



## Agenda Report

19-763

Agenda Date: 7/9/2019

### REPORT TO COUNCIL

#### SUBJECT

Public Hearing: Actions on Gateway Crossings project located at 1205 Coleman Avenue including General Plan Amendment to Santa Clara Station Very High Density Residential (51-120 du/ac) with a minimum commercial Floor Area Ratio (FAR) of 0.20, revision to the Climate Action Plan to add Transportation Demand Management (TDM) goals for the new land use designation, 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 (EIR), and Mitigation Monitoring and Reporting Program (MMRP)

#### BACKGROUND

The applicant is requesting land use entitlements to allow the future development of 1,565 multi-family dwelling units, a 152,000 square foot hotel with 225 rooms, 45,000 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 associated site infrastructure (Gateway Crossings Project). The project includes the dedication, development and maintenance of two public parks totaling 2.6 acres with the largest park being 2.1 acres in size. The applicant proposes to develop the project in two phases as regulated by a Development Agreement, with the hotel included in the first phase.

The project site consists of two parcels, totaling 21.4 acres, 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). A 1.0 acre portion at the southeastern corner of the site is located in the City of San Jose (APN: 230-46-070).

Requested land use entitlements include:

- General Plan Amendment from the existing Santa Clara Station Regional Commercial, Santa Clara Station High Density Residential and Santa Clara Station Very High Density Residential to a new designation of Santa Clara Station Very High Density Residential (51-120 du/ac) 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;
- Revision to the Climate Action Plan to add TDM goals for the new land use designation;
- Amendment to the City's Zoning Code to create a new Very High Density Mixed Use Zoning District;
- Rezoning of the project site from Light Industrial (ML) to Very High Density Mixed Use (VHDMU);
- Vesting Tentative Subdivision Map; and
- Development Agreement

Planning application files for the proposed project include: PLN2016-12318, PLN2016-12321, PLN2016-12481 and CEQ2016-01025.

The project was previously considered by the Planning Commission on November 11, 2018 and by the City Council on December 4, 2018 and May 21, 2019. At the May 21, 2019 Council meeting, following presentations by staff and the applicant and public testimony, the Council continued the public hearing on the project to the July 9, 2019 City Council hearing.

### **DISCUSSION**

As discussed in staff reports provided to the City Council prior to the December 4, 2018 and May 21, 2019 City Council hearings, staff and the Planning Commission determined that the project is consistent with applicable City policies and recommended approval. The applicant received input from the City Council and community members at those Council meetings, as well as through additional community outreach, and has made modifications to the project consistent with the parameters previously analyzed in the Draft Environmental Impact Report (EIR) that was circulated for public review. These modifications address specific site design and operational issues and do not alter the project's overall consistency with City policies as previously analyzed.

At the May 21 City Council hearing, the Council discussed and generally agreed that the applicant should:

- Increase the amount of retail in the project;
- Offer a longer lease term to the Police Athletics League (PAL) with options for renewal; and
- Provide a plan illustrating pedestrian connections from the project to the train station and to Avaya Stadium.

Community members speaking at the May 21 hearing raised a variety of concerns, including potential shading of the park areas by adjacent buildings and the importance of creating a "placemaking" destination at the project site. The City Council also considered potential redesign of the project to address community requests to reduce the project "block size" by utilizing buildings designed with smaller footprints and to replace private open spaces interior to building podiums with more common open space at a single location. The majority of the Council did not express support for this level of redesign. In addition, the councilmembers indicated that a significant redesign of the project would not be necessary and that the project should be able to proceed without an additional recirculation of the project EIR.

On June 19, 2019 the applicant submitted a revised project description with the following changes:

- Increases the amount of retail space by 20,000 square feet to a total of 45,000 square feet of ground level retail space (including 7,500 square feet to be leased to PAL).
- Amends the term of the lease offered to PAL to include two 5 year extensions, resulting in a 20-year lease agreement for use of 7,500 square feet of the retail space at a payment of one dollar (\$1.00) per month.
- Reduces the residential unit count from 1,600 to 1,565 dwelling units and the residential density from 74.8 to 73.1 units per acre. The change in unit count reduces the number of affordable units from 160 units to 157. This reduction is necessary to offset the increased commercial square footage and stay within the level of traffic analyzed in the project EIR.
- Reduces the hotel from 162,000 square feet to 152,000 square feet within the same building

footprint and eight floor building height. Hotel room count remains the same with 225 rooms and construction within Phase 1 of project development

- Modifies the site design and building form to reduce shade effects onto the park and create public and private view corridors into the neighborhood park and private amenity space that overlooks the linear park.

