



## Agenda Report

18-526

Agenda Date: 11/14/2018

### REPORT TO PLANNING COMMISSION

#### **SUBJECT**

Public Hearing: Actions on Gateway Crossings Project located at 1205 Coleman Avenue including a General Plan Amendment to Santa Clara Station Very High Density Residential (51-100 du/ac) with a minimum commercial FAR of 0.20, Creation of a new Very High Density Mixed-Use Zoning District and Rezoning to that District, Vesting Tentative Subdivision Map, Development Agreement, Environmental Impact Report, and Mitigation Monitoring and Reporting Program

#### **EXECUTIVE SUMMARY**

The proposed project is the phased development of a new transit and pedestrian-oriented mixed-use development (Gateway Crossings) on a 21.4 acre site within the Santa Clara Station Focus Area, which is a special planning area identified in the City of Santa Clara 2010-2035 General Plan. The project is adjacent to the existing Santa Clara Station which is served by Caltrain, VTA, and will be the future terminus station of the Bay Area Rapid Transit (BART) Silicon Valley Extension Phase II line.

Consistent with the vision for Santa Clara Station Focus Area, the proposal includes high density residential development, neighborhood serving retail, pedestrian connections, and centrally located open space in the development. The project involves the construction of 1,600 multi-family dwelling units, a full-service hotel with 225 rooms, 15,000 square feet of ground floor supporting retail, surface and structured parking, private streets, landscaped open space, on- and off-site public and private right-of-way improvements, and site infrastructure to support the development. The project also includes the dedication, development and maintenance of a 2.1 acre park on-site for public use to serve residents and visitors of the development.

To accommodate the proposed mix and intensity of uses contemplated by the project, a General Plan Amendment (GPA) is required to change the land use designation of the site from Santa Clara Station Regional Commercial, Santa Clara Station High Density Residential, and Santa Clara Station Very High Density Residential to a new single land use designation of Santa Clara Station Very High Density Residential (51-100 du/ac) with a minimum commercial floor area ratio (FAR) of 0.20. The project provides the residential density and minimum commercial FAR of 0.20 to meet the proposed General Plan designation. An amendment to the Climate Action Plan, which is an appendix to the General Plan, is also proposed to set Transportation Demand Management (TDM) goals for the new land use designation. Currently no Zoning District in the Santa Clara City Code provides development standards appropriate for the mix of uses and densities anticipated in the intended General Plan designation. The proposal includes a Zoning Code text amendment to add a new zoning designation of Very High Density Mixed-Use and a rezoning of the project site from the existing Light Industrial (ML) zoning district to the new zoning district to allow the mix and intensity of land uses contemplated for the Gateway Crossings development. This proposed new Zoning District will also be beneficial in other areas of the City that are planned for high density mixed-use

development.

To facilitate development on the project site, the proposal includes a Vesting Tentative Subdivision Map for the purpose of developing four mixed-use parcels, one commercial parcel, a dedicated park parcel, and six common lots for site access/circulation and utility corridors to serve the development. A Development Agreement between the City and the Property Owner (TOD Brokaw, LLC) accompanies the proposal to secure development rights, terms, and conditions for phased development of the project.

An Environmental Impact Report and Mitigation Monitoring and Reporting Program was prepared to address potential environmental impacts associated with the proposed project in accordance with the California Environmental Quality Act. Planning application files for the proposed project include: PLN2016-12318, PLN2016-12321, PLN2016-12481 and CEQ2016-01025.

## **BACKGROUND**

The project site is located at the southwest corner of Coleman Avenue and Brokaw Road. The majority of the site (20.4 acres) is located in the City of Santa Clara and the Santa Clara Station Focus Area (APN: 230-46-069). The 1.0 acre portion at the southeastern corner of the site is located in the City of San Jose (APN: 230-46-070). The project site is currently vacant and was previously developed with landscaping, surface parking and 272,840 square feet of industrial and office/research and development uses within several buildings. The site was formerly occupied by FMC, United Defense and BAE Systems. The structures and site improvements were demolished in late 2016/early 2017.

The project site is bounded by Brokaw Road and commercial and office/industrial uses to the north, Coleman Avenue and commercial and office/industrial uses to the east, vacant land to the south, and industrial/storage uses to the west. Properties to the north and east consist of one-story structures of varied periods of development. The property to the south is an interim off-site airport parking lot that is planned for mid and high-rise development of commercial office, hotel, and retail uses with Phase 2 construction of the Coleman Highline Project in the City of San Jose.

## **Project Description and Phasing**

The proposed project is the construction of up to 1,600 multi-family residential units (apartments), 15,000 square feet of ground floor retail, and associated parking within four multi-story buildings on individual parcels (Buildings 1 - 4); a 182,000 square foot high-rise hotel with associated parking on a separate parcel; a 2.1 acre public park on a dedicated parcel; private streets and shared surface parking on common lots; site landscaping; and public and private on- and off-site improvements. Project development would occur in two phases with construction of Buildings 1 and 2 and the public park in the first phase and Buildings 3 and 4 in the second phase. Construction of the hotel is not assigned to a phase of development and could occur in either phase 1, 2 or a potential third phase. On and off-site public and private improvements and utilities associated with each phase would be coordinated and constructed to serve each phase of development.

## **Residential**

Table 1 (Attachment #3) provides the proposed parcel size and FAR of each parcel created with the proposed Vesting Tentative Subdivision Map, as well as the unit count and gross floor area of each building on the individual parcels. The residential component of the project would provide a mix of studio, one bedroom and two-bedroom units at affordable and market rental rates at a residential

density of 74.8 units per acre.

The proposal will provide a percentage of the residential units at affordable rents based on 80% of Area Median Income (AMI). Under the terms of the proposed Development Agreement, 10% of the planned units will be subject to the affordability requirement. The Developer must satisfy at least half of this requirement by constructing the units onsite for low income households. For the other units, the Developer has the option of paying a fee in the amount of \$6.67 per square foot of development in lieu of building the affordable residential units.

