

Attachment 17

Planning Commission Staff Report of June 8, 2016



Meeting Date: June 8, 2016

Project title: City Place Santa Clara
File: PLN2014-10554 and CEQ2014-01180
Location: 5155 Stars and Stripes Drive. Approximately 240-acre project site located north of Tasman Drive, east of Great America Parkway and San Tomas Aquino Creek, west of the Guadalupe River, and south of Great America Way and State Route (SR) 237. APNs: 104-03-036, 104-03-037, 104-03-038, 104-03-039, 104-01-102, 097-01-039, and 097-01-073.

Applicant: Steve Eimer, Related Santa Clara, LLC
Owner: City of Santa Clara
Subject: **Environmental Impact Report; CEQA Findings and Statement of Overriding Considerations; Mitigation Monitoring and Reporting Program; General Plan Amendment #83 from Parks/Open Space and Regional Commercial to Urban Center/Entertainment District; Revise General Plan Figure 2.3-1 Areas of Potential Development and General Plan Table 8.6-2 Proposed Development (Approved, Not Constructed and Pending Projects) and make related minor textual revisions; Amendment to the City of Santa Clara Climate Action Plan; Override of the Santa Clara County Airport Land Use Commission Comprehensive Land Use Plan; Rezone from Public, Quasi-Public, Park or Recreation (B) and Commercial Park (CP) to Planned Development-Master Planned Community (PD-MC); Master Community Plan (MCP) and Infrastructure Master Plan; and Development Agreement to construct a new multi-phased, mixed-use development of up to 9.16 million gross square feet of office buildings, retail and entertainment facilities, residential units, hotel rooms, surface and structured parking facilities, new open space and roads, landscaping and tree replacement, and new upgraded and expanded infrastructure and utilities**

CEQA Determination: Environmental Impact Report (SCH#2014072078)
Project Planner: Debby Fernandez, Associate Planner

EXECUTIVE SUMMARY:

The proposed project is the phased development of 240 acres of City-owned land to a new urban center and entertainment district, identified as City Place Santa Clara. The project includes the construction of up to 9.16 million gross square feet of office, retail, entertainment, hotel and residential uses at a maximum Floor Area Ratio (FAR) of 1.0 in conjunction with the construction of roadways, parking facilities, infrastructure and utilities to support the land uses and intensity of site development. Parkland development and the provision of open space within the project site boundaries are included with project implementation. The City intends to retain ownership of the project site and operational responsibility of the former landfill, on which much of the project is located, and lease the site for development to Related Santa Clara, LLC.

To accommodate the proposed high-intensity urban environment contemplated by the project, a new General Plan land use designation is proposed within the category of Mixed-Use designations. Changes are proposed to Figure 2.3-1 Areas of Potential Development and General Plan Table 8.6-2 Proposed Development (Approved, Not Constructed and Pending Projects) in the General Plan to acknowledge the proposed development project. In addition, an amendment to the Climate Action Plan, which is an appendix to the General Plan, is proposed to set Transportation Demand Management (TDM) goals for the new land use designation. To allow the proposed mix and intensity of uses on the site, the project includes a rezone

from Public, Quasi-Public, Park or Recreation (B) and Commercial Park (CP) to Planned Development-Master Community (PD-MC) to implement development. In accordance with Santa Clara City Code (SCCC) 18.56.060, a Master Community Plan (MCP) and preliminary Infrastructure Master Plan (IMP) are required and are incorporated as part of the PD-MC application. Adoption of the PD-MC zoning and MCP also includes procedural provisions for subsequent Development Area Plan (DAP) applications that supersede some of the existing PD-MC procedures, and includes substantive elements that supersede selected provisions of the Zoning Ordinance, such as the list of permitted and conditional permitted uses, signage, parking, and development density transfers.

A Development Agreement between the City and the Developer accompanies the project proposal to secure development rights, terms, and conditions. A Development and Disposition Agreement (DDA) and a Ground Lease are prepared that are not subject to Planning Commission review but will be considered by City Council, insofar as these represent the contractual agreement between the City as landowner and Related Santa Clara, LLC, as the Developer. Additionally, pursuant to State law, in order to enter into a lease agreement exceeding 55 years, the City Council will also be considering an ordinance to authorize lease terms of up to 99 years.

Implementation of the proposed project will require the preparation and submittal of DAPs and Vesting Tentative and/or Tentative Maps to implement the project phases. The DAPs will be submitted in accordance with the provisions established in the PD-MC ordinance, with certain procedures superseded by specific procedures in the MCP. The Vesting Tentative and/or Tentative Maps will be submitted consistent with Chapter 17 – Subdivisions of the SCCC prior to development for City review and approval, and are not part of the items before the Planning Commission for consideration, except that the Environmental Impact Report (EIR) for the proposed project includes a discussion of the environmental implications of the potential subdivision map approvals.

Site Location and Surrounding Uses

The project site is comprised of seven parcels totaling approximately 240 acres that are occupied by the Santa Clara Golf and Tennis Club (which occupies 155 acres of the site), David's restaurant and banquet facility, Fire Station 10, bicycle motorcross (BMX) track, Ameresco Methane Plant, Eastside Retention Basin, City vehicle washing station, and surface parking lots. The Tasman Drive parking garage is not part of the development plan, but access to the east entry of the garage will be altered by the development at the Developer's expense. The parcels form five development areas for the purposes of the proposed project development, hereafter referred to as parcels. Table 1 below identifies the development parcels and associated APNS, acreage, and existing uses located within each parcel.

