

PLANNING COMMISSION MINUTES OF AUGUST 25, 2008

Projects 2008-0456 and 2008-0457 were combined as one Public Hearing as the two projects are related. Separate motions were taken for the individual projects.

2008-0456 – Johnson Lyman Architects [Applicant] Pacific Dsla No 2 [Owner]: Application for a Special Development Permit to allow demolition of an existing building (Firestone Tires) and construction of two new retail buildings, for a total of 18,339 square feet. The property is located at **112 East El Camino Real** (at Sunnyvale-Saratoga Rd.) in a C-2/ECR (Highway Business/Planned Development) Zoning District. (Negative Declaration) (APN: 211-17-001) NC ***(Continued from August 11, 2008.)***

2008-0457 - Johnson Lyman Architects [Applicant] Pacific Dsla No 2 [Owner]: Application for a Special Development Permit to allow demolition of an existing 113,120 square foot retail space (Pak 'N' Save, Shoe Pavilion, and Drug Barn) and the construction of a new grocery store (Safeway) and retail buildings for a total of 110,025 square feet. The property is located at **150 E. El Camino Real** (at Cezanne Dr.) in a C-2/ECR (Highway Business/Planned Development) Zoning District. (Negative Declaration) (APN: 211-17-003) NC ***(Continued from August 11, 2008.)***

Noren Caliva, Assistant Planner, presented the staff report. She said a copy of an e-mail from a concerned neighbor regarding minimizing impacts to the neighboring residents during demolition and construction, and regarding the developer using green building materials has been provided on the dais this evening. Ms. Caliva said that staff recommends approval of the projects, 2008-0456 and 2008-0457, subject to conditions of approval in Attachment B of each report. Ms. Caliva said a Negative Declaration has been prepared, in which staff found the projects' impacts, including noise and traffic, are less than significant.

Comm. Sulser asked staff what the permitted building height is within this node. Ms. Caliva said that the maximum height for any building within 35 feet of a residential area is 30 feet. Comm. Sulser further discussed building height requirements with staff. Comm. Sulser asked for staff's reasoning for not recommending that the sidewalks in front of the Safeway portion of the project be upgraded to be brought into compliance with the Precise Plan for El Camino Real. **Gerri Caruso**, Principal Planner, said staff made a judgment call about the appropriate level of improvements versus the level of the project. She said staff felt that the appropriate level of requirements for the sidewalks would be to bring the corner portion of the project up to the Precise Plan guidelines and to require

the remainder of the sidewalks in front of Safeway be remodeled and upgraded to repair the damaged sidewalks along the Sunnyvale/Saratoga Road frontage. Comm. Sulser asked if the Commission could provide a different judgment call. Ms. Caruso said yes, adding that whatever the judgment call is, that it should have an appropriate nexus between the amount of improvement being required and the level of the project.

Comm. Klein referred to the project 2008-0456, and discussed and confirmed with staff that the 40 foot corner vision triangle is being met. Comm. Klein referred to project 2008-0457, page 14, regarding the existing 6 foot frontage landscaping versus the minimum required 15 foot frontage, with staff confirming that the frontage landscaping minimum is the same for both Sunnyvale/Saratoga Road and El Camino Real. Comm. Klein referred to project 2008-0457 regarding trash enclosures confirming with staff that Attachment B, condition 5.B.6 is staff's recommendation for trash enclosures. Comm. Klein discussed the landscaping for the project stating that the site is already deficient in landscaping, more is being given up, and he would like to know what the trade off is. Ms. Caliva discussed the parking and the proposed changes in square footage of the buildings and retail space. Comm. Klein said the square footage of the buildings directly relates to the number of parking spaces required. Comm. Klein asked staff what the affect would be on parking if the project were required to meet the Precise Plan for El Camino Real guidelines by extending the frontage width landscaping from 6 feet to 15 feet along El Camino Real. He said that staff could answer this later. He said his thinking is, to regain the landscaping, that the footprint of the buildings might have to be reduced to meet both the parking and landscaping requirements.

