2010-7493: Capella Holdings, LLC and BRE Properties [Owners/Applicants] Special Development Permit and Tentative Map to allow the creation of four parcels and construction of a six-story mixed use project with 280 dwelling units and approximately 34,575 square feet of commercial space for a site located at 311 Capella Way. (Mitigated Negative Declaration) (APN’s 209-07-003, 005, 006, 008, 009, 014 - 018) SM

Trudi Ryan, Planning Officer, presented the staff report. She provided a correction that the application title includes a “Vesting” Tentative Map. She said that revised Conditions of Approval (COAs), Attachments B and C, have been provided to the Commission this evening and discussed the revisions. Ms. Ryan said staff recommends approval of the Vesting Tentative Map and the Special Development Permit subject to the revised COAs.

Comm. Chang discussed parking spaces with staff, confirming that a previously proposed project for this site had a greater parking deficiency than this project.

Comm. Hungerford discussed with staff the number of proposed residential units. Staff explained that the number of units is proportional to the size of the property. Comm. Hungerford confirmed with staff that a tenant store front design document is not being required of this applicant as the architecture has been further developed and there are COAs that require the applicant to retain certain features. Comm. Hungerford discussed with staff that the elimination of the residential parking deficiency is the result of adding more parking spaces. Comm. Hungerford discussed with staff the design of the dark top floor recessed element mentioned on page 11. Comm. Hungerford asked about the design of the townhouses to improve the pedestrian views with staff explaining suggested improvements. Comm. Hungerford discussed with staff the gap between the townhouses that face Washington Avenue on Block A, with staff providing options to make this area more aesthetic. Comm. Hungerford further discussed with staff the parking in the downtown, and the parking district.

Vice Chair Hendricks discussed the revised COAs with staff regarding the future development of Lot 3 and whether stronger language than “study the feasibility of underground parking access” could be used. Ms. Ryan said that it would be premature to require underground parking access at this time. Vice Chair Hendricks asked staff to discuss pages 12 and 13 of the report regarding parking deficits with staff saying that the deficit numbers are the local deficit and do not include the whole parking district. Vice Chair Hendricks asked about handicapped parking spaces, with staff explaining that the number would be set by the Building Code. Vice Chair Hendricks discussed with staff large vehicles
and moving vehicle accessibility. Ms. Ryan said the applicant will develop plan on how this area will accommodate moving vehicles.

Comm. Sulser asked staff to discuss several items in Attachment C including the requirement that street trees have electrical connections installed at their base and sidewalk widths. Ms. Ryan discussed that the electrical connections would be for aesthetic tree-lighting and said the sidewalk widths would be at least eight feet wide as part of the public right-of-way and 10 feet wide in areas where possible. Comm. Sulser discussed with staff street parking and skateboard deterrents.

Comm. Larsson discussed with staff traffic questions including exiting the parking garage on Taaffe, queuing nearby traffic signals, circulation, and the concern of traffic speed on Capella Way. Ms. Ryan said the Traffic Division reviewed the plans, however Planning staff could pass on any concerns. Comm. Larsson asked further about the entrances and exits for the garage parking and said he is concerned about the visibility and pedestrians and whether staff has suggestions for reducing the chance of a conflict. Ms. Ryan said there are options and she thinks there is a condition to address this issue. Comm. Larsson discussed with staff that the Downtown Parking District generally includes Mathilda Avenue, to Carroll Street, to Iowa Avenue. Ms. Ryan confirmed that there had been at least one outreach meeting with the Sunnyvale Downtown Association regarding the proposed project.

Comm. Dohadwala said she also has traffic concerns and discussed with staff the entrances and exits of the garages being opposite each other. Comm. Dohadwala discussed with staff that the open space requirements are less in the downtown area and that this proposal exceeds the minimum required. Comm. Dohadwala discussed with staff the placement of the windows, in regard to privacy, on the two buildings. Comm. Dohadwala asked about restrooms in the retail areas with staff saying no public restrooms are currently planned, however that level of detail has not been submitted yet. Comm. Dohadwala asked about infrastructure, specifically for restaurants.

Chair Travis opened the public hearing.