Table 1 – Existing Conditions

Parcel	APNS	Site Area	Existing Uses
1	097-01-073	49.6 acres	BMX track, retention basin, pump station, vehicle washing station, and methane plant
2	097-01-039	60.9 acres	golf course holes 1 – 5, 8 - 10 & 18
3	104-01-102	34.9 acres	golf course holes 6 & 7
4	104-03-036 104-03-037	86.6 acres	7 tennis courts, driving range, golf course holes 11 - 17, restaurant, banquet facility, fire station, maintenance building, and surface parking lots
5	104-03-038 104-03-039	8 acres	maintenance building and surface parking lots

Figure 1 – Existing Project Site



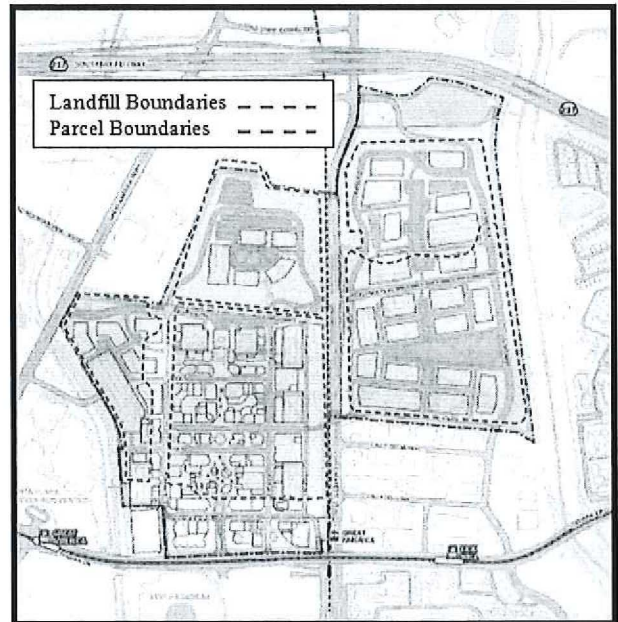
The project site is bordered on the north and east by properties in the jurisdiction of the City of San Jose and is surrounded by urban development consisting of industrial, commercial, residential, and recreational uses, as well as transportation corridors and creek tributaries with natural habitat. Buildings in this area range from one to 15 stories in height and structures within the nearby amusement park reach up to 225 feet (which equates to a 16 story office building) in height. Existing uses surrounding the project site include State Route 237 and office uses to the north of Parcels 1 and 3 with office development and single family residences in the City of San Jose Alviso neighborhood beyond. The Guadalupe River is located east of Parcels 1 and 2 and office, industrial, and limited retail uses are located east of Parcels 4 and 5 (and south of Parcels 1 and 2). To the east of the Guadalupe River are mobile homes and multifamily residences in the City of San Jose. Tasman Drive, Levi's Stadium and the Santa Clara Youth Soccer Park are located to the south of Parcel 5 with the Great America Amusement Park and 49ers training facility beyond. Parcels 3 and 4 abut office uses, the San Tomas Aquino Creek, and Great America Parkway to the west. The Santa Clara Convention Center and Hyatt Regency hotel are located west of Parcel 5. Office development, limited retail, and a retention pond are located on the west side of the Great America Parkway and the creek.

Lafayette Street divides the project site with Parcels 1 and 2 to the east and Parcels 3, 4 and 5 to the west. The Union Pacific Railroad (UPRR) borders Parcels 3 and 4 on the west side of Lafayette Street. Stars and Stripes Boulevard traverses the west side of Lafayette Street. Centennial Boulevard provides access to the site from Tasman Drive through Parcel 5 and intersects Stars and Stripes Drive, bisecting Parcels 4 and 5.

Site History

The project site is located on the former 210-acre Santa Clara All-Purpose Landfill of which 183 acres is the actual waste footprint. The landfill began operations for accepting waste disposal in the late 1960s and closed in 1993. Materials accepted for disposal included construction debris and non-hazardous industrial, commercial, residential and municipal wastes on Parcels 1 through 4. The site of the retention basin on Parcel 1 and all of Parcel 5 are not within the boundaries of the former landfill and thus did not receive waste disposal materials. The figure to the right illustrates the boundaries of the former landfill. Depth of the landfill refuse ranges from 10 to 60 feet and is overlain by a clay cap varying in thickness of 1 to 7 feet and covered with artificial fill (mixed sands, gravel and silts) varying in thickness from 1 to 7 feet on Parcels 1 through 4. The topography created by the mounding of refuse has produced elevations up to 65 feet above sea level over the landfill in an area with elevations near sea level.

Figure 2 – Landfill Boundaries



A landfill gas collection and removal system is present throughout the former landfill site. This system includes a series of active vertical extraction wells connected by collection laterals that convey landfill gas to the Ameresco Methane Plant on Parcel 1 for conversion to energy. A leachate collection system is also present for capturing and disposing the liquid into the sanitary sewer system.

City records reveal that the Santa Clara Golf and Tennis Club, clubhouse, maintenance building, restaurant and banquet facility, and Fire Station 10 were constructed in 1985 and 1986, adjacent to but not atop the landfill. The waste refuse beneath the area of the tennis courts was removed at that time and replaced with clean fill. The landfill received final closure certification in 1994.

Project Background

On May 23, 2014, Santa Clara Centennial Gateway, LLC, filed a preliminary application for the development of a mixed-use proposal consisting of up to 730,000 square feet of office and retail uses, and a hotel on the properties located at 5120 Stars and Stripes Drive (APNs 104-03-038 and 104-03-039 and referred to as the "Tasman Lots"). A Notice of Preparation (NOP) of an EIR for the "Centennial Gateway" Mixed-Use Project was published and the City began the process of preparing an EIR for the proposed project. Shortly thereafter on June 9, 2014, Related Santa Clara, LLC, filed a preliminary application for redevelopment of the adjacent parcels located at 5155 Stars and Stripes Drive (APNs 104-03-036, 104-03-037, 104-01-102, 097-01-039, 097-01-073), and referred to as "City Place". The City Place mixed-use development proposal included up to 8.34 million gross square feet of office buildings, retail and entertainment facilities, residential units, hotel rooms, new open space and roads, associated parking, and new upgraded and expanded infrastructure. An NOP was subsequently published and the City began work on the preparation of an EIR for the development proposal.