Comm. Hungerford asked about the architecture for project 2008-0456, referring to Attachment D pages 6 and 7, diagrams A6 and A7. Comm. Hungerford confirmed with the applicant that the elevations facing El Camino Real and Sunnyvale/Saratoga seem to have blank walls. Comm. Hungerford referred to Attachment B, condition 1.A and asked staff what it means to "Execute a Special Development Permit document prior to the issuance of the building permit." Ms. Caliva says this is a standard requirement that a document be recorded at the County recordation office stating what the approval is granted for and the Conditions of Approval.

Comm. Travis referred to both projects and asked about total landscaping. He said it looks like landscaping is being gained and Comm. Klein's comments seemed to indicate landscaping is being lost. Ms. Caliva explained that the two projects are calculated independently of each other. She said for project 2008-

0456 about 2,000 square feet of additional landscaping is being gained and for project 2008-0457 about 3,200 square feet of landscaping is being removed.

Chair Rowe asked staff to comment about the traffic patterns for the Sunnyvale/Saratoga Road and whether there would be any changes made to the striping to provide a longer left-hand turn lane. Ms. Caliva said the striping would remain as is. Chair Rowe referred to Attachment B of both reports and discussed with staff conditions 1.E and 1.F regarding the length of time before the permits could expire if they are not exercised. Ms. Caruso explained about the permits including that the site and architectural plans are good for two years, and that period can be extended by written request prior to the expiration date (*subject to approval by the Director of Community Development*). Comm. Rowe referred project 2008-0456, page 10 and discussed with staff the use of hedges to create a separation between pedestrians and the parking lot with staff explaining that the hedge would be broken into three sections with pathways between the sections. Comm. Rowe commented that the guidelines in the Precise Plan of El Camino Real recommend that buildings face the street and asked staff to comment. Ms. Ryan said that there has been one development approved since the Precise Plan was adopted for a mixed use residential and the building is right out to the street. Ms. Ryan said of the proposed projects that the two buildings closest to the intersection of El Camino Real and Sunnyvale/Saratoga Road do address El Camino Real, but their entries do not as most retailers do not like having two doors and the parking is on other side of the building. Ms. Ryan said that the applicant will probably further discuss this issue.

Chair Rowe opened the public hearing.

Robert Lyman, with Johnson Lyman Architects, introduced the project team of **Deborah Karbo** from Safeway, and **Ed Bach** from Pacific Development Group.

Mr. Bach provided the presentation for project 2008-0456 stating that he represents the landlord for the shopping center and the Pacific Dsla No 2 which is the owner for project 2008-0456. Mr. Bach provided a history of the project discussing that there were long term leases set up about 30 years ago that are now expiring for the sites that were Drug Barn, Shoe Pavilion and Firestone. He said the Petco, Pep Boys, and Toys R Us sites are on longer leases that are still in effect. He said they worked with staff and Safeway, project 2008-0457, to see what could be done on this site. He mentioned some of the constraints, including existing leases, and PG & E easements that run through site. He said the plan is to tear down the Firestone building and replace it with new retail buildings and

some redevelopment. He said they have followed the Precise Plan guidelines. He discussed the deviations requested for project 2008-0456 and the different aspects of the project including landscaping, shading, parking, and architecture, explaining that retailers do not like two front doors, and that the current on-site circulation would remain the same. Mr. Bach said that they held a community outreach meeting on May 8, 2008 and they have incorporated many of the ideas from the meeting into the new design. He said they are planning on using green materials in the project. Mr. Bach said that, pending approval, they would like to start on their working drawings which should take 60 to 90 days, obtain permits, which may take two to three months, and then begin construction. He said the owner is highly motivated.

Comm. McKenna asked the applicant to discuss the positioning of the buildings on the site, the entrances to the building being oriented to an outdoor plaza, and how the design benefits the community. Mr. Bach said the design is dictated by the retailers and retailers are looking for ease of access for the customers, visibility, with the courtyard lifestyle of the plaza being desirable. He said if the buildings were facing the street that customers would not be able to get to the front doors easily. Comm. McKenna said she sees at this as a pedestrian space and asked if this design would attract pedestrians. Mr. Bach said the parking lot is open on both ends. He said they have taken into consideration pedestrians and bus riders, and they have upgraded the elevations that face the street making them look more like a building front to draw people in. Mr. Lyman added that these buildings were designed to address the corner, to create an exciting, interesting plaza that will draw in users, discussing that the architecture wraps around the corner and addresses El Camino Real and Sunnyvale/Saratoga Road. Mr. Lyman said that the proposed design is a nice treatment of the corner, and the plaza provides a more desirable area for seating rather than sitting directly to the side of El Camino Real.