Don Reber, applicant with BRE Properties, said BRE Properties recently acquired Blocks A and B from Capella Holdings. He said Capella Holdings retains Block C and D and BRE Properties fully intends to cooperate with them as the blocks are developed. He said when BRE Properties acquired the site, they looked at the reasons why the previous application was denied and determined that the primary issues were parking and design issues. He said he thinks they have addressed the design issues. He said they will be owner-
operators, and want to be good neighbors and provide more parking. He said they did meet with the Sunnyvale Downtown Association and they seemed to be pleased with the project.

**Rob Steinberg**, architect for the project, asked the Commission to consider amending the conditions to allow them to build one larger clubhouse on Block A to accommodate both buildings rather than two smaller clubhouses. He said they have found that the bigger facilities are more desirable. Mr. Steinberg presented a PowerPoint presentation describing the design of buildings, the pedestrian experience and materials used, equal attention to the residential stoops so there is a with a sense of privacy, and discussed some of the architectural details. He discussed the color schemes, and integrating art into the project. He addressed issues that the Planning Commission had asked about at an earlier Study Session. Mr. Steinberg discussed guest parking, 59 spaces of flex parking, and how they envision moving vans maneuvering the area. He said he thinks the buildings are compatible with the area and still have their own personalities. He discussed the intersection of Washington and Aries and the proposed redesign to tie the retail into the residential lobby and presentation to the street, and landscaping. He said the townhouses are meant to be different than the flats and that they have tried to provide rhythm, mixing different elements. He discussed window patterns, furnishing of blinds, and the unit sizes.

**Vice Chair Hendricks** discussed with Mr. Steinberg the garbage and recycling for both the residential and the commercial buildings. Vice Chair Hendricks asked about the utilities, with Mr. Steinberg confirming that there would be separate metering. Vice Chair Hendricks asked if the project would include LEED (Leadership in Energy and Environmental Design) certification. Mr. Reber said they plan to have the project higher than a certified level and probably at least a silver level. Ms. Ryan said the City does have a green building program, the applicant will need to comply, and that a mixed project needs to be at the LEED silver level. Vice Chair Hendricks asked about shadow studies. Mr. Steinberg said they have designed the project conforming to the regulations in the Downtown Specific Plan (DSP). Vice Chair Hendricks discussed possible solar energy use with Mr. Reber saying that they would prefer solar not be a requirement, however they could consider the feasibility of providing solar.

**Comm. Sulser** discussed with the applicant the color schemes, glass color, and the side elevations of the buildings.

**Comm. Larsson** discussed with the applicant a more permanent loading zone. Ms. Ryan discussed some of the loading zone options including yellow zones for retail. Comm. Larsson discussed concerns about the townhomes and access to the parking areas. Mr. Steinberg said there are issues of accessibility and level
changes. Comm. Larsson said he has concerns about pedestrian accessibility, and discussed with the applicant security gates, patio areas, and flexibility for restaurants and outside dining.

**Comm. Dohadwala** asked the applicant about infrastructures for restaurants. Mr. Steinberg said they do want to attract restaurants and will retain a consultant to identify the most desirable locations for restaurant and will include the proper infrastructure. Comm. Dohadwala discussed with Mr. Steinberg the façade of the building on Washington expressing her concern about the southern exposure and heat. Mr. Steinberg said that most retailers do not want their location to be setback and that there are a variety of options to reduce the affect of the southern exposure. Comm. Dohadwala asked about protecting pedestrians and the open street shopping from the elements. Mr. Steinberg said this is a classic urban design, with housing over shops. Comm. Dohadwala further discussed her concern about some of the apartments being too warm with Mr. Steinberg discussing design features including that all of the units have operable windows in each room. Comm. Dohadwala asked about gate security for parking for residents versus guests. Ms. Ryan said there would be a gate between the resident parking and the guest parking on the ground level with Mr. Steinberg confirming that guests can partially come into the parking garage with a security gate between the guest and residents-only entry area.

**Vice Chair Hendricks** discussed with the applicant details about the windows and the projected construction timeline. Mr. Reber said they intend to build the entire project at the same time and that the timing will probably take about two years after they start which may be sometime next spring. Mr. Reber said they have the capital available.

**Comm. Hungerford** discussed the gap between the units on Washington Avenue and asked the applicant if they would object to a requirement in the conditions to include either art or an architectural feature to deal with the gap. Mr. Reber said public art is required, and they would be engaging a public art consultant to provide the best solution. Ms. Ryan clarified with Comm. Hungerford that he would like a condition added to make sure this area is architecturally screened if public art does not address the area. The applicant said they would be agreeable to this type of condition.