The residential units vary in size and floor plan. With the exception of the studio apartments, each has its own private deck/balcony. Table 2 (Attachment #4) lists the count for each unit type, unit floor area, and private deck/balcony area associated with the unit type. Amenity areas within each building would serve residents on-site and provide a range of indoor (clubhouse, fitness room) and outdoor uses (pool, spa, dining) for active and passive recreation.

### Commercial

The commercial component of the project consists of ground floor supporting retail at or near the corners of Buildings 1 - 4 interior to the project site and is intended to provide retail goods and services for the convenience of residents and visitors of the site. It also includes the construction of a 225 room hotel with approximately 5,500 square feet allocated for food and beverage uses to serve hotel guests and the public; approximately 4,400 square feet of amenity space allocated for hotel guest use (spa, fitness, pool, bar); and approximately 6,300 square feet of conference space for public rental. The commercial components of the project (hotel and supporting retail) total 197,000 square feet and meet the minimum FAR of 0.20.

### Parking

The project includes the construction of subgrade and structured parking within Buildings 1 - 4 and the hotel, and provides a total of 2,765 parking spaces on-site. Surface parking interfacing the public park provides 18 additional spaces on-site, for a combined total of 2,783 parking spaces. The project includes the construction of a street network for site access and circulation that includes bicycle and pedestrian facilities and complete street frontages (landscaped park strips and wide sidewalks on- and off-site) to connect residents, employees and visitors to the site and surrounding area. Shared parking arrangements, TDM measures, and "Park Once" strategies are incorporated into the project to reduce vehicle trips within and to the site.

### Parks/Open Space

The proposed 2.1 acre park is intended to serve residents and visitors of the project site. The park will be designed, constructed and maintained by the developer and dedicated to the City for public use and included in the City's inventory of parks and recreation facilities. The park is yet to be designed and will undergo a separate process involving public input and a recommendation by the Parks and Recreation Commission to the City Council for approval. In addition to a public park, the project includes active and passive open space areas for public and/or resident use that are distributed throughout the site and vary in size, type and amenities (gardens, seating/ lounge areas, outdoor dining/grill areas, pool and recreation areas).

## **DISCUSSION**

The primary issues evaluated for the project are consistency with the General Plan and Santa Clara Station Focus Area policies, the quality of the project architecture and site design including circulation

and parking, and the proposed terms for the Development Agreement.

***Consistency with the Santa Clara General Plan / Santa Clara Station Focus Area***

The project includes a GPA to change the General Plan land use designations for the site area located in the City of Santa Clara from Santa Clara Station Regional Commercial (commercial up to 3.0 FAR), Santa Clara Station High Density Residential (37-50 du/acre), and Santa Clara Station Very High Density Residential (51-100 du/acre) to Santa Clara Station Very High Density Residential (51-100 du/ac) with a minimum commercial FAR of 0.20 and an amendment to the General Plan Land Use Map for the Santa Clara Station Focus Area to reflect the General Plan change. Under the current General Plan designations, a total of 1,240 dwelling units and a maximum of 918,678 square feet of regional commercial floor area could be developed on the project site.

The General Plan includes four primary goals for the Santa Clara Station Focus Area:

- 5.4.3 G1 Development in proximity to the Santa Clara Station that capitalizes on transit and results in high intensity uses.
- 5.4.3-G2 A mix of uses, with emphasis on office, hotel and residential development.
- 5.4.3 G3 A link between the Santa Clara Station and a variety of transit options that offer viable transportation alternatives throughout the City and the region.
- 5.4.3-G4 Pedestrian and bicycle priority within the Santa Clara Station Focus Area with transit and vehicular priority to access the Station.

**Santa Clara Station Focus Area**

The Santa Clara Station Focus Area is a 244-acre multi-jurisdictional planning area envisioned for the purpose of creating a gateway into the City and opportunity to expand the City's economic base with new office, hotel and retail uses and high-density residential development to maximize the use of existing and planned transit facilities and operations. At the center of this Focus Area is the Santa Clara Transit Station, which is located west of the project site along the Union Pacific Railroad (UPRR) corridor and is served by Caltrain, Altamont Commuter Express, and Capitol Corridor rail service and Valley Transportation Authority (VTA) bus service. The Focus Area includes the location of the future Bay Area Rapid Transit (BART) terminus and station on the east side of the UPRR tracks, approximately 280 feet west of the project site. The BART station will include an elevated concourse, multi-level parking structure, and bus transit center that will serve as a major transit hub for local and regional travel. A pedestrian undercrossing was completed in 2017 to provide a connection between the Santa Clara Transit Center and land uses on the west side of the rail corridor to Brokaw Road, future BART station, and surrounding land uses on the east side of the tracks.

The Santa Clara Station Focus Area envisions the development of approximately 1,650 new residential units and 2,000,000 square feet of nonresidential uses, including hotels. The project site occupies 20.4 acres (8 percent) of the Focus Area and proposes to construct 97 percent of the residential and 9.9 percent of the commercial development expected in the General Plan. The remaining 1.0 acre portion of the project site is located in the City of San Jose and is not proposed as buildable area but instead as landscaped open space.

The intent of the proposed GPA is to apply a single land use designation across the project site to allow for the combination of residential, retail, commercial/hotel uses, in conjunction with the provision of park and open space in an integrated development to serve the local community and surrounding region, and support existing and planned transit facilities. Employing the single

designation and commercial FAR requirement across the site would produce the potential for 1,091 to 2,140 residential units at 51 to 100 units per acre and minimum of 20,184 square feet of commercial uses.