Comm. Sulser asked about the use of green materials. Mr. Lyman said that they will go through the LEED (Leadership in Energy and Environmental Design) checklist and meet as many of the LEED items as they can. He said they do not have a target for the number of items and will do everything they can within the constraints of the projects and budgets.

Comm. Hungerford referred to page 9 of the report, regarding the Precise Plan guideline 4.1.1.A, and said that the applicant has provided good reasoning for not having the building entries face the street. Comm. Hungerford said he feels the sides of the buildings facing El Camino Real are very plain and asked the applicant if they would be willing enhance the look of these building sides.

Comm. Hungerford said he would like the sides of the buildings to be treated with the same amount of detail as the façades. Mr. Lyman said they can do more to make the look nicer discussing several possible improvements. Comm. Hungerford commented to staff that possibly a condition could be added that the applicant work with staff to enhance the look of the building facing El Camino Real.

Deborah Karbo with Safeway provided the presentation for project 2008-0457 showing a PowerPoint presentation. She said that this is a great location and warrants a full service grocery store. She said the proposed plan is to demolish about 113,000 square feet and replace it with 110,000 square foot in essentially the same footprint. She said that Safeway would be about 65,000 square feet and with another 42,000 square feet of adjacent retail. She explained that several options were considered regarding the project and explained why they chose the proposed option. She said new construction is a little more expensive and they would end up with a better building. She discussed the scope of work, and the constraints in dealing with the adjacent retail that still have leases. Ms. Karbo discussed the existing elevation and explained the enhancement of the proposed elevation including materials to be used, height variations, color variations, and the architecture. She referred to Attachment D page 8, figure A-8 and discussed the loading dock with a screen wall. She discussed the landscaping and the affects of adding square footage of building, and parking. She said the existing shading in the parking lot would not be changing. Ms. Karbo said the trees to be removed will be replaced commenting that there are currently 411 trees in the parking lot. Ms. Karbo discussed Safeway's green building efforts. She said, if approved, they could submit plans to the building department within 90 to 120 days and assuming a four month lead time for permits and a 10 month construction period, that they could be open for business in the spring of 2010. Ms. Karbo referred to the trash enclosure requirement in the conditions, which would result in the trash being near the front door of one of the anchor tenants. She asked that the Planning Commission strike the trash enclosure condition and give them the opportunity to work with staff to keep the enclosure in the parking lot and incorporate features so the enclosure is visually more appealing.

Comm. Klein asked Ms. Karbo to discuss Safeway's goals as far as LEED certification is concerned. Ms. Karbo said that Safeway is currently building a test store in Santa Cruz that will be LEED certified at the silver level that should open in the fourth quarter of 2009. She said the prototypical Safeway store will probably be built LEED certified, but not to a specific level. She said they will be using more day lighting, new refrigeration technology, LED (light-emitting diode)

lighting in exterior signage. She said they would reduce energy consumption by buying wind credits, and solar. She said they also have a photovoltaic program that will be available in 23 stores in northern California. Comm. Klein asked if the proposed store would be included in the photovoltaic program. Ms. Karbo said that it might be, but generally Safeway puts the panels on properties owned by Safeway, and Safeway will be a renter at the proposed site. Ms. Karbo commented that solar energy is purely driven by the federal and state subsidies, which are distributed annually. She said that Safeway is committed to alternative energy sources and also to recycling, adding that in 2006 Safeway diverted 91% of their waste from landfills, recycling about 500,000 tons of recyclable materials.

Chair Rowe confirmed with the applicant that a watering system would be included to maintain the proposed vines used in the architectural details.

Comm. Hungerford commented about the 15 foot wide pedestrian corridor listed the Precise Plan guidelines and asked Ms. Karbo if Safeway would be opposed to some percentage of the site including the 15 foot width along the street. Ms. Karbo said it is her understanding that expanding the corridor would result in the loss of about 36 parking stalls on Sunnyvale/Saratoga Road so the corridor is not in the scope. Comm. Hungerford asked if it could be provided on a portion of the site. Ms. Karbo said project 2008-0456 will be in compliance with this guideline and that Safeway was not being required by staff to do anything further than repairs to some areas in the parking lot area.