**Comm. Dohadwala** confirmed that a condition could be considered to require that infrastructure for restaurants be included in the two buildings.

**Comm. Larsson** asked about the townhome street frontage changes. Ms. Ryan said there is a condition that staff has included that asks for additional detail. Mr. Steinberg said what they have presented includes two different awnings,
enclosed patios, raised planters, different lighting and entrances, and adding more color and layer of variety. Mr. Steinberg said they would be adding color to the different entry ways. He said they are open to other minor refinements. Comm. Larsson asked staff if they had other details in mind. Ms. Ryan said that staff thinks there is still further enhancement possible and that staff would like to see more to enhance the pedestrian experience.

**Vice Chair Hendricks** asked the applicant about amenities. Mr. Steinberg said they would like the ability to construct one larger clubhouse for both buildings to be located in Block A and residents in Block B would have access to the clubhouse. He said the total clubhouse in Block A would meet or exceed 2000 square feet.

**Comm. Dohadwala** asked the applicant about adding exterior patios for a better outdoor dining experience at the street level. Mr. Steinberg said they would like the flexibility to work with staff on this possible addition rather than be required to include the dining patios.

**Ken Rheaume**, a Sunnyvale resident, expressed his concerns about the proposed plans and how they align with the DSP. He quoted portions of the DSP goals and said that he thinks the proposed plans look too much like the Town Center, that he thinks the plans are of low quality, provide little pedestrian interest, and look boxy. He said this is prime real estate and he would like to see better plans. Mr. Rheaume provide a picture of suggested development and said that he does not think another two blocks of six-story buildings is a good project. He recommended the Commission deny the project, address the boxy-like, alley-like street feeling and provide a design different from the Town Center.

**Tom Consunji**, with the applicant, spoke regarding the Vesting Tentative Map. He discussed condition 11 in Attachment C, and said that the way the condition is worded does not provide enough flexibility and is locking the developer into providing retail space and an outdoor seating area when they do not even know what the program in the future development is going to be. Ms. Ryan said that the intent of the condition is that there be an active interface between the Plaza and the property adjacent to it.

**Mr. Steinberg** said that he thinks the collaborative process between the applicant, staff and commission has brought the project to a very good place. He said he thinks they have provided a project that is distinctive yet harmonious with the adjacent buildings. He said he thinks the quality of the detailing and the pedestrian experience will meet and exceed the goals of the Commission.

**Chair Travis closed the public hearing.**
Vice Chair Hendricks discussed with Ms. Ryan, Mr. Consunji’s comments regarding Attachment C, condition 11.b. Ms. Ryan said Mr. Consunji’s concerns were regarding the requirement of adding retail space and outdoor seating and discussed goals of the DSP related to this requirement. Ms. Ryan said the second part of condition 11.b is to require a feasibility study of providing underground parking.

Ms. Ryan provided clarification on some of the questions asked. She said the project would need to be designed at a LEED silver level. She discussed questions about exiting the garage and suggested, if the Commission wants to add a condition in Attachment B, it could be put under “Required Revisions to Project Plans” with the suggested language: “to prepare a plan to assure pedestrian safety from vehicles exiting parking garages”. Ms. Ryan said the applicant requested that a combined clubhouse be allowed and that staff feels that there should be a gathering site in each building. She said the size of one gathering site could be decreased with an increase in size on the other site. Ms. Ryan said that developments over 100 units are required to provide a minimum of 450 square feet of assembly area.

Kathryn Berry, Senior Assistant City Attorney, said this project will be coming through in phases, and Attachment C condition 3 contemplates phasing for the maps. Ms. Berry said condition 11.b goes beyond encouragement to a requirement, and said if the applicant prefers, staff could have the condition read that it has to be consistent with the DSP, however staff has great discretion when the second map comes in to make sure there is retail included at that time. Ms. Berry said, to be clear for everyone, that what is being contemplated is retail.

Comm. Hungerford moved for Alternative 2, to adopt the Mitigated Negative Declaration and approve the Special Development Permit and Vesting Tentative Map with modified conditions: to add a condition to Attachment B requiring the developer screen between two sections of the building on block A with art, or architectural feature(s) and that the screening be approved by the Arts Commission, or Director of Community Development (respectively); and to modify condition 40.a in Attachment B (from the original conditions) that a clubhouse of a minimum of 2,000 square feet be provided for block A and a satellite clubhouse of a minimum of 500 square feet be provided for block B. Comm. Chang seconded the motion.