The proposed project aligns with the primary goals of the Santa Clara Station Focus Area in that the project site is located within walking distance of the Santa Clara Transit Center and future BART station and would be accessible to existing and planned transit facilities with connections to local and regional destinations. The project includes a mix of very high density residential development and provides commercial uses in an integrated development with pedestrian-oriented ground floor retail and a high-rise full service hotel. While the ground floor retail does not orient towards the public street frontages of the project site (Coleman Avenue/Brokaw Road), the proposed retail spaces are proposed to interface with the private streets and centrally located public park internal to the site.

The project supports pedestrian and bicycle priority with planned on and off-site improvements that include complete street design standards for the public right-of-way fronting the project site along Champions Way, Coleman Avenue, and Brokaw Road to its western terminus, and the private streets internal to the project site. These improvements include new signalized intersections at Coleman Avenue/ Champions Way and Brokaw Road/Costco driveway entrance to increase pedestrian activity and safety. The project also includes bicycle locker rooms in each building for secure bike storage, bicycle racks in front of building entrances and a new bike lane along the Coleman Avenue project frontage and Brokaw Road, from Coleman Avenue to its western terminus. These improvements are designed to link adjacent land uses and connect to existing and planned transit facilities.

The proposed project is further consistent with General Plan Policies as follows:

#### General Land Use Policies

- 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-P13 Support high density and intensity development within a quarter-mile of transit hubs and stations along transit corridors.

The project includes the construction of public and private infrastructure improvements to accommodate development and serve the proposed uses on-site. The project also integrates site amenities such as a public park and active and passive landscaped open space into the proposed mix of land uses on the site. The mix of uses include high density residential and commercial and retail uses located within one quarter mile of existing and planned local and regional transit facilities.

#### Residential Land Use Policies

- 5.3.2-P6 Provide adequate choices for housing tenure, type and location, including higher density, and affordability for low- and moderate-income and special needs households
- 5.3.2-P7 Construct and preserve affordable housing for low- and moderate-income households through the use of public subsidies, regulatory incentives and flexible development standards.

The proposed project is not subject to the City's affordable housing requirement as set forth in Santa Clara City Code Chapter 17.40. Nonetheless, the project proposal includes the provision of an affordable housing component in the Development Agreement. This provision requires that the

project provide at least 10 percent of the residential units at affordable rates or to pay a fee in an amount equivalent to the cost of providing the affordable residential units at each phase of development. This provision would provide a total of 160 affordable dwelling units on-site in the absence of an in-lieu fee payment.

#### Mixed-use Land Use Policies

- 5.3.4 P2 Encourage mixed use development in proximity to employment centers and residential neighborhoods throughout the City.
- 5.3.4 P4 Require mixed use development to meet the density and intensity specified in the land use classifications.

The project conforms to these policies in that the project site neighbors existing office, commercial and industrial employment properties and is accessible to Santa Clara University, a large employment center, to the west via a pedestrian undercrossing that links the project site to the Santa Clara Transit Center. This link also connects the project site to existing residential neighborhoods and planned high density mixed-use development (The Benton) in the Old Quad. The Coleman Highline Project to the south is currently under construction and upon build-out will become a high intensity employment center with 1,500,000 square feet of office, commercial and retail development.

The project proposes a mix of high density residential development and commercial uses. Residential density on the project site would be consistent with the density specified by the Santa Clara Station Very High Density Residential land use designation and would provide a minimum commercial FAR of 0.20 land use classification should the proposed GPA be approved.

- 5.3.4 P5 Encourage mixed use development site planning and design to implement the elements illustrated in Figures 5.3 2 and 5.3 3, including street tree planting along all streets.
- 5.3.4 P9 Encourage ground level windows and building entries that support a visual connection to activities.
- 5.3.4 P11 Foster active, pedestrian oriented uses at the ground level, such as retail shops, offices, restaurants with outdoor seating, public plazas or residential units with front stoops, in mixed use development.
- 5.3.4 P12 Prioritize pedestrian oriented streetscape and building design in mixed use development, including features such as wider sidewalks, street furniture, specialty planters, signage, public art, street trees, special paving materials, decorative awnings, enhanced entrances, colors, variety of materials and textures and distinctive building massing and articulation.

The project provides visual connections into the development framed with decorative/special paving, wide sidewalks and landscaped park strips to foster visual and physical connections to a mix of uses and activities on-site, and proposes to include wayfinding signage. The project design includes ground-level windows, and entries to retail and amenity spaces to support a visual connection to uses and activities and provides outdoor plaza areas for seating along the private street frontages of the project site to activate the public realm. Landscaping for the proposed project would include planting of trees, shrubs, and a variety of plant vegetation along pedestrian connections and throughout the project site.

- 5.3.4 P10 Require parking to be substantially below grade or in structures with active uses along streets.

The project includes the construction of subgrade and structured parking within Buildings 1 - 4 and the hotel to accommodate the majority of parking spaces required by the proposed development, and would be screened from public view. A fewer number of parking spaces are proposed adjacent to the centrally located public park and retail frontages interior to the site along the private streets.

#### *Santa Clara Station Focus Area Policies*

The project has been reviewed for consistency with General Plan policies specific to the Santa Clara Station Focus Area and found to conform to the following:

- 5.4.3-P1 Allow a range of development intensities, with the potential for up to 3.0 Floor Area Ratio, for the area northeast of El Camino Real.
- 5.4.3-P2 Maximize residential development within walking distance of the Station, particularly on the northeast side of the Caltrain corridor.

The project site is within walking distance of the Santa Clara Transit Center, via a pedestrian undercrossing, and the future BART Station and proposes a residential density of 74.8 units per acre for construction of multi-family housing and a minimum commercial FAR of 0.20 with hotel development and local and regional serving retail.