On February 5, 2015, the developers (Montana Property Group - formerly known as Santa Clara Centennial Gateway, LLC, and Related Santa Clara, LLC) formed a joint venture to develop the Tasman Lots and the adjacent City Center portion of the City Place project (collectively, Parcels 4 and 5) with the remainder of the City Place project (Parcels 1, 2, and 3) to be developed exclusively by Related Santa Clara, LLC. An

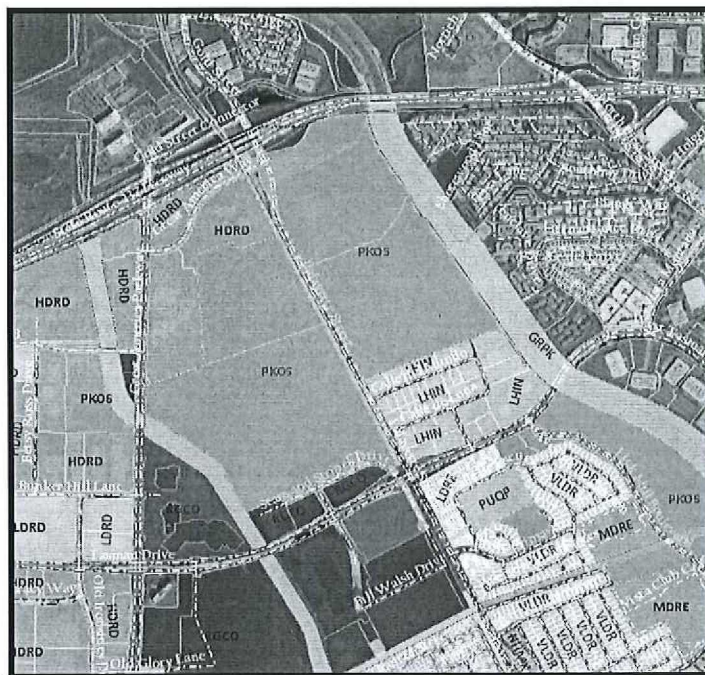
application was filed combining the development proposals into a single project by Related Santa Clara, LLC, hereafter referred to as the "Developer" on August 5, 2015. The combined proposal is for the development of up to 9.16 million gross square feet of commercial, residential, parkland/open space and public facilities as specified in this staff report. An EIR has been prepared for the proposed project and is discussed below.

General Plan Map and Designations

The existing General Plan designation for Parcels 1 through 4 is Parks/Open Space and is Regional Commercial for Parcel 5. The Parks/Open Space designation is intended for improved and unimproved park and open space facilities, managed natural resource areas, and outdoor recreation areas. It includes neighborhood community and regional parks, public golf courses, recreational facilities, and nature preserves that provide active or visual open space and serve the outdoor recreational needs of the community.

The Regional Commercial designation is intended for retail and commercial uses that provide local and regional services. This designation allows for a range of uses that include regional shopping centers, local-serving offices, medical facilities, home improvement/durable goods sales and services; and travel-related services such as hotels, gas stations, restaurants, convention centers, amusement parks and sports venues.

Figure 3 - General Plan Map



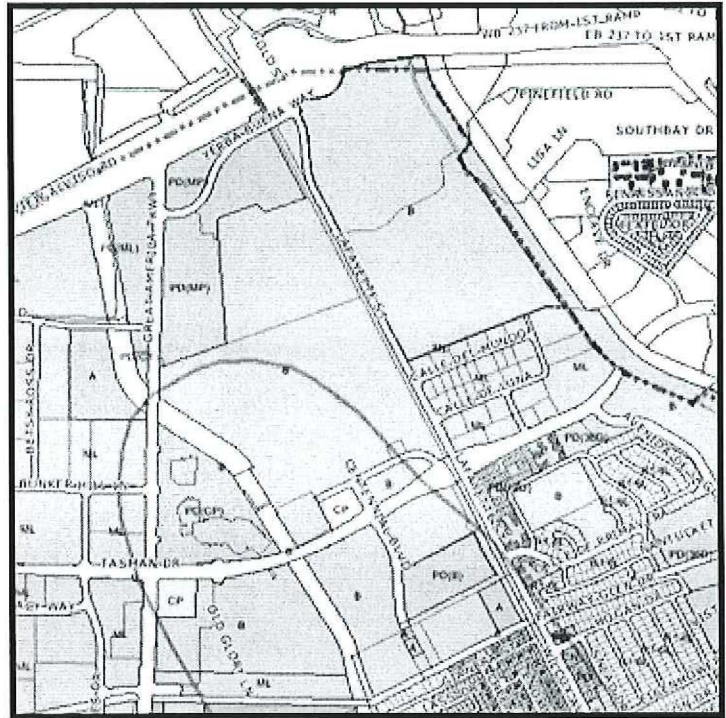
The properties north and east of Parcels 1 and 2 are within the jurisdiction of the City of San Jose. The properties to the south of Parcel 2 and east of Parcels 4 and 5 are within the City of Santa Clara and are designated Light Industrial and are located in the Tasman East Focus Area. This area is identified for conversion to high density residential (37 to 50 units/acre) in Phase II of the General Plan. Initiation of Phase II requires preparation of a Specific Plan and City approval of the requisite development applications prior to implementation. Council has directed staff to explore greater densities for housing in this Specific Plan area in light of the pending commercial growth in the vicinity. This process has been initiated and preparation of the Tasman East Specific Plan is underway. Properties south and west of Parcels 4 and 5 are designated Regional Commercial and the properties west and north of Parcel 3 are designated High Intensity Office/Research and Development (R&D). The High Intensity Office/R&D designation is intended for high-rise or campus like developments for corporate headquarters, R&D and supporting uses up to a maximum 2.0 FAR, with landscaped areas for employee activities.