Changes in the hotel, residential and commercial components of the project are detailed in Attachment 6. The revised Development Plans are provided as Attachment 19. A Pedestrian Connectivity Diagram is provided as Attachment 20.

These changes are in addition to the applicant's earlier modifications of the project in response to the Council and community input. For the May 21 City Council meeting, the applicant had revised the project to:

- Increase retail by 10,000 square feet to a total of 25,000 square feet;
- Commit 7,500 square feet of the retail space to be leased to PAL for 10 years at one dollar (\$1.00) per month;
- Add a 0.5 acre linear park for a total of 2.6 acres of dedicated park land;
- Include the proposed hotel in Phase 1 of the project;
- Reduce the size of the hotel from 182,000 square feet to 162,000 square feet;
- Reduce the amount of parking from 2,806 to 2,599 spaces (parking for the hotel was reduced from 1 space per room to 0.8 per room); and
- Add variation in building heights and improved architectural detail.

Other modifications to the project were made through the City's review process including an increase in the percentage of affordable units on-site, an increase in the overall number of residential units and various modifications to site design and project architecture.

The proposed changes to the project directly respond to the City Council discussion at the May 21 Council meeting by significantly increasing the amount of retail space and by adding an option for the PAL lease. Consistent with community input, the new retail space would be located along the park area extending perpendicular to the train station. While the new retail square footage is partially offset by a reduction in the hotel square footage, the project would continue to be consistent with the requirement for a 0.2 Floor Area Ratio (FAR) of commercial area to site area.

While the reduction in overall unit count is somewhat counter to earlier community input, this reduction was necessary to avoid potential new environmental impacts that could result from added retail and prompt recirculation of the project EIR. The project density is only slightly affected by this change and the project would retain an overall urban character and make a significant contribution to the City's housing supply.

As noted above, the revised project also includes changes to the orientation of Buildings 3 and 4 above the podium level of each structure. Building 3 was previously divided in two halves separated by amenity space with a seven-story element and a 13-story tower element. The revised design of Building 3 is a single structure above the podium that tapers in height from seven to eight stories. Building 4 was redesigned to consolidate from three building elements ranging in height from six to 13 stories to two building elements, a 13-story tower and a seven to eight story tower.

The revised project retains the 2.1 acre neighborhood park and 0.5 acre linear park in the same locations and configurations. Providing two park areas will support placemaking efforts by allowing each park area to have a different character that would collectively support a larger variety of outdoor activities, as well as allowing more landscaping and sunlight within the project interior. The proposal also retains the “Tavern on the Green” style restaurant interfacing the neighborhood park and contributes to place-making goals for the project site in concert with the added retail and pedestrian promenade fronting the linear park between Buildings 3 and 4. The restaurant and added retail floor area further support placemaking goals by placing active uses open to the public adjacent to the two public parks.

The Pedestrian Connectivity Diagram illustrates that the project has multiple pedestrian paths through the project site that align with the access paths to the Caltrain station, with signalized intersections at adjoining streets and with the primary pedestrian pathways through the adjacent Coleman Highline project. The sidewalk widths along Champions Drive through the Coleman Highline project are 20' on the northern side and 5'6" on the southern side. The project is conditioned to provide off-site street improvements along the Brokaw frontage so that there is a continuous pedestrian connection along Brokaw Road.

### Conclusion

The applicant has made significant modifications and improvements to the project design as a result of the City’s review and public hearing process. The revised project directly addresses input from the prior City Council hearings and would continue to advance City goals and objectives, including those identified in the General Plan. Staff recommends approval of the current project.

### ENVIRONMENTAL REVIEW

A Draft Environmental Impact Report (DEIR) was prepared and circulated for public and agency review in accordance with California Environmental Quality Act (CEQA) requirements. The DEIR identified potentially significant impacts with project development that with the implementation of mitigation measures specified in the Mitigation Monitoring and Reporting Program would be reduced to less than significant.

