



Agenda Report

22-929

Agenda Date: 8/3/2022

REPORT TO PLANNING COMMISSION

SUBJECT

Action on Time Extension of Variance to Building Height and Architectural Review Approvals for the Office Project at 3625 Peterson Way

REPORT IN BRIEF

Applicant: Aaron Fenton

Owner: Boston Properties

General Plan: Low Intensity Office Research and Development

Zoning: Light Industrial (ML)

Site Area: 14.51 acres (632,216 square feet)

Existing Site Conditions: The property is developed with a 218,375 square foot two-story office building surrounded by a surface parking lot with 841 parking spaces and site landscaping. The office building and site improvements were constructed in 1980. The existing site has a Floor Area Ratio (FAR) of 0.31.

Surrounding Land Uses:

- North: Hotel and office development
- South: Tannery Way and office development
- East: Office development
- West: Peterson Way and office development

Issues: Consistency with the City's General Plan and Zoning Ordinance

Staff Recommendation: Approve the Time Extension of a Variance for Building Height and Architectural Review Approvals for development of an office campus at 3625 Peterson Way.

BACKGROUND

On May 2, 2022, Aaron Fenton representing Boston Properties filed an application (File No. PLN22-00223) to extend the Variance and Architectural approvals granted for the 3625 Peterson Way Office Project in July and September of 2020. The approvals allow for the construction of two eight-story office buildings totaling 676,310 square feet; a 13,270 square foot one-story amenity building attached to a four-level parking garage; and surface parking, site landscaping and private right-of-way improvements. The approved project (File No. PLN2018-13144) provides a total of 2,281 parking spaces having universal stall dimensions (8'6" x 18'0") and includes above-grade pedestrian walkways to link the two office buildings as an option for construction by the Developer.

The Variance was reviewed and approved by the Planning Commission at a publicly noticed meeting on July 15, 2020 to allow construction of the office buildings at a maximum height of 129 feet, where the height limit is 70 feet for ML zoned properties. The Development Plan was reviewed and at a

public noticed Development Review Hearing on September 16, 2020 for site design and building architecture (including exterior building materials). These entitlements are set to expire if not used within two years of receiving approval unless vested (i.e. Development Agreement or action on a building permit) or extended. Pursuant to SCCC sections 18.76 020(m) and 18.108.080(b), the Planning Commission may grant a time extension of the entitlements for no more than two years succeeding the original approval(s) when an applicant has filed a timely request and the Planning Commission deems there is good cause for the extension.

The Applicant has submitted a Statement of Justification to the Planning Commission for the Time Extension prior to expiration of the entitlements and is provided as Attachment 4 to this report. To date the Applicant has initiated and/or completed the following activities associated with site development for construction of the project.

- Demolished the existing office building
- Completed geotechnical and environmental testing of the site
- Submitted grading permit plans (currently under review by the Building Department)
- Prepared a Soil Management Plan (currently under review by the Fire Department)

DISCUSSION

General Plan Conformance

The General Plan designation for the project site is Low-Intensity Office/Research and Development (R&D). This classification is intended to allow campus office developments including office and R&D facilities, as well as medical facilities, free standing data centers, minor manufacturing, and ancillary uses such as retail to support the employees. The permitted FAR is 1.00. The proposed project has a FAR of 1.07, which exceeds the allowable FAR by 44,094 square feet. An approval of a Variance in a Charter City however does not require that the City make a General Plan consistency finding, and as such, the General Plan FAR is a guideline and not a prescriptive development standard.

The proposed project is consistent with the following Office and Land Use policies:

- 5.3.1-P3 Support high quality design consistent with adopted design guidelines and the City's architectural review process.
- 5.3.1-P1 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.
- 5.3.1P29 Encourage design of new development to be compatible with, and sensitive to, nearby existing and planned development, consistent with other General Plan policies.

The proposed eight-story office buildings are designed with a modern aesthetic that is compatible in building form, architectural style and materials with surrounding office development. Design features are employed in the building architecture to screen rooftop mechanical equipment from view along the public right-of-way. The project includes a landscape and tree replacement plan in excess of the 2:1 mitigation for trees removed with development of the site. It also includes a varied plant palette to minimize the visibility of above ground utility equipment.

- 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 proposed project includes public and private infrastructure improvements with redevelopment of the site that include infrastructure upgrades as well as connection to the City's recycled water line for site irrigation. Pedestrian and ADA improvements are proposed to increase connectivity on-site between buildings and adjacent land uses with the continuation of the meandering separated sidewalk along the perimeter of the project site and option to construct above-grade walkways at the third and seventh floors linking the two office buildings. In addition to pedestrian improvements, the project includes the provision of bicycle parking and EV charging spaces distributed throughout the site that would be included in the TDM plan to reduce VMT and greenhouse gas emissions consistent with the Climate Action Plan.