- 5.4.3 P3 Provide pedestrian oriented ground floor uses and a network of parks and public spaces to serve both residential and non residential development.
- 5.4.3-P4 Encourage the development of a centrally located public open space of approximately 1.5 acres to serve Santa Clara Station Focus Area residents and employees.
- 5.4.3 P6 Provide pedestrian oriented retail uses to serve new residential development, Station visitors and area employees.

Pedestrian-oriented ground floor retail uses would be provided at or near the corners of Buildings 1 - 4 and outdoor plazas/gardens are proposed along the private street frontages interior to the project site. The retail uses are intended to provide retail goods and services for the convenience of residents and visitors of the site and would interface with the centrally located 2.1 acre park proposed for public use.

- 5.4.3 P9 Encourage streetscape design with street trees, wider sidewalks, pedestrian oriented lighting, curb bulb outs and special paving and/or striping within the Focus Area to emphasize accessibility.

Streetscape design along the public streets fronting the project site and internal private streets would include wide sidewalks with tree lined planter strips and lighting for accessibility and connectivity to uses and amenities on-site. Special paving materials are incorporated in the streetscape design at intersections and midblock crosswalks to signify pedestrian crossing locations.

- 5.4.3 P11 Encourage parking consolidation, alternate parking arrangements or reduced parking ratio within the Santa Clara Station Focus Area to promote the use of alternate

transportation modes.

- 5.4.3 P12 Minimize surface parking by requiring below grade or structured parking facilities with active uses along street frontages.

The project proposes reduced parking for the residential use at 1.4 spaces per dwelling unit and shared parking arrangements for use by residential guests, employees, customers and park visitors on-site to reduce parking demand and promote transit use. The project provides bicycle parking spaces in accordance with VTA Bicycle Guidelines on-site and would construct bicycle lanes on Brokaw Road and Coleman Avenue to facilitate and promote bicycle use.

#### City of San Jose General Plan /Envision San Jose 2040

The 1.0 acre of land at the southeastern corner of the project site is located in the City of San Jose. This portion of the project site has a San Jose General Plan land use designation of Combined Industrial/Commercial (CIC). This designation is intended for commercial, office, or industrial developments or a compatible mixture of these land uses at varied intensities of development and building forms. It allows an FAR of up to 12.0 and maximum building height of 24 stories.

This portion of the project site is proposed as open landscape area and does not include building structures. Public right-of-way improvements are proposed that include complete street frontage and signalized intersection improvements at this location. The applicant/project developer will be required to obtain a site development permit from the City of San Jose to construct the requisite improvements associated with the Gateway Crossings project. Open landscape area, complete street frontage and intersection improvements are consistent with the CIC land use designation for this portion of the project site residing in San Jose as it supports the planned land uses approved as part of the neighboring Coleman Highline Project.

#### Plan Bay Area

The City Council previously endorsed the designation of the Santa Clara Station Focus Area as Priority Development Area (PDA) for the regional Plan Bay Area. The proposed project is consistent with Plan Bay Area, which notes that new projects in the planned PDA that encompasses the project site must have a density of 50 to 150 dwelling units/net acre. With a proposed density of 74.8 dwelling units per acre, the Gateway Crossings Project would meet that goal.

#### Cumulative Effects of proposed General Plan Amendments

The 2010 - 2035 General Plan accommodates a total of 154,300 jobs and 60,345 residential units by the year 2035. Since adoption of the General Plan in 2010, the City has approved 15 General Plan Amendments that resulted in the addition of approximately 13,402 jobs and 4,180 residential units.

Under the site's existing General Plan land use designations, 758 to 1,279 dwelling units and up to 1,025,838 square feet of commercial space could be developed. With the proposed General Plan Amendment the project proposes 1,400-1,600 dwelling units and 215,000 square feet of commercial uses, which is 322 more dwelling units and 810,838 square feet less commercial space than what is allowed under the existing land use designations. Should this General Plan Amendment be approved it would add 322 more residential units to the General Plan capacity and remove 2,207 jobs from the General Plan capacity.

In addition to the proposed project, there are four other pending General Plan Amendments on file



that if approved would cumulatively result in a net increase to the capacity of the General Plan of 5,788 jobs and 9,586 residential units.

#### Rezoning to Very High Density Mixed-use

The proposed project is a large scale mixed-use development requiring flexibility in development standards for building height and setbacks, density and intensity, and parking. The site's current ML zoning is intended to accommodate industrial uses. To implement the proposed project the applicant is requesting a Zoning Code text amendment to create a new zoning designation of Very High Density Mixed-Use (VHDMU) and rezoning of the project site from ML to VHDMU.

The proposed VHDMU zoning designation would establish specific height limitations and setback requirements for the project site consistent with the proposed project design as depicted in the Development Plans (Attachment #13). The building setbacks are generally greater than 20 feet for all buildings on the project site, with the exception of a 13-foot setback along the hotel frontage of Lot 5 facing Coleman Avenue. The parking standards, heights and setback details are provided in the Development Plans.

Uses permitted in the commercial component of the project would be local and regional serving retail/commercial uses. As discussed above and in the following sections, the project design would be compatible with General Plan policies and the neighborhood context. Approval of the proposed VHDMU zoning would thus not result in an incompatible land use or create a built environment on the site that would prohibit the continued operation of surrounding land uses.

With the City Council's approval of the GPA to Santa Clara Station Very High Density Residential with a minimum commercial of 0.20 and approval of the VHDMU zoning, the project would be consistent with the General Plan designation for the project site and the Zoning Code. If the rezoning is not approved, the size and density of the project cannot be approved as proposed.

#### Architecture and Site Design

Gateway Crossings is designed as a district of urban buildings that feature contemporary architectural forms and integrated uses that are spatially arranged to provide connectivity, promote activity, and create a sense of place. The project is planned to achieve USGBC LEED silver standards or their equivalent for each phase of development.