Zoning Map and Designations

Zoning for the project site consists of Public, Quasi-Public, and Parks and Recreation (B) for Parcels 1 through 4 and the east half of Parcel 5. The remainder of Parcel 5 is zoned Commercial Park (CP). The B zoning designation is intended to provide for public, quasi-public and park facilities subject to the provisions of SCCC Chapter 18.52. The CP zoning designation is intended to provide a mix of high quality commercial uses adjacent to major travel corridors with direct access to regional markets, subject to the provisions of SCCC Chapter 18.42.

The Tasman East properties discussed above are currently zoned Light Industrial (ML) consistent with the existing uses in this area (south of Parcel 2 and east of Parcels 4 and 5). The properties south and west of Parcel 5 are zoned B. The Convention Center property west of Parcel 4 is zoned Planned Development /Commercial Park (PD/CP) to reflect the uses and development standards approved for the site. The properties west and north of Parcel 3 are zoned Planned Development/Planned Industrial (PD/MP) to reflect the specific uses and development standards approved for the high intensity office development currently on those parcels.

Figure 4 – Zoning Map



GENERAL PLAN AND ZONING CONFORMANCE

The project proposes a General Plan amendment from Parks/Open Space and Regional Commercial to Urban Center/Entertainment District to allow for the combination of office, retail, commercial, hotel, and residential uses at high intensities of development in conjunction with the provision of park and open space to serve the local community and surrounding region. A new General Plan designation is required to define and allow for the land uses contemplated by the project. With the approval of the General Plan Amendment (GPA), the new designation would be reflected on the City's General Plan Map. A text amendment is proposed as part of the project to add Urban Center/Entertainment District to the list of General Plan land use classifications. The following text is proposed to be added to Section 5.2.2 of the General Plan defining this land use designation:

Urban Center/Entertainment District

This classification is intended for local and regional scale destinations that feature a mixture of some or all of the following pedestrian-oriented commercial retail and services, urban residential, hotel and employment generating uses within a defined planning area. It accommodates an intensity of development intended to create a lively place of focus for community and commerce. Master planned projects are encouraged, which may proceed through multiple phases and may entail several individual parcels or development areas. The intensity of development within individual parcels or sub-areas may vary, thereby allowing a more dense urban form in key locations (for example, concentrated employment, retail services and/or housing served by nearby transit facilities). The planning area may be designated as one of the following:

- Low Intensity Urban Center that allows an overall project that shall not exceed a gross FAR of 1.0 for all combined office, commercial, retail and hotel uses;
- High Intensity Urban Center that allows an overall project that shall not exceed a gross FAR of 2.0 for all combined office, commercial, retail and hotel uses.

Accordingly, this classification accommodates a wide variety and mix of commercial activities serving residents, businesses and visitors from the local community and surrounding region. Some combination of the following uses are allowed in vertical or horizontal mixed-use arrangements: 1) retail sales and services; 2) restaurants and other food and beverage uses; 3) entertainment venues such as cinemas, performance venues, other interactive experiences, and active open space and plaza amenities; 4) hotels; 5) corporate and general office; 6) commercial services; 7) and compatible uses of a similar commercial character. Auto-oriented uses such as drive-through restaurants and auto service facilities are not appropriate uses.

Medium to very high density residential use (ranging from 37 to 90 du/ac) is also suitable to this classification, while not subject to FAR limitations, the buildings could be restricted by FAA or other applicable height restrictions/regulations. The integration of urban scale housing is intended to contribute to a balanced community, reduce reliance on the automobile, and promote the desired pedestrian-oriented character. Horizontal and vertical mixing of compatible uses is permissible, bringing residents and workers in close proximity to basic services and desirable conveniences. Mixed-use developments that afford active lower floor(s) retail or commercial space along street frontages with residential units arranged on upper floors are especially fitting as part of an urban core.

Development should support alternative modes of travel, incorporating accommodations for transit users, bicyclists, and pedestrians, as well as utilizing and incentivizing transportation demand management. Parking should be provided in a manner that does not disrupt the desired pedestrian-orientation, and instead is arranged and scaled to help activate street spaces. Shared parking among compatible uses is encouraged. Both structured and surface parking are permissible, as appropriate to location and uses.

Open spaces and landscape features that enhance the public realm and meet the active and passive recreational needs of multiple users shall be incorporated throughout a project. In particular, open spaces should encompass some or all of the following: at-grade plazas, greens and similar shared outdoor spaces suitable for formal and informal gatherings, as well as pedestrian-friendly streetscapes that feature wide sidewalks, canopy trees, street furniture, and other amenities. Upper/podium level courtyards and terraces, as well as public and private rooftop gardens are also encouraged.

Other General Plan Edits

In addition to the new General Plan designation noted above, the GPA also includes modifications to the General Plan text to revise Citywide limitations on office development. Because the proposed MCP includes policies on subsequent changes in use, density, and square footage, two sections of the General Plan containing discretionary policies on those topics (5.3.5 and 5.5.1) would be modified to clarify that those preexisting policies will not apply to City Place. In addition, General Plan Policy 5.3.1-P18, which addresses the metering of new commercial and industrial development in the City would be amended to correct a misprint in the reference to General Plan Figure 2.3-1, which is a map depicting the areas of potential development that are excluded from the metering requirements. Also, the project site is proposed to be added to General Plan Figure 2.3-1, thereby exempting it from the Citywide square footage metering requirements along with the various other development sites identified in the map. Similarly, General Plan Table 8.6.2 Proposed Development (Approved, Not Constructed, and Pending Projects) is proposed to be amended to include the project. The adoption of the new Urban Center/Entertainment District General Plan

Designation also necessitates a change to the City's Climate Action Plan (CAP). The minimum vehicular miles traveled reduction requirements associated with the new designation are proposed to be added to the CAP. The specific edits associated with each of these GPA changes are provided in the attached GPA resolution and the exhibits attached thereto.