Comm. Klein asked about the ownership of the parking lot and how this site split up parking lot wise. Ms. Ryan said that each tenant has their area of control. Comm. Klein asked who is in charge of the new retail in front of Sunnyvale/Saratoga Road and the area in front of the proposed Safeway and the existing Petco. Ms. Ryan referred to Attachment D and indicated a small part of land that is part of the site that was not included in the landscaping and site calculations. Mr. Bach answered that there is one owner for the entire property, but there are CC & Rs (Covenants, Conditions and Restrictions) that govern the property.

Faye Hane, a Sunnyvale resident, said she is addressing the Commission as a professional person and as a resident. She said that she shops at Pak 'n Save and is sad to see the store leaving Sunnyvale commenting the prices are less expensive than the nearby Safeway on some items. She said she sees a lot of clients every month and many people in the area need the savings Pak 'n Save provides rather than special ambiance and lighting in other grocery stores. She urged the Commission to think about that aspect of approving Safeway and said

she would hopes that some corporate decision of Safeway could help Pak 'n Save stay in Sunnyvale.

Arthur Schwartz, a Sunnyvale resident, said the idea of moving the two retail buildings with blank walls at the corner closer to the street does not seem architecturally attractive. He referred to the Fidelity building on the corner of Mathilda and El Camino Real as a negative example of a corner with the back of the building facing the street. Mr. Schwartz said that he thinks something needs to be done to the proposed plans to make the buildings near the street more attractive. He commented that he feels there is a problem with the driveway entrances to the Safeway on Sunnyvale/Saratoga Road stating that these are very dangerous entrances. Mr. Schwartz said there are also problems with the gutters and bicycle lanes on this portion of Sunnyvale/Saratoga Road. He said he would like to see the gutters and bicycle lane improved to meet the standards. Mr. Schwartz suggested that the sidewalk near Pep Boys be improved.

Comm. McKenna confirmed with Mr. Schwartz that the area he was referring to with the narrow bicycle lane is where Sunnyvale/Saratoga Road forks to the right. Mr. Schwartz said the bicycle lane narrowing became a problem when the Talisman sub-division was built.

Jim Griffith, a Sunnyvale resident, said he agrees with Mr. Schwartz that the Sunnyvale/Saratoga stretch of road alongside this project is very dangerous. Mr. Griffith said he is concerned about adequate footpaths, and that the applicant is talking about their good recycling program, yet 99% of the patrons will come to the site by car. He said he is concerned that the applicant does not know whether or not there would be solar panels at this site and does not know what level of LEED certification will be targeted for this site. He suggested a shifted pathway on the Cezanne part of the site. Mr. Griffith said that the applicant says they are devoted to building green, yet they want to leave the parking lot the way it is. He said he does not think these two statements go together.

Ms. Karbo commented that Pak 'n Save and Safeway pricing are very similar. She said Pak 'n Save no longer subscribes to the box store pricing philosophy and that on a 52-week average that the prices are about the same between the two stores and have been for about three years. She reiterated that Safeway plans to have this store LEED certified and many of the green building efforts would be carried over into other portions of the project.

Mr. Bach commented about the site access issue and said their reasons for not changing portions of the parking lot are because of existing leases and they cannot change the common area. He said there is proposed access near the

corner over to Pep Boys. He said they do not want to lose parking and they are near the minimum parking requirements as proposed.

Mr. Lyman said the driveway access on Sunnyvale/Saratoga Road has been mentioned several times. He said that he thinks the approaches are steep and that they would be replacing the driveways which should reduce the steepness. Mr. Bach commented that they talked to the City staff in the Transportation Division after the outreach meeting and staff did not report any traffic situations that would indicate this shopping center had more traffic issues than others.

Comm. Klein discussed with staff impervious and pervious surfaces for the projects. Comm. Klein confirmed with staff that the proposed brick around the corner lot is impervious paving and that the conditions could be modified to make the pavers pervious.

Chair Rowe closed the public hearing.

Chair Rowe said if the Commission had no further questions that separate motions would now be taken for the two projects.