The project was reviewed in the early stages of the planning process by an independent architectural firm, Urban Field Studio (UFS). UFS reviewed the proposal submittal at the time and made recommendations to the applicant and staff that in part were integrated into subsequent project submittals. These included an emphasis in the design of complete streets along the public streets fronting the project site and internal private streets; connectivity with adjacent land uses; the provision of expanded loading areas for curbside deliveries and pick up/drop off (Uber and Lyft); and enhanced screening of structured parking in each building. Other recommendations such as reducing block size and thereby increasing the number of blocks and private streets were not accepted by staff or the applicant as this design change would increase hardscape (nonpermeable area) and reduce park and open space.

Building heights vary across the site to offset mass and scale and create visual interest. Buildings 1 - 4 are primarily six- and seven-story structures. Building 4 includes a 13-story tower facing the public park that is a counterpoint to the 13-story hotel. Maximum building height on the project site is 150 feet. The design of the buildings vary and include structures having a modern aesthetic that take

inspiration from shipping warehouse architecture with simple building forms, a regular fenestration pattern, expressed columns and beams, and traditional articulation of the building's base, middle, and top.

Exterior materials generally include store front glazing along the base of the buildings, plaster (with smooth-finished plaster in highly visible areas), horizontal and vertical siding, rainscreen siding, and brick veneer. Metal cornices and canopies are added as accent elements to key locations.

### Circulation and Parking

The project includes the construction of public and private roadway improvements to facilitate traffic, bicycle mobility, and pedestrian connectivity to and from the site. The improvements consist of new access points for ingress and egress to the site on Coleman Avenue and Brokaw Road and the construction of on-site private streets and an off-site public street to serve the site. Coleman Avenue will have two access points. The first is a new right-in and right-out only driveway located between Building 1 and the hotel. The second includes the construction of a new signalized intersection at the southern edge of the project site and new public street (Champions Way) that will provide access to the hotel, Building 2 and neighboring Phase 2 development of the Coleman Highline Project. Two driveways are proposed on Brokaw Road that would allow right and left turn movements in and out of the site. The first is located between Building 1 and the east side of the park and the second is located between the west side of the park and Building 4. This second access on Brokaw Road is proposed as a full access intersection and will include the construction of a signalized intersection designed to align with the existing Costco driveway mid-block.

The proposed road network would provide access to parking structures in each of the buildings, surface parking spaces, and loading areas on-site; as well as through access from Brokaw Road to Champions Way and the planned street network for the neighboring Coleman Highline Project and Avaya Stadium in San Jose.

Additional roadway improvements include the addition of shared through, left turn and right turn lanes on the east and westbound approaches of Brokaw Road at Coleman Avenue within the existing right-of-way, and widening of Coleman Avenue along the project's frontage. The project would also include the relocation and construction of a bus duck-out, bus pad, and bus shelter near the Coleman Avenue/Brokaw Road intersection with the widening of Coleman Avenue. These improvements are to facilitate vehicle traffic, accommodate bike lanes on both roadway segments, and improve an existing transit facility.

The project includes the construction of sidewalks for pedestrian connectivity with a complete street design along the public streets fronting the project and internal private streets. Off-site, the project would extend construction of the complete street sidewalk on Brokaw Road westward to terminate and connect with the pedestrian undercrossing at the end of Brokaw Road and would include the installation of street lighting. This connection serves to link the project site and neighboring development to the Santa Clara Transit Station and land uses west of the UPRR tracks.

The project would provide a total of 2,783 parking spaces (consisting of ADA, standard, compact and electrical vehicle charging station stalls), 41 motorcycle spaces, and 710 bicycle spaces to serve all proposed uses on-site. The parking requirement for residential uses in mixed-use zoning districts per the City's Zoning Ordinance is 1 space per each studio, 1.5 per each one bedroom unit, and 2 spaces per each two bedroom. Based on the type of units proposed with project development, 2,590

parking spaces would be required for the residential use. Consistent with General Plan goal for Santa Clara Station Focus Area 5.4.3-P11, which encourages parking consolidation, alternate parking arrangements, and reduced parking ratios within the area to promote the use of alternate transportation modes, the project is proposing 1.4 spaces per dwelling unit for a total of 2,235 assigned parking spaces. The project is also proposing unassigned parking of the 238 visitor spaces distributed among Buildings 1 - 4 and 18 spaces located along the private street frontage facing the public park.

The parking standard for retail uses per the City's Zoning Ordinance is 1 space per 200 square feet of gross floor area and results in a parking requirement of 75 spaces for the project site. This standard does not reflect mixed-use development types whereby much of the commercial use is resident serving and is not credited for the parking space assigned to each dwelling unit. The Zoning Ordinance does not prescribe a parking standard for park uses. The arrangement and number of proposed shared parking spaces is appropriate to serve resident guests, retail customers, employees, and public park users on-site, and promote transit use.

The hotel is required to provide 225 parking spaces equivalent to the number of rooms and has a surplus of 67 parking spaces for shared use by visitors to the hotel restaurant, bar and rooftop amenity space. Parking Data Tables are provided on Sheet GEN.3 of the Development Plans for each use and parking arrangement.

With the Amendment to the Climate Action Plan, the project will be required to reduce vehicle miles travelled by 20 percent, half of which would be required through the implementation of a TDM program. The proposed conditions of the rezoning require a TDM plan to be submitted to the City and approved prior to issuance of an occupancy permit.