Planned Development-Master Community

The PD-MC zoning designation is intended to create regulations for large-scale integrated development that is compatible with the existing community. The PD-MC provides for the integration of uses that are not permitted to be combined in other zoning districts and/or utilize planning and design concepts that would be restricted in other zoning districts. It allows the phased development of large-scale projects and the subdivision of land or airspace without the requisite frontage on a dedicated public street.

The proposed project is a large scale mixed-use project involving multiple phases of development requiring flexibility in development standards for building height and setbacks, density and intensity, and parking. The development standards assigned to the B and CP zoning districts do not accommodate the array of uses and scale of development proposed by the City Place project. A rezone of the properties from B and CP to PD-MC is necessary to implement the proposed project. The MCP proposed to be adopted with the PD-MC designation will also supersede selected procedural provisions of the PD-MC Ordinance to reflect the specific process, rights and limitations for this project.

PROJECT ANALYSIS

Project Description:

The project involves the demolition of all the existing buildings and on-site features to construct a new mixed-use area with a defined center as the focal point for a vibrant, pedestrian-oriented urban environment. The project includes the development of up to 9.16 million gross square feet of office buildings, retail and entertainment facilities, residential units, and hotels. It provides improved park space and large shared open spaces throughout the project site and includes the construction of new and expanded pedestrian facilities, roadways, utilities, and infrastructure to serve the site. Upgrades and improvements to off-site infrastructure and utility connections will also be required and are part of the project. New roadway construction off-site includes the Lick Mill Boulevard extension that will involve the demolition of three office buildings in Tasman East to connect Tasman Drive to Parcel 2. The project could include construction of a new fire station to replace Fire Station #10 either on-site or nearby to accommodate development of the site. Because the majority of the project would be located over the former landfill, the following additional activities would be required to develop the site: constructing foundation systems to minimize disturbance and preserve the integrity of landfill components; relocating, upgrading, and/or replacing, as necessary, the existing groundwater monitoring network, leachate collection system, and landfill gas collection and removal systems; and conducting associated environmental remediation activities.

Master Community Plan:

A Master Community Plan (MCP) is provided as part of the PD-MC requirement for rezoning of the properties. The MCP sets forth the development standards, design guidelines, phasing constructs, and procedures of project implementation; establishes development transfer provisions among parcels; and identifies permitted and conditional uses allowed within the proposed land use areas. The PD-MC presents three development schemes for implementation that may be interchanged depending on market conditions and/or regulatory requirements. These include: Scheme A, Scheme A Variant, and Scheme B. Table 2 below identifies the development scenarios for each scheme.

Table 2 – Development Schemes

	Scheme A	Scheme A Variant	Scheme B
Gross Floor Area (sq.ft.)	9,164,000	7,523,400	9,164,000
FAR	0.93	0.76	0.93
Commercial Office (sq.ft.)	3,96,400	3,244,400	6,684,400
Commercial Retail (sq.ft.)	1,312,000	1,831,000	1,512,000
Commercial Entertainment (sq.ft.)	190,000	190,000	190,000
Hotel Rooms	700	700	700
Residential	1,680	1,680	200
Open Space	74.1 acres	65 acres	74.1 acres
Parking Stalls	25,000 +	20,000	25,000+

The overall gross floor area listed above for each scheme includes the residential floor area of that scheme and does not include the gross floor area of the parking structures. Scheme B is provided with a reduced number of residential units and is replaced with office use in the event State regulators do not allow the construction of residences over the closed landfill. Schemes A and B would be constructed in eight phases and Scheme A Variant would be constructed in seven. While the phasing strategy presented in the MCP (in both text and exhibits) is conceptual, it is consistent with the analysis conducted in the project EIR. With the exception of Parcels 1, 2 and 3 the phases may be consolidated, implemented out of numerical sequence, or modified to address changing conditions. Irrespective of which scheme is constructed, the DA includes a 30 year term for phased development of the project.

Each of the development parcels within City Place is assigned a land use function in the MCP. The type and location of the land uses is intended to be consistent and complementary with existing uses surrounding the project site. The City utility facility at the north end of Parcel 1 is not proposed for redevelopment and would retain existing municipal operations, but would be altered by the addition of an access roadway from Parcel 1 to the intersection of Lafayette Street and Great America Way. Office campus development is the intended land use for the remaining area south of the City utility facility on Parcel 1. Parcel 2 may be developed as an office campus in Scheme A; a retail center in Scheme A Variant; or contain office and retail land uses in Scheme B. The land use scheme for Parcel 3 has changed following public input and is not reflected in the Table above. This area was initially intended as an office land use and has changed to parkland, with the redistribution of the 720,000 square feet of office floor area to Parcels 1, 2 and 5, as depicted in the Figures 5a and 5b below. Parcel 4 includes a City Center Northwest Office scheme and a City Center Mixed-Use scheme which extends into Parcel 5.