- 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 project is the redevelopment of an underutilized property in the office/R&D sector of the City. Existing FAR of the site is 0.31 and is proposed at 1.07. The proposal is to modernize and improve the site for office use in keeping with the intensity envisioned by the General Plan for development and employment. The height of the buildings is driven by the intent to minimize building footprint while maximizing floor area for office use and open space. Building height would not exceed FAA height restrictions. The common amenity building is designed as flexible space for employee-serving ancillary uses to support the office use; that may include meeting space, gym or dining/cafeteria. In addition, passive and active open space areas are integrated into the site design that include two sports courts, a bocce court and seating areas for tenant/employee use.

Zoning Code Conformance

The project site is zoned Light Industrial (ML). The ML zoning district is intended to provide an optimum general industrial environment for industries operating substantially within an enclosed building. The proposal meets all the development standards outlined in the zoning district with the exception of height and standard parking stall dimension. The ML zoning district restricts the height of buildings to 70 feet and Parking Ordinance applies 9' x 18' as the standard parking stall dimensions.

Pursuant to Chapter 18.108.010 of the SCCC, Variances may be granted where practical difficulties,

unnecessary hardships and effects inconsistent with the general purpose of the Zoning Code may result from strict application of certain provisions. Due to the age of the current zoning code which was developed in 1969, the development standard related to height does not reflect the FAR allowed under the General Plan for the property, and thus requires a height variance to achieve the FAR.

Circulation and Parking

The existing site is currently accessed by two-way driveways along Lakeside Drive, Peterson Way and Tannery Way. The project would retain the existing driveway on Lakeside Drive, eliminate two driveways and retain two driveways on Peterson Way, and retain the three driveways on Tannery Drive serving the site. The meandering separated sidewalk would also be retained to preserve the existing redwood trees fronting the streetscape and include improvements where warranted for ADA and pedestrian accessibility.

The project proposes to provide 1,909 parking spaces in the four-level above-grade garage and 372 surface parking spaces for a total of 2,281 parking spaces. Per Chapter 18.74 of the Zoning Code, the project would be required to provide a total of 2,255 parking spaces at 1 space for each 300 square feet of office uses and provides a surplus of 25 parking spaces. The project was granted Zoning Administrator approval of a Modification to reduce the standard parking stall dimension (9' x 18') to a universal stall dimension (8'6" x 18') to improve the efficiency of the parking layout. Section 18.90.020 of the SCCC grants the Zoning Administrator the authority to approve modifications to the development standards of up to 25 percent.

The project would implement a Transportation Demand Management (TDM) plan, that includes monitoring and annual reporting, to achieve a 25 percent reduction in vehicle miles traveled (VMT), of which 10 percent would be achieved with implementation of TDM measures and the remaining 15% from the project's design. The TDM plan would include the provision of 69 EV parking spaces and prewiring of 137 EV parking spaces to support the use of clean air vehicles in addition to providing a total of 240 parking bicycle spaces to promote alternate transit modes. These are two elements to be incorporated into a broader plan that is not yet prepared.

Architecture

The proposed buildings are designed with a modern aesthetic compatible with surrounding office and hotel development. Exterior building materials include glass panels that extend the full height of the building in two complimentary tones. Stone clad columns anchor the base and highlight the entries of the office buildings. Balconies are integrated into the design that span the corners of each building at the fourth floor to provide physical offsets and visual interest to break up building mass. Metal features are employed as a horizontal element to break up massing and scale and as a roof canopy feature that caps the buildings. The office buildings have a roof parapet height of 129 feet and roof screen height of 138.5 feet. Maximum building height in the ML zoning district is 70 feet and does exclude roof screens from the height limitation.

The proposal includes an option for the construction of above grade pedestrian bridges/corridors linking the two buildings at the third and seventh floors. The bridges would be enclosed structures consistent in architectural style of the office buildings and visible from the Tannery Way frontage.

The project proposes to achieve LEED Gold certification and conform with Title 24 California Energy Code requirements and CalGreen to promote energy and water efficiency and reduce the "heat island effect" of the project by providing low-flow water fixtures, extensive tree planting and water

efficient landscaping, and use of low-emitting interior building materials in construction.