Motion for project 2008-0456

Comm. Sulser moved for **Alternative 1, to adopt the Negative Declaration and approve the Special Development Permit with attached conditions.** **Comm. Hungerford** seconded the motion. **Comm. Hungerford** offered a **Friendly Amendment to add two conditions: that the project architect shall continue to work with staff on a final design of the portions of the building that face El Camino Real and Sunnyvale/Saratoga Road; and the glazing areas of any windows shall be transparent, unless otherwise approved by the Director of Community Development. The Friendly Amendments were acceptable to the maker of the motion.** Comm. Hungerford discussed with staff whether the 50% shading in the parking area requirement is included. Ms. Caliva referred to page 3 of the report which indicates on the Project Data Table that the proposed Parking Lot Area Shading percentage is 50.9% confirming that the shading requirement is met. Ms. Ryan commented that the 50% shading is the standard requirement.

Comm. McKenna asked staff where it would be best to address that the applicant work with staff to deal with the footpaths throughout the site and also the issue of the bicycle lane and the traffic design along Sunnyvale/Saratoga Road. Ms. Ryan said that the Commission could ask that Planning staff advise the Traffic Division that the issue came up and Traffic staff could look at the situation to see if a capital project needs to be created. Ms. Ryan advised that it

would be better to deal with the issue of the footpaths in relation to project 2008-0457.

Comm. Klein offered a Friendly Amendment that the brick around the seating area for the two buildings be permeable pavers. The Friendly Amendment was acceptable to the maker and seconder of the motion.

Comm. Sulser said he has lived in Sunnyvale for a long time and this project will fix this corner. He said this parcel has always been a bit of an eyesore and the attractive architecture and the plaza area is a substantial improvement to this important corner of Sunnyvale. He said he thinks this will be a fabulous upgrade to El Camino Real.

Comm. Hungerford said he thinks this is a huge improvement to this corner. He said this is a very important corner in Sunnyvale and he thinks the concept of the interior area for outdoor seating is a very nice idea. He said he appreciates the applicant's willingness to continue to work with staff to add a little more interest to the portions of the buildings facing El Camino Real and for the willingness to follow the Precise Plan and the goal for the Grand Boulevard for pedestrians.

Chair Rowe said she would like to have seen more definitive details on the LEED certification. She said she had some concerns about the buildings not facing El Camino Real and has since been convinced that in this case the building orientation will work. She said she was also concerned about the permits and entitlements. She said when she attended the workshop that she left with the feeling that there was concern about the downturn in the economy. She said it sounds like the applicant is ready to move forward now. She said Comm. Hungerford's Friendly Amendments take care of her concerns about the architecture and she would be supporting the motion.

ACTION: Comm. Sulser made a motion on 2008-0456 to adopt the Negative Declaration and approve the Special Development Permit with modified conditions: that a condition be added that the project architect shall continue to work with staff on a final design for the portions of the building that face El Camino Real and Sunnyvale/Saratoga Road; that a condition be added that the glazing areas of any windows shall be transparent, unless otherwise approved by the Director of Community Development; and that the brick around the seating area (outdoor plaza) for the two buildings be permeable pavers. Comm. Hungerford seconded the motion. Motion carried unanimously, 7-0.

APPEAL OPTIONS: This action is final unless appealed to City Council no later than September 9, 2008.

Motion for project 2008-0457

Comm. Hungerford moved for **Alternative 1**, to adopt the **Negative Declaration** and approve the **Special Development Permit with attached conditions**. **Comm. Klein** seconded the motion. **Comm. Klein** offered a **Friendly Amendment** that the **pedestrian paths coming in from Sunnyvale/Saratoga Road would be replaced with permeable pavers** to help alleviate some of the issues related to the loss of landscaping. **The Friendly Amendment was acceptable to the maker of the motion.**

Comm. Travis offered a **Friendly Amendment** regarding the trash enclosures. He said that he would like to see if there is a way that the applicant could work with staff to place the trash enclosures elsewhere other than in front of an anchor store. **Comm. Klein** said he is still puzzling about whether or not to reduce the parking to the minimum to add a little more landscape. He said getting rid of the trash enclosure provides four or five more parking spaces and possibly more landscaping. **Comm. Klein** said he understands that it is better to keep the trash enclosure away from the doors, but he feels there are enough doors and walls that something can be figured out. The **Friendly Amendment** was not accepted.