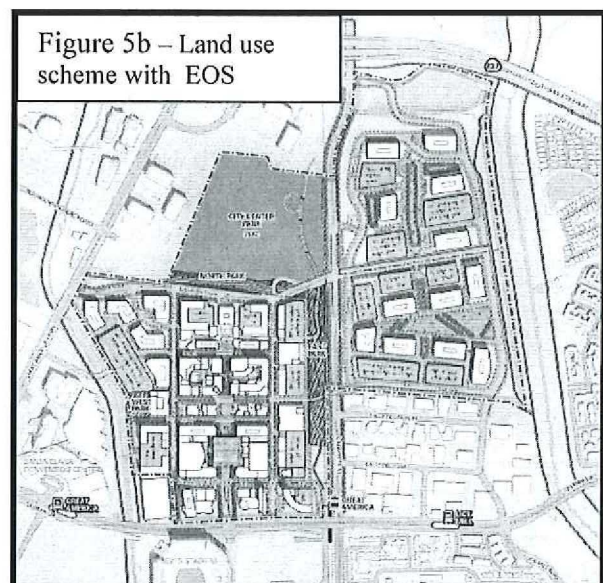
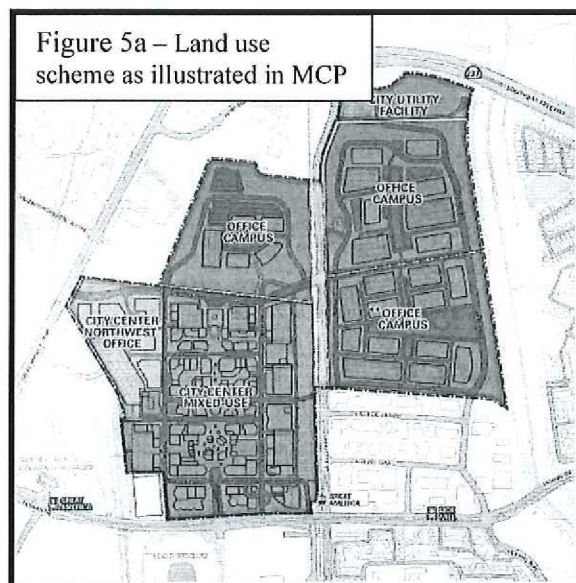


Table 3 below sets forth the updated summary development yields for each parcel in the different schemes under the Enhanced Open Space (EOS) Variant. On Parcels 1, 2 and 5, the Developer would be allowed to increase the amount of office space by up to 20% of the total planned development for those parcels. For Scheme A, this variant would result in up to an additional 240,000 square feet of office space on Parcel 1, an additional 432,000 square feet of office space on Parcel 2, and an additional 48,000 square feet of office space on Parcel 5 (for a total of 720,000 square feet of re-allocated office space).

Table 3 – Development Standards and Scenarios with EOS Variant

Parcel	Characteristic	EOS Scheme A	EOS Scheme B	EOS Scheme A Variant
Parcel 1	Office ^{a,b}	1,440,000 gsf	1,440,000 gsf	1,440,000 gsf
	Max. Development	1,440,000 gsf	1,440,000 gsf	1,440,000 gsf
	FAR	0.90	0.90	0.90
	Height (max.)	17 stories	17 stories	17 stories
Parcel 2	Office ^{a,b}	2,592,000 gsf	2,392,000	432,000 gsf
	Retail	—	200,000 gsf	519,000 gsf
	Max. Development	2,592,000 gsf	2,592,000 gsf	951,000 gsf
	FAR	0.98	0.98	0.36
	Height (max.)	17 stories	17 stories	17 stories
Parcel 3	Park	34.9 acres	34.9 acres	34.9 acres
Parcel 4	Residential	1,480,000 gsf (1,480 units)	—	1,480,000 gsf (1,480 units)
	Hotel	298,000 gsf (300 rooms)	298,000 gsf (300 rooms)	298,000 gsf (300 rooms)
	Retail ^c	1,415,000 gsf	1,415,000 gsf	1,415,000 gsf
	Office ^{a,b}	1,066,400 gsf	2,546,400 gsf	1,066,400 gsf
	Max. Development	4,259,400 gsf	4,259,400 gsf	4,259,400 gsf
	FAR	1.13	1.13	1.13
	Height (max.)	17 stories	17 stories	17 stories
Parcel 5	Residential	200,000 (200 units)	200,000 (200 units)	200,000 (200 units)
	Hotel	280,000 (400 rooms)	280,000 (400 rooms)	280,000 (400 rooms)
	Retail ^c	87,000	87,000	87,000
	Office ^a	306,000	306,000	306,000
	Max. Development	873,000	873,000	873,000
	FAR	2.52	2.51	2.51
	Height (max.)	17 stories	17 stories	17 stories
Overall Maximum Development		9,164,400 gsf	9,164,400 gsf	7,523,400 gsf
Average FAR		0.93	0.93	0.76

Source: Related 2015, 2016

Notes:

^a Small amounts of employee-servicing food/beverage and other retail uses may be provided in each building.

^b Hotel uses could be included as part of the office developments on Parcels 1, 2, and 3 and in the Northwest Office Zone on Parcel 4. Total development at the Project site would not exceed 9.16 million gsf under any scheme.

^c Retail includes food/beverage on Parcels 4 and 5 and entertainment uses on Parcel 4.

gsf = gross square feet

FAR = floor area ratio

As proposed, the MCP includes conceptual building footprints, spatial arrangements, and massing as illustrated in Figures 6a and 6b below. The building envelopes and locations are not fixed to allow flexibility and ability to respond to market demands and/or regulatory requirements. Maximum development standards for floor area, FAR and building height are established. The intensification of use on Parcels 1, 2 and 5 would increase the intensity of land uses, which may result in an increase in the heights of individual office buildings, but the overall height of buildings will not exceed 17 stories on any Parcel. The increased intensity may result in higher floor area ratios (FAR) for individual Parcels or Phases, but the overall development FAR would not exceed 1.0 within the Project boundaries.

