spaces.

The City of Santa Clara prepared an Addendum#1 to the Mission Town Center FEIR that concluded that the proposed project is substantially the same as the previously evaluated project and that the potential environmental effects of the proposed development project were adequately analyzed in the Mission Town Center FEIR, certified in February 2016, and that there are no changes in circumstances or substantial new information that would trigger the need for further environmental review under CEQA.

Traffic studies conducted as part of the Mission Town Center FEIR concluded the Mission Town Center project would result in some significant and unavoidable traffic impacts. Since the proposed project is generally similar to but smaller than the originally proposed Mission Town Center project, its potential transportation and traffic impacts would be similar to or less than the impacts previously analyzed in the Mission Town Center FEIR.

The FEIR Addendum concludes that the proposed project would not result in any new significant adverse environmental impacts, nor would it result in an increase in the severity of any previously identified significant environmental impacts identified and studied in the FEIR.

### **COORDINATION**

This report has been coordinated with the Finance Department and City Attorney's Office.

### **PUBLIC CONTACT**

The notice of the 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. A notice was published in the Santa Clara Weekly on June 7, 2018. The full administrative record is available for review during normal business hours in the Planning Division office at City Hall. Planning staff has not received written comments from members of the public during the preparation of this report.

Public contact was made by posting the Council 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](mailto:clerk@santaclaraca.gov) <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

### **ALTERNATIVES**

1. Adopt a Resolution Approving Addendum #1 to the Mission Town Center Final Environmental Impact Report (FEIR).
2. Adopt a Resolution Approving a General Plan Amendment (GPA) to change the property's General Plan land use designation from Santa Clara Station High Density Residential to Santa Clara Station Very High Density Residential.

3. Adopt a Resolution approving the rezoning from Light Industrial (ML), Single-Family (R1-6L), Duplex (R2-7L) and Thoroughfare Commercial (CT) to Planned Development (PD) to allow the development of 355 apartment units, 22,000 square feet of retail space including retail in proximity at the northeast corner of The Alameda and Benton Street, and approximately 6,000 square feet of amenity and leasing space, and thereby increasing the amount of retail space from 19,985 square feet.
4. Introduce an Ordinance to approve the Development Agreement.
5. Adopt a Resolution Approving the Vesting Tentative Parcel Map.
6. Deny the project including the proposed General Plan Amendment, rezoning, Development Agreement, Vesting Tentative Parcel Map and street vacation.
7. Approve a modified version of the project including the proposed General Plan Amendment, rezoning, Development Agreement and street vacation

### **RECOMMENDATION**

#### Alternatives 1-5:

1. Adopt a Resolution Approving Addendum #1 to the Mission Town Center Final Environmental Impact Report (FEIR).
2. Adopt a Resolution Approving a General Plan Amendment (GPA) to change the property's General Plan land use designation from Santa Clara Station High Density Residential to Santa Clara Station Very High Density Residential.
3. Adopt a Resolution approving the rezoning from Light Industrial (ML), Single-Family (R1-6L), Duplex (R2-7L) and Thoroughfare Commercial (CT) to Planned Development (PD) to allow the development of 355 apartment units, 22,000 square feet of retail space including retail in proximity at the northeast corner of The Alameda and Benton Street, and approximately 6,000 square feet of amenity and leasing space, and thereby increasing the amount of retail space from 19,985 square feet.
4. Introduce an Ordinance to approve the Development Agreement.
5. Adopt a Resolution Approving the Vesting Tentative Parcel Map.

Reviewed by: Andrew Crabtree, Director of Community Development

Approved by: Deanna J. Santana, City Manager

### **ATTACHMENTS**

1. Planning Commission Report for May 23, 2018
2. Planning Commission Meeting Minutes May 23 and June 13, 2018
3. Site Plan
4. Development Plans
5. Tentative Parcel Map
6. Project Data Sheet
7. Application - Letter of Justification
8. Application - Parking Study Memo
9. Neighborhood Meeting Notice
10. Correspondence - Muwekma Ohlone Indian Tribe Comments
11. Correspondence - Response Letter to Muwekma Ohlone Indian Tribe
12. Resolution approving the Addendum to the FEIR
13. Resolution approving the General Plan Amendment
14. Resolution approving the Rezone
15. Development Agreement Ordinance

16. Development Agreement
17. Resolution approving the Vesting Tentative Parcel Map
18. Final Environmental Impact Report Addendum
19. Conditions of Rezoning Approval
20. Conditions of Tentative Parcel Map
21. Correspondence - Comment on Addendum#1
22. Response to comment on Addendum#1