#### Development Agreement

The project proposal includes a Development Agreement (DA) between the City and the property owner, TOD Brokaw, LLC. The purpose of the DA is to establish the terms and obligations of development by both parties as well as the order and timing of these obligations. As proposed, the DA would do the following:

- Vest the maximum density and intensity of uses, maximum building heights and gross floor area of land uses, and permitted uses;
- Affirm that the project is to be developed as a single integrated development, in adherence to the approved Development Plans;
- Establish provisions for minor modifications to the Development Plan, including the potential transfer between hotel and retail square footage as long as the minimum 0.20 FAR commercial requirement is maintained;
- Memorialize the type and timing for payment of development fees including:
  - Regional Transportation Fees
    - Two dollars and fifty cents(\$2.50) per square foot of new commercial or retail uses;
    - Four hundred dollars (\$400.00) per hotel/motel room;
    - Two hundred and fifty dollars (\$250.00) per each bedroom for residential
  - Local Transportation Fees
    - Two hundred and fifty dollars (\$250.00) per each bedroom in a residential unit and two dollars

- Two dollars and fifty cents (\$2.50) per foot of new commercial or retail uses for local fees
  - Fair Share Traffic Fees of \$1,680,194
  - Bicycle and Pedestrian Improvement fees of \$825,000
  - Parkland dedication of 9.0675 acres or the equivalent fee due in lieu of parkland dedication of \$33,611,200 with credit for on-site park dedication and maintenance obligations including a park maintenance agreement with the City, which commits Developer to maintaining the park improvements, including landscaping and park amenities, within the parkland dedication area for the life of the project.
- Additional project benefits to the City including:
  - Transportation: the project will construct street improvements on Brokaw Road and make a contribution to a local transit service study ,
  - Affordable Housing: the project will provide a contribution to affordable housing based on 10% of the units. At least 5% of the units on site must be affordable to low income residents based on 80% of Area Median Income (AMI). The Developer has the option of either providing up to an additional 5% of the units as affordable or paying a fee in the amount of \$6.67 per square foot of development in lieu of building those affordable residential units.
  - Parkland: the project shall conform with the City's Parkland Dedication Ordinance including the development of a 2.1 acre dedicated park site and payment of fees.
  - Sustainability: the project shall achieve USGBC LEED silver standard or its equivalent for each phase of development;
- The proposed project DA has a five year term with an automatic five year extension if the Developer physically commences construction of at least one building and constructs off-site improvements in accordance with the Development Plan prior to the expiration of the initial five year period. The commencement of construction is defined in the Development Agreement as when all of the following have occurred: (1) issuance of a building permit; (2) installation of the on-site and off-site improvements for the building, including grading and certification of the building pad by the Building Division; and (3) one or more of the following: (a) excavation of the footings and foundations for the dwelling units or (b) installation of water or sewer laterals to the relevant units.

### Conclusion

The proposed project is a transit supportive mixed-use development that provides high density housing in proximity to existing and planned transit facilities and on-site commercial uses and parkland to serve residents and visitors. The project is consistent with the goals and policies of the General Plan as iterated above and implements the vision for the Santa Clara Station Focus Area as a gateway into the City and an integrated development of transit supportive land uses. The project would augment and complement planned uses along Coleman Avenue, such as the build-out of the Coleman Highline Project, and future development of the Santa Clara Station Area as envisioned in the General Plan. While the proposed project would provide the majority of housing anticipated for the Santa Clara Station Focus Area, it may be a catalyst for development of additional housing units and commercial development in this Focus Area. Approval of the proposed project would provide an opportunity to locate a mixed-use development consisting of market rate and affordable housing units at a very high density in conjunction with a retail component and a hotel use in a designated Priority Development Area. Development of the proposed project density would contribute significantly to the City's housing stock and address the City's long standing jobs/housing imbalance.

**FISCAL IMPACT**

There is no cost to the City 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 an incremental increase in demand for City services (e.g. police and fire calls) associated with the population growth and which would be offset by increases in property values, transit occupancy tax generated from the proposed hotel, and sales tax revenue from the proposed supporting retail. The proposed General Plan Amendment, if approved, will result in higher density residential development as well as a decrease in the planned number of jobs. While 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**

Environmental consultants, David J. Powers & Associates, Inc., prepared a Draft Environmental Impact Report (DEIR) in accordance with California Environmental Quality Act (CEQA) requirements. The DEIR analyzed two development scenarios for the project site:

Option 1: Construct up to 1,400 residential dwelling units and up to 215, 000 square feet of commercial uses, or

Option 2: Construct up to 1,600 residential dwelling units and up to 215,000 square feet of commercial uses

The proposed project is Option 2.

The DEIR and Notice of Availability were circulated and noticed on April 9, 2018 for a 45-day review period for public comment and closed on May 25, 2018. The Planning Department received comments from the following agencies, organizations and individuals: City of San Jose Airport department, Santa Clara Unified School District, Santa Clara Valley Transportation Authority, Lozeau Drury LLP, and Adams Broadwell Joseph & Cardoza. A Final Environmental Impact Report (FEIR) was subsequently prepared that included responses to all comments received on the DEIR, and the FEIR was distributed on September 12, 2018. A memorandum with typographical corrections to text on page 71 of the FEIR is also provided as Attachment #7 to this staff report. Following the close of the FEIR period, the City received two comment letters and prepared written responses that do not change the conclusions of the FEIR nor require recirculation of the EIR, and are provided as Attachment 10.

The DEIR, FEIR and FEIR Appendices constitute the EIR for the project. Copies of the EIR, Supplemental Text Revisions Memorandum, and responses to comments received after initial publication of the FEIR are available in the Planning Division office during normal business hours at Santa Clara City Hall (1500 Warburton Avenue, Santa Clara, CA 95050) and on the City's website.

The EIR found that the proposed project (Option 2) could have a number of significant environmental impacts, but identified mitigation measures to reduce most of these impacts to less than significant levels. Nevertheless, despite implementing all feasible mitigation measures, the EIR concluded that the proposed project would have significant unavoidable impacts in the areas of noise (exterior noise, including aircraft noise), and transportation (intersection and freeway levels of service); and cumulative significant unavoidable transportation (intersection levels of service) and utilities (landfill

capacity) impacts.