Figure 6a – Conceptual Layout

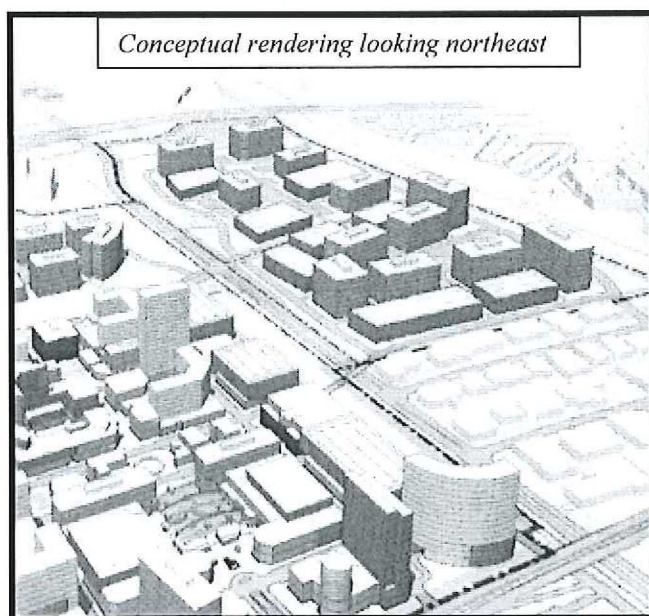
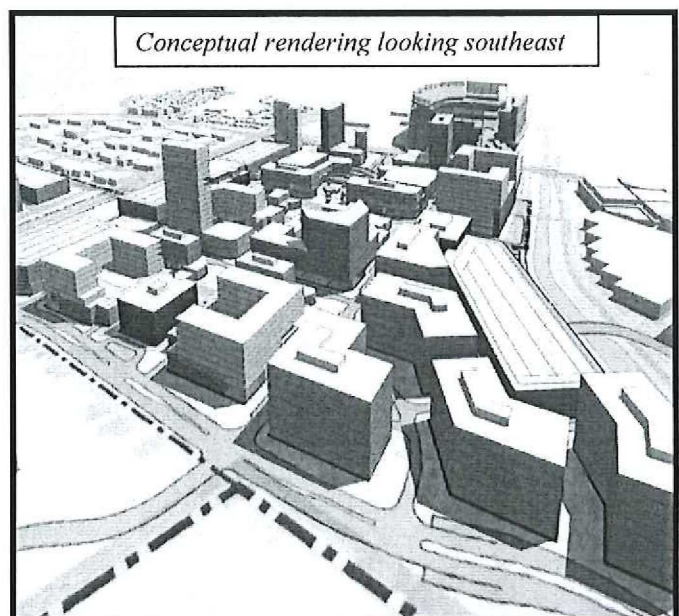


Figure 6b - Conceptual Layout



The specific disposition of land uses, siting of facilities and infrastructure, building architecture, and site design of landscape streetscapes, open space, and public space will occur with the subsequent submittal of DAPs and will be governed by the procedures outlined in the "Development Area Plans and Architectural Review – Submittal and Approval Procedures," which is an appendix to the MCP.

The proposed PD-MC zoning designation, along with the proposed MCP, identify the permitted, conditionally permitted and prohibited uses for the City Place Project. The list of uses and assignment to parcels is presented in Chapter 3.2 of the MCP and are consistent with an urban, mixed-use, pedestrian-oriented type of development. The uses associated with Parcel 3 in the MCP have been revised to reflect the change in land use scheme for Parcel 3 from an office campus to parkland in the Supplement to the MCP attached to this staff report.

With the conversion of Parcel 3 to open space, the developer would be responsible for the construction of an access road on the property, which may contain parking. The developer has also offered \$5 million to the City for design and construction purposes. It is anticipated that the access road to Parcel 3 would be completed following the construction of the City Center area or shortly thereafter.

The MCP identifies parking supply rates that are to be applied to the PD-MC district. The rates are expressed as ratios that are based on anticipated demand associated with the proposed land uses in each development scheme, and are informed by the City's parking requirements. Parking is distributed throughout the site and includes structured parking facilities, surface lots and on-street parking at locations to support demand. On-street parking would be provided for short-term purposes and off-street parking facilities would be located in proximity to high activity and intensity uses. Table 4 below lists the parking rates for each land use type in City Place in relation to the City's parking requirements.

Table 4 – Parking Standards

Land Use	Existing Santa Clara City Code Parking Supply Rates	Proposed MCP Parking Supply Rate
Residential	1.5 per unit	1.5 per unit
Retail	5.0 per 1,000 gsf	4.5 per 1,000 gsf*
Office	3.3 per 1,000 gsf	3.0 per 1,000 gsf
Restaurants	5.0 per 1,000 gsf	1.5 per 1,000 gsf*
Entertainment	5.0 per 1,000 gsf	2.5 per 1,000 gsf*
Hotel	1.0 per room	1.0 per room

*Additional parking spaces would be shared with adjacent land uses.

To respond to potential future changes in parking demand, the MCP allows the developer to apply for a further reduction to the minimum parking supplies for future DAP phases beyond the first DAP, up to 25 percent. The allowance for reductions in parking shall be based on shared parking arrangements, TDM measures, and other applicable parking strategies implemented to substantiate the proposed reduction when and where warranted, as determined by the Director of Planning and Inspection.

A parking management and wayfinding program will be implemented to assist in the location and identification of parking availability in "real-time" for public use throughout the project site. In addition, the City and the Developer will manage on-site parking provisions for NFL and non-NFL events at Levi's Stadium. For NFL events, the Developer will provide a total of 3,000 parking spaces in two formats: (i) 789 spaces will be provided within the southern end of the City Center mixed-use core (Parcel 5), and (ii) 2,211 spaces will be located throughout Parcels 1, 2 and 4 of which 50 percent will be located within the City Center (Parcels 4 and 5). Non-NFL events will be accommodated on City-owned property that has not been ground leased by the Developer, as well as property leased to the Developer on a first come first serve basis throughout the project site.

The project includes the construction of a roadway network consisting of public and private streets within the project boundaries. The project also includes improvements to existing access roadways and intersections off-site and the construction of new vehicle access points to serve the site. Shared parking arrangements, Transportation Demand Management (TDM) measures, and "Park Once" strategies are incorporated into the project to reduce vehicle trips within and to the site. In addition, the project includes the construction of bicycle and pedestrian facilities to connect residents, employees and visitors to the site and surrounding area as well as nearby creek trails and transit facilities. As part of the TDM strategies, shuttle services throughout the project site are anticipated to provide connections between development, parking, and transit on and near the site.