Comm. Hungerford said that both he and **Comm. Klein** are struggling with the same idea that the **Precise Plan** requires a 15 foot pedestrian walkway along projects like this. He said that parking becomes a dilemma if the Commission requires the 15 foot walkway as the project would lose about 30 spaces which would make the site under parked. **Comm. Hungerford** said the problem is the existing **CC & Rs**, which are a private agreement, and that the **CC & Rs** are recorded against the project. He said he hates to give up the idea of the pedestrian boulevard and that this development seems to be a good opportunity to extend the pedestrian boulevard down **El Camino Real**. He said, speaking in favor of his motion, he feels the architect has done a nice job, that he likes that the applicant is striving for **LEED** certification, that he would like to see a little more "teeth" in the **LEEDs** issue, and that he thinks this is a good project.

Comm. Klein confirmed his agreement with **Comm. Hungerford's** comments about the conflict regarding the pedestrian walkway. He said the project has brought on itself the issues of landscaping, calling foul as far as meeting the **Precise Plan**. **Comm. Klein** said if this area along **El Camino Real** is not upgraded now it will probably be years before it is updated. He said this is a good project architecturally and is an upgrade to an aged building. He said changing the market to face **El Camino Real** will attract more people. He said the applicant has put together a good plan to improve the site and he would be supporting the motion.

Comm. McKenna asked how many parking spaces would be lost if the setback from **El Camino Real** were required. Staff confirmed that there would be 30 lost

spaces along Sunnyvale/Saratoga and a little over 40 spaces along El Camino Real. Comm. McKenna asked what would be the percentage of parking deficiency if the spaces were removed. Ms. Caliva said, if both street frontages are required to upgrade to the pedestrian realm, 924 parking spaces would exist where 992 are the minimum required which is almost 7% of what is required.

Comm. Sulser said he has been struggling with the pedestrian walkway issue also. He said he thinks this project is a substantial improvement to the parcel. He said he would like this project to comply with the Precise Plan by bringing the enhanced pedestrian realm which the Commission fought for when the Precise Plan was being updated. He said he does not know how to make this work with the constraints of this project and he was not sure how he would vote on this project.

Ms. Ryan said the numbers of lost parking spaces provided by Ms. Caliva were for the combined Sunnyvale/Saratoga Road and El Camino Real. She said if the Commission is interested in looking at just Sunnyvale/Saratoga Road, the percentage of deficiency would be a 3.6% deviation on the parking. Ms. Ryan said the Toys R Us site in the middle would not be subject to pedestrian walkway requirements. She said if the stretch of walkway were required in front of the current Pak 'n Save then the walkway would narrow at the Toys R Us site and then widen again at the corner.

Comm. Klein discussed with staff what the parking deficiency would be if the parking spaces were directly in front of the proposed Safeway along El Camino were removed. Staff said the deficiency would be about 2% and would leave the walkway along El Camino Real directly in front of Pep Boys not meeting the Precise Plan guideline. **Comm. Klein offered a Friendly Amendment to remove the 26 parking spaces in front of the proposed Safeway on El Camino Real that overlaps with the PG & E right-of-way and continue the Precise Plan for El Camino Real Grand Pedestrian Parkway accordingly. This was acceptable to the maker of the motion.**

Vice Chair Chang said that he likes the Friendly Amendment and that it is a good compromise and better than what currently exists. He said he would be supporting this motion.

Chair Rowe said that she agrees with the member of the public that was concerned about the proposed development comparing it to the Fidelity building on Mathilda and El Camino Real. Chair Rowe said the proposed development is much more architecturally pleasing. She said this has been a difficult site to work with as there are many constraints and that she hates to give up any parking, but thinks the motion is a nice compromise.

ACTION: Comm. Hungerford made a motion on 2008-0457 to adopt the Negative Declaration and approve the Special Development Permit with modified conditions: to add a condition that the pedestrian path coming from Sunnyvale/Saratoga Road be replaced with permeable pavers; to add a condition requiring the 15 foot "Pedestrian Realm" as described in the Precise Plan for El Camino Real be included even if it means the removal of the 26 parking spaces in front of the proposed Safeway on El Camino Real. Comm. Klein seconded. Motion carried unanimously, 7-0.

APPEAL OPTIONS: This action is final unless appealed to City Council no later than September 9, 2008