In considering a project, CEQA requires decision-makers to balance economic, legal, social and technological, or other benefits of a proposed project against its unavoidable environmental risks when determining whether to approve the project. To approve a project that has a significant unavoidable environmental impact, decision-makers must make findings, supported by substantial evidence, that the economic, legal, social, technological or other benefits of a proposed project outweigh the unavoidable environmental effects.

In accordance with CEQA Guidelines 15124(b), the City of Santa Clara and Developer have identified the following project objectives for evaluation of the proposed project and the development of a range of alternatives in the EIR for consideration in the findings or statement of overriding considerations:

#### Applicant Objectives

- Develop the 24-acre project site at the southwest corner of Coleman Avenue and Brokaw Road in Santa Clara into an economically viable mixed-use project consisting of commercial spaces and a vibrant residential community, providing a range of product types that will support the diversity of Santa Clara and is inviting to all.
- Provide the on-site residential community and public access to a pedestrian friendly site with a variety of on-site recreational amenities including a neighborhood park, BBQ area, children's playground, dog park, and various lounge areas.
- Develop an on-site commercial component of approximately 215,000 square feet, consisting of a hotel and ancillary commercial uses, that will provide services to both the residential community and public at large and will generate tax revenues for the City.
- Create a transit-oriented development that supports alternative modes of transportation with a direct connection to the Santa Clara Transit Station.
- Comply with and advance the General Plan goals and policies for the Santa Clara Station Focus Area (General Plan Section 5.4.3).

#### City Objectives

- Create a mixed-use neighborhood of high density residential development combined with commercial services to support the residents, businesses and visitors within and around the plan area as well as the users of the abutting Santa Clara Caltrain/BART heavy rail transit node.
- Promote long term sustainability with an array and arrangement of complementary uses by achieving LEED certification (or equivalent), minimizing vehicle miles traveled, capitalizing on efficient public infrastructure investment and providing convenient amenities for and providing convenient amenities for residents and users of the plan area.
- Maximize housing unit yield on a site with minimal impact on existing neighborhoods that will address the jobs/housing balance, create a critical mass of housing to justify commercial services, particularly retail services, and provide a variety of housing unit types.
- Provide a suitable affordable housing component that addresses the City's lower income housing needs in close proximity to transit services and commercial services and jobs.
- Provide a significant hotel component and retail services that support the business travel market, enhance the tax base and contribute other revenues to support City services that serve the development.

CEQA requires that an EIR identify alternatives to the project as proposed and that these alternatives

feasibly attain most of the basic objectives of the project while avoiding or substantially lessening any of the significant effects of the project. The DEIR examines three project alternatives (two of which are “No Project” alternatives) and provides a comparison of impacts of each alternative to the proposed project:

- 1) No Project/No Development - assumes that the project would remain undeveloped, and
- 2) No Project/Development - assumes development consistent with the existing Light Industrial (ML) zoning designation for the project site; and
- 3) Reduced Development Alternative - assumes 45 percent less development compared to the proposed project.

As discussed in the EIR, the environmentally superior alternative is the No Project/No Development Alternative, which assumes that the project site would remain undeveloped and unoccupied, because all of the project’s significant environmental impacts would be avoided. However, CEQA requires that when the No Project Alternative is identified as the environmentally superior alternative the EIR must also specify which of the build alternatives, including the project, would be environmentally superior.

The analysis concludes that the Reduced Development Alternative is the environmentally superior alternative as it would avoid the proposed project’s significant unavoidable freeway and intersection level of service impacts (under existing plus project and background plus project conditions) and result in less severe aesthetics, energy, public services, utilities, air quality, greenhouse gas, construction-related noise, and population and housing impacts compared to the proposed project. However, neither the Reduced Development Alternative nor the No Project/ No Development Alternative would attain all of the project objectives listed above.

A detailed environmental analysis of potential impacts, project alternatives, and mitigation measures identified for implementation with project development are presented in the EIR and Mitigation Monitoring and Reporting Program.

#### *Airport Land Use Commission (ALUC):*

The project site is located within the San Jose International Airport Influence Area (AIA). Pursuant to State Law, any time a GPA or zoning amendment is proposed within an AIA having an adopted Comprehensive Land Use Plan (CLUP), a referral must be made to the County ALUC for a consistency determination with CLUP policies prior to approval of a zoning amendment. The Gateway Crossings Project was referred to the Santa Clara County ALUC and was reviewed at a public hearing on June 28, 2017. Following public testimony, the ALUC voted to find the proposed GPA and rezoning consistent with ALUC safety, height and noise policies for the San Jose International Airport (SJC) as defined in the SJC 2010 CLUP.

#### **COORDINATION**

This report has been coordinated with the City Attorney’s Office.

#### **PUBLIC CONTACT**

On November 2, 2018, the notice of public hearing for this item was posted within 1,000 feet of the site and was mailed to property owners within 1,000 feet of the project site. In addition, a Notice of Hearing for the project applications (General Plan Amendment #87, amendment to the General Plan Land Use Map for the Santa Clara Station Focus Area to reflect the General Plan change, amendment to the Climate Action Plan, Zoning Code text amendment and rezoning, Development Agreement, Vesting Tentative Subdivision Map and EIR) was published in the Santa Clara Weekly

Newspaper on October 31, 2018. The proposed project is tentatively scheduled for review by the City Council on November 20, 2018. Comments received outside of the EIR process are attached to this staff report.

The City contacted the Native American Heritage Commission in February 2017 to request searches of the Sacred Lands file (SLF) and provide a list of interested Native American representatives for the project. The NAHC subsequently provided a consultation list of tribes with traditional lands or cultural places located within the project boundaries who might have information that would be pertinent to this project or have concerns regarding the proposed actions. The City notified all of the tribal representatives on the consultation list in February 2017 by letter and certified mail. The letters provide a detailed project description and multiple maps depicting the proposed development. To date, no responses to these letters have been received.