Landscaping

There are a total of 239 trees on-site of which 182 trees are proposed for removal with project construction. The proposed landscape plan includes tree replacement at greater than the 2:1 requirement with planting of 465 new trees consisting of 24-inch, 36-inch and 48-inch box species. The landscape plan also includes a varied palette of drought tolerant plant species.

Stormwater (C3) Requirements

The project will be required to comply with the Municipal Regional Stormwater Permit issued by the Regional Water Quality Control Board. The project is proposing Low Impact Development treatments such as infiltration systems to treat the stormwater run-off.

CONCLUSION

The Variance to increase allowable building height is necessary to optimize the FAR allowed for an office use in keeping with the intent of the General Plan while minimizing building footprint to provide passive and active open space for tenant /employee use. The applicant is actively implementing the project and although they have not yet completed all of the City's requirements to vest the entitlements, they have made significant progress toward fulfilling the requirements of the prior approvals. Time Extensions of the Variance and Architectural approvals are necessary to allow the Applicant to continue the plan check and permit process for foundation and building construction and on- and off-site public and private improvements consistent with the original entitlements for the project.

ENVIRONMENTAL REVIEW

A Final Environmental Impact Report (FEIR) for the project was prepared and circulated for public and agency review in accordance with the California Environmental Quality Act (CEQA). The FEIR found that the project could have a number of significant environmental impacts and identifies mitigation measures to reduce most of these impacts to less than significant levels. Nevertheless, despite implementing all feasible mitigation measures, the FEIR concluded that the project would have significant unavoidable transportation (intersection and freeway levels of service) impacts and concludes that there are no additional feasible mitigations to reduce these traffic impacts to a less than significant level. On July 15, 2020, following public testimony and consideration of the evidence, the Planning Commission adopted a Statement of Overriding Considerations (SOC), finding that the benefits of the outweighed the unavoidable traffic impacts, and certified the FEIR. The benefits listed in the SOC included the provision of employment opportunities for highly trained workers; the promotion of long-term sustainability by meeting LEED Gold equivalency in the construction; the quality of the architectural design; the provision of added landscaping and preservation of existing heritage trees; and the enhancement of the tax base.

An Addendum to the FEIR was prepared by David J. Powers and Associates in accordance with the CEQA Guidelines (Section 15164) to analyze potential impacts which may result from the extension of the existing development entitlement and is provided as Attachment 1 to this staff report. The analysis examined whether or not changes in existing conditions surrounding the project or any changes in the regulatory setting that would result in new or substantially greater impacts by allowing for the construction at a date not contemplated in the FEIR. The analysis concluded "... , there have been no changes in circumstance in the project area that would result in new significant environmental impacts or more severe impacts; and no new information has come to light that would

indicate the potential for new significant impacts or more severe impacts than were discussed in the approved FEIR. Therefore, no further evaluation is required, no Subsequent EIR is needed pursuant to State CEQA Guidelines Section 15162.”

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

On July 21, 2022, the notice of public hearing for this item was posted at three conspicuous locations within 300 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 have been no public comments received on the proposed project.

ALTERNATIVES

That the Planning Commission take the following actions for the 3625 Peterson Way Office Project:

- 1) Adopt a resolution to approve the Time Extension for a Variance to increase maximum building height from 70 feet to 129 feet to construct two eight-story office buildings on a Light Industrial (ML) zoned property and an EIR Addendum
- 2) Adopt a resolution to approve the Time Extension for Architectural Review approval of the Development Plan
- 3) Deny the Variance the Time Extension for a Variance to increase maximum building height from 70 feet to 129 feet to construct two eight-story office buildings on a Light Industrial (ML) zoned property
- 4) Deny the Time Extension for Architectural Review approval of the Development Plan

RECOMMENDATION

That the Planning Commission adopt Alternatives 1) and 2) for the 3625 Peterson Way Office Project:

- 1) Adopt a resolution to approve the Time Extension for a Variance to increase maximum building height from 70 feet to 129 feet to construct two eight-story office buildings on a Light Industrial (ML) zoned property and an EIR Addendum
- 2) Adopt a resolution to approve the Time Extension for Architectural Review approval of the Development Plan

Prepared by: Debby Fernandez, Associate Planner

Reviewed by: Alexander Abbe, Assistant City Attorney

Approved by: Lesley Xavier, Planning Manager

ATTACHMENTS

1. Addendum to EIR
2. Resolution for Time Extension of Variance Approval
3. Resolution for Time Extension of Architectural Review Approval
4. Applicant Statement of Justification
5. Conditions of Approval
6. Development Plans