CEQA Findings and Statement of Overriding Considerations have been prepared for the significant impacts identified with project development that would not be reduced to less than significant with mitigation applied. Responses to comments on the DEIR and have been prepared and are incorporated in the Final EIR. The DEIR, FEIR and FEIR Exhibits constitute the EIR for the Project. Attachment 7 provides the web link for access to the CEQA documents for the project.

An analysis of the environmental impacts of the revised project (1,565 residential units, 152,000 square foot hotel, and 45,000 square feet of supporting commercial uses), was completed comparing the effects of the revised proposal with those identified in the Draft EIR. The analysis found that the revised project would not result in new or substantially more significant impacts than disclosed previously in the Draft EIR circulated for public review; and would not require recirculation of the DEIR. A description of the revised project and analysis of the environmental impacts are incorporated into the Final EIR as supplemental text revisions, dated June 26, 2019, and are provided as Attachment 8.

### FISCAL IMPACT

There is no cost to the City for processing of the proposed entitlement actions other than

administrative staff time and expense which are offset by permit application fees.

### **COORDINATION**

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

### **PUBLIC CONTACT**

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 to approve and Certify an Environmental Impact Report (EIR) and adopt CEQA Findings and a Statement of Overriding Considerations (SOC) and the Mitigation Monitoring and Reporting Program (MMRP);
2. Adopt a resolution to 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 with an allowable density of 51 du/ac to 120 du/ac; 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;
3. Introduce an ordinance to approve the Rezone from Light Industrial (ML) to Very High Density Mixed Use (VHDMU) to allow phased construction of a mixed use development consisting of 1,565 residential units, 152,000 square foot hotel, 45,000 square feet of supporting retail, park and open space, surface and structured parking facilities, private streets, and site improvements, subject to conditions;
4. Adopt a resolution to approve the Vesting Tentative Subdivision Map for the purpose of developing four mixed use parcels, two commercial parcels, two dedicated park parcels, and six common lots for site access/circulation and utility corridors to serve the development; and
5. Introduce an Ordinance to approve the Development Agreement.
6. Provide direction to staff to work with the applicant to make further revisions to the project and return to the City Council for reconsideration at some point in the future.
7. Deny the requested land use entitlements.

### **RECOMMENDATION**

Alternatives 1, 2, 3, 4 and 5:

1. Adopt a resolution to approve and Certify an Environmental Impact Report (EIR) and adopt CEQA Findings and a Statement of Overriding Considerations (SOC) and the Mitigation Monitoring and Reporting Program (MMRP);
2. Adopt a resolution to 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;
3. Introduce an ordinance to approve the Rezone from Light Industrial (ML) to Very High Density Mixed Use (VHDMU) to allow phased construction of a mixed use development consisting of 1,565 residential units, 152,000 square foot hotel, 45,000 square feet of supporting retail, park and open

space, surface and structured parking facilities, private streets, and site improvements; subject to conditions;

4. Adopt a resolution to approve the Vesting Tentative Subdivision Map for the purpose of developing four mixed use parcels, two commercial parcels, two dedicated park parcels and six common lots for site access/circulation and utility corridors to serve the development; and
5. Introduce an Ordinance to approve the Development Agreement.

Reviewed by: Andrew Crabtree, Director of Community Development  
Approved by: Deanna J. Santana, City Manager

### **ATTACHMENTS**

1. City Council Agenda Report of May 21, 2019
2. Planning Commission Excerpt Meeting Minutes of November 14, 2018
3. Planning Commission Staff Report of November 14, 2018
4. Project Data Table
5. Applicant Letter of Justification
6. Changes to Project Proposal
7. The Gateway Crossings CEQA Documents (DEIR, FEIR, Post FEIR Comments and Responses to Late Comments, Supplemental Text Revisions to the FEIR - May 14, 2019, and MMRP)
8. Supplemental Text Revisions to the Gateway Crossings Project FEIR - June 26, 2019
9. CEQA Findings and Statement of Overriding Considerations (SOC)
10. Resolution Certifying the Final EIR and Adoption of the SOC and MMRP
11. Development Agreement
12. Development Agreement Ordinance
13. Resolution Approving the General Plan Amendment
14. Rezoning Ordinance
15. Conditions of Rezoning Approval
16. Vesting Tentative Subdivision Map
17. Resolution Approving a Vesting Tentative Subdivision Map
18. Conditions of Vesting Tentative Subdivision Map Approval
19. Development Plans
20. Pedestrian Connectivity Diagram