#### Public Outreach Meetings

Three community meetings were conducted to inform and engage the public, agencies and interested individuals throughout the planning process of the Gateway Crossings development proposal. The meetings occurred on April 27, 2017 at the Senior Center and was attended by 14 individuals; July 19, 2017 at the Mission Branch Library and was attended by 20 individuals; and May 30, 2018 at the City Council Chambers and was attended by one individual. Comments expressed by individuals attending the meetings focused on project density, block pattern development, and connectivity with adjacent land uses. Inquiries regarding the types of retail, public amenities and housing to be provided on-site as well as the timing of construction were also discussed. Notices of the community meetings were provided by mailings to property owners within 1,000 feet of the project boundaries and interested parties, were posted on the City's website.

#### **ALTERNATIVES**

That the Planning Commission adopt resolutions for the Gateway Crossings Project located at 1205 Coleman Avenue recommending that the City Council:

- 1) Approve and Certify an Environmental Impact Report (EIR) and adopt CEQA Findings and a Statement of Overriding Considerations (SOCs) and the Mitigation Monitoring and Reporting Program (MMRP);
- 2) Approve the General Plan Amendment #87 from Regional Commercial, High Density Residential and Very High Density Residential to Very High Density Residential with a minimum commercial FAR of 0.2; Amendment to the General Plan Land Use Map for the Santa Clara Station Focus Area to reflect the General Plan change; and revision to the Climate Action Plan to add VMT & TDM reduction goals for the new land use designation;
- 3) Approve the Rezone from Light Industrial (ML) to new Zoning District Very High Density Mixed-Use for a phased mixed-use development consisting of 1,600 residential units, 182,000 square foot full-service hotel, 15,000 square feet of supporting retail, park and open space, surface and structured parking facilities, private streets, and site improvements, subject to conditions; or
- 4) Approve the Rezone from Light Industrial (ML) to Very High Density Mixed-Use to allow phased construction of a mixed-use development consisting of 1,600 residential units, 182,000 square foot full-service hotel, 15,000 square feet of supporting retail, park and open space, surface and structured parking facilities, private streets, and site improvements; subject to conditions that include additional pedestrian, decorative paving and landscape enhancements to the 30-foot wide north-south private street on the west side of the public park and Building 2 that connects Brokaw Road to Champions Way; or
- 5) Approve the Rezone from Light Industrial (ML) to Very High Density Mixed-Use to allow



phased construction of a mixed-use development consisting of 1,400 residential units, 182,000 square foot full-service hotel, 15,000 square feet of supporting retail, park and open space, surface and structured parking facilities, private streets, and site improvements, subject to conditions;

- 6) Approve the Vesting Tentative Subdivision Map for the purpose of developing six mixed-use parcels and six common lots for site access/circulation and utility corridors to serve the development; and
- 7) Adopt an Ordinance to approve the Development Agreement.

### **RECOMMENDATION**

Alternatives 1), 2), 4), 6), and 7):

That the Planning Commission adopt resolutions for the Gateway Crossings Project located at 1205 Coleman Avenue recommending that the City Council:

- 1) Approve and Certify an Environmental Impact Report (EIR) and adopt CEQA Findings and a Statement of Overriding Considerations (SOCs) and the Mitigation Monitoring and Reporting Program (MMRP);
- 2) Approve the General Plan Amendment #87 from Regional Commercial, High Density Residential and Very High Density Residential to Very High Density Residential with a minimum commercial FAR of 0.2; amendment to the General Plan Land Use Map for the Santa Clara Station Focus Area to reflect the General Plan change; and revision to the Climate Action Plan to add TDM goals for the new land use designation;
- 4) Approve the Rezone from Light Industrial (ML) to Very High Density Mixed-Use to allow phased construction of a mixed-use development consisting of 1,600 residential units, 182,000 square foot full-service hotel, 15,000 square feet of supporting retail, park and open space, surface and structured parking facilities, private streets, and site improvements; subject to conditions that include additional pedestrian, decorative paving and landscape enhancements to the 30-foot wide north - south private street on the west side of the public park and Building 2 that connects Brokaw Road to Champions Way;
- 6) Approve the Vesting Tentative Subdivision Map for the purpose of developing six mixed-use parcels and six common lots for site access/circulation and utility corridors to serve the development; and
- 7) Adopt an Ordinance to approve the Development Agreement.

Reviewed by: Andrew Crabtree, Director of Community Development

Approved by: Deanna Santana, City Manager

### **ATTACHMENTS**

1. Reserved for Planning Commission Report
2. Reserved for Planning Commission Report
3. Table 1 - Parcel Data
4. Table 2 - Residential Unit Mix Data
5. Project Data Table
6. Applicant Letter of Justification
7. Draft Environmental Impact Report (DEIR)
8. Final Environmental Impact (FEIR)
9. Supplemental Text Revisions of the Final EIR
10. Responses to FEIR Comments
11. CEQA Findings and Statement of Overriding Considerations (SOC)

12. Mitigation Monitoring and Reporting Program (MMRP)
13. Development Plans
14. Vesting Tentative Subdivision Map
15. Development Agreement
16. Development Agreement Ordinance
17. Correspondence as of October 25, 2018
18. Resolution Recommending Council Certification of the Environmental Impact Report and Adoption of the Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program
19. Resolution Recommending Council Approval of the General Plan Amendment
20. Rezoning Ordinance
21. Resolution Recommending Council Approval of the Rezoning
22. Resolution Recommending Council Approval of the Vesting Tentative Subdivision Map
23. Resolution Recommending Council Adoption of an Ordinance for the Approval of a Development Agreement
24. Conditions of Rezoning Approval
25. Conditions of Vesting Tentative Subdivision Map Approval