Comm. Hungerford said he has a lot of sympathy with Mr. Rheaume’s comment that the proposed project is similar to what the Town Center looks like and that there can be a danger of too much uniformity, however, he thinks the proposed plans are what the DSP was contemplating. Comm. Hungerford said he thinks
the plans differentiate enough, yet still blend with the Town Center. He said he is excited about the mixed use, the applicant has responded to the Commission’s comments, and he can make the findings.

Comm. Chang said he agrees with Comm. Hungerford, that the proposed project is not the unique residential design that we would like, however the DSP guidelines call for uniformity. He said there have been many changes made from the previous study session with the Commission and he is excited to see it be started and then followed up by a second phase and attract residents to the area.

Comm. Larsson offered a friendly amendment to add to condition 11 in Attachment B, as suggested by staff, that the applicant be required to prepare and submit a plan to ensure pedestrian safety for vehicles exiting the parking garages. The friendly amendment was acceptable to the maker and seconder of the motion.

Vice Chair Hendricks offered a friendly amendment modifying Comm. Hungerford’s modification regarding the clubhouses, that the applicant either retain the proposed plans, or modify the plans with the primary clubhouse being a minimum 2000 square feet and a satellite clubhouse being a minimum of 500 square feet. This was acceptable by maker and seconder of the motion. Vice Chair Hendricks offered a friendly amendment to modify Attachment C, condition 11.b by removing the language “shall study the feasibility of providing underground parking access through the existing underground parking garage located under Plaza del Sol” and making the language a separate condition 11.c. The friendly amendment was acceptable to the maker and seconder.

Comm. Dohadwala offered a friendly amendment for the applicant to work with staff to provide outdoor patios at the street level for a better street experience. Comm. Hungerford asked Comm. Dohadwala if she would consider changing the amendment language to work with staff to explore the provisions of outdoor patios or street dining. Comm. Dohadwala said yes. The friendly amendment was acceptable to the maker and seconder of the motion. Comm. Dohadwala offered a friendly amendment to add a condition for the applicant to work with staff to provide infrastructure for restaurants in the retail space, Ms. Ryan said the Commission may want to include a more declarative condition that the applicant provide infrastructure for restaurants in a portion of the retail space. The friendly amendment was acceptable to maker and seconder.

Comm. Sulser said he would be supporting the motion. He said the Planning Commission struggled with this project the last time it was before them and he is
pleased with the parking changes and the architectural details which make this project better.

Vice Chair Hendricks said he was able to make the findings. He said he would prefer to see smaller buildings; however the DSP allows what has been proposed. He said the parking is improved, and he hopes the applicant will look for ways to better accommodate those moving into and out of the buildings. He said he is happy to see this space will be a productive, useful addition to community.

Comm. Larsson said he would be supporting the motion, though he would have preferred more differentiation in the architecture with more certainty on some of the architectural elements. He said he is glad the applicant has made changes and overall this is better, and is what was contemplated by the DSP.

ACTION: Comm. Hungerford made a motion on 2010-7493 to adopt the Mitigated Negative Declaration and approve the Special Development Permit and Tentative Map with modified conditions: to add a condition to Attachment B requiring a screen between the two sections of Block A with art or an architectural feature subject to approval by the Arts Commission or Director of Community Development (respectively); to modify condition 44.a in Attachment B that the applicant either provide a minimum 1000 square foot clubhouse per building or provide a minimum 2000 square foot primary clubhouse and a satellite clubhouse of a minimum of 500 square feet; to add to condition 11 in Attachment B, that the applicant be required to prepare and submit a plan to ensure pedestrian safety for vehicles exiting the parking garages; to modify Attachment C, by moving the portion of language “shall study the feasibility of providing underground parking access through the existing underground parking garage located under Plaza del Sol” from 11.b to a new condition 11.c; to add a condition to Attachment B that the applicant work with staff to explore the provisions of outdoor patios or street dining; and to add a condition to Attachment B that the applicant provide infrastructure for restaurants in a portion of the retail space. Comm. Chang seconded. Motion carried 7-0.

APPEAL OPTIONS: This action is final unless appealed to City Council no later than October 12, 2010.