Infrastructure Master Plan:

As each of the project phases are built, the infrastructure (i.e., roadways and utilities) necessary to support the development of that particular phase will be constructed. In some cases, it will be necessary to construct

infrastructure in portions of the site where future phases would be developed to connect to existing infrastructure and the phase that is under development. An Infrastructure Master Plan (IMP) and accompanying Technical Memorandums will be a part of the MCP as appendices. The documents identify key design criteria and provide the detailed layouts of each infrastructure system to serve the project. Each utility will be constructed in compliance with City standard design criteria, standard details, rules, regulations and specifications, except where deviations are expressly specified in the IMP as approved by the City, and in accordance with the timing set forth in the Sensitivity Analysis prepared for each DAP.

Development Transfer:

The PD-MC for the City Place Project proposes to modify SCCC Section 18.56.080(e) which allows a development transfer up to 15 percent to one or more development area plan parcels; provided that the overall minimum, and maximum nonresidential square footage and the overall minimum public use open space acreage designated in the MCP graphics are maintained. The project proposes a 20 percent development transfer of the maximum allowed density for all Parcels to one or more of the other development parcels, excluding Parcel 3. (Parcel 3 is identified for use as parkland) Density may be transferred such that development among the parcels may increase or decrease while not exceeding the maximum build-out for the entire project in each development scheme.

Development Agreement:

The project includes a proposed Development Agreement (DA) between the City and the Developer. 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. The DA vests the maximum density and intensity of uses; the maximum building heights and gross floor area of land uses; and the permitted uses. It also specifies that the developer must build a minimum of 200 housing units; that 10% of residential units must be affordable housing units; the development fees that will be paid (including a voluntary regional fee and a voluntary contribution to VTA); the provisions concerning escalation of existing fees or imposition of new fees; and that all mitigation measures to minimize material adverse environmental impacts of the project must be implemented. The proposed project DA has a 30 year term that would allow for phased development of the project. The schedule of performance for commencement and timing of construction are captured in the proposed DDA and will be reviewed and considered by Council.

Environmental Determination:

Environmental consultants, ICF International, prepared a Draft Environmental Impact Report (DEIR) in accordance with California Environmental Quality Act (CEQA) requirements. The DEIR and Notice of Availability were circulated and noticed on October 9, 2015 for a 45-day review period for public comment and was extended and additional 15 days upon agency request, and subsequently closed on December 8, 2015. The Planning Department received comments from the following agencies, organizations and individuals: Norman Y. Mineta San Jose International Airport, State Water Resources Control Board, County of Santa Clara Parks and Recreation Department, Santa Clara Unified School District, Santa Clara Valley Habitat Agency, California Department of Resources Recycling and Recovery, County of Santa Clara Department of Health, Pacific Gas & Electric, San Joaquin Regional Rail Commission, California Department of Transportation, Santa Clara Valley Water District, Santa Clara Valley Transportation Authority, San Francisco Bay Regional Water Quality Control Board, Capitol Corridor Joint Powers Authority, Bay Area Air Quality Management District, County of Santa Clara Roads and Airports Department, City of San Jose, City of Mountain View, City of Sunnyvale, Organizacion Comunidad De Alviso, Westfield, Committee for Green Foothills, Santa Clara Audobon Society, Friends of Caltrain, Sierra Club, Center for Public Environmental Oversight, Irvine Company, SV@Home, Brandan Croom, Mark

Espinoza, Anonymous, Richard Santos, Jan Hintermeister, Kirk Vartan, Steven Chang, and Sudshanshu Jain.

A Final Environmental Impact Report (FEIR) was subsequently prepared that included responses to all comments received on the DEIR, and the FEIR was circulated for a 10-day review period on April 19, 2016 in accordance with CEQA, and was extended for an additional 10 days upon agency request and ended on May 9, 2016. The Planning Department received comments on the FEIR from the following agencies, organizations and individuals: San Francisco Bay Regional Water Quality Control Board, County of Santa Clara Department of Health, Santa Clara Valley Transportation Authority, Santa Clara Valley Water District, Santa Clara Unified School District, San Joaquin Regional Rail Commission, Friends of Caltrain, Sierra Club, Santa Clara Audobon Society, The Sohagi Law Group (representing the City of San Jose), Irvine Company Jan Hintermeister, and Sudshanshu Jain. Copies of the DEIR and 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 comment letters received on the FEIR, along with various City responses to those comments, are provided in Appendix B to the FEIR and are attached to this staff report for review.

The EIR found that the proposed project 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 land use, transportation, air quality, greenhouse gas emissions, noise, and biology; and cumulative significant unavoidable utilities 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 specific 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:

- Convert the existing uses at the former Landfill to more productive uses.
- Establish a new and vibrant mixed-use City Neighborhood with a well-defined center to serve as a focal point for a pedestrian-friendly "live, work, and play" environment.
- Promote transit-oriented infill development by placing job-creating commercial buildings, residential units, and entertainment, dining, and shopping options in close proximity to each other and to existing transit and other multimodal transportation facilities.
- Enhance entertainment, dining, and shopping opportunities for local and regional residents and workers.
- Provide additional opportunities for major employers to locate to the City through the creation of attractive office park complexes in proximity to new residential units and entertainment, dining, and shopping options.
- Provide additional visitor-serving facilities such as hotels, restaurants, and shops for people using the new football stadium, as well as the convention center and theme park.
- Provide opportunities for supplemental parking for stadium events (including parking on football game days) while making adequate provision to maintain the vitality of the retail uses within the Project site.
- Provide enhanced hotel availability to an underserved travel market.

- Allow flexibility to respond to changing market demands to ensure that the project remains economically feasible throughout a multi-year development process.
- Provide new public open spaces and other community benefits.
- Modernize the Landfill protection systems operated by the City to ensure continued protection of human health and the environment.
- Facilitate creation of both permanent jobs and construction-related jobs.
- Create a significant new tax base and increase City revenues.

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 four project alternatives and provides a comparison of impacts of each alternative to the proposed project. The alternatives include: two No Project Alternatives, a Reduced Intensity Alternative, and an Increased Housing Alternative. As discussed in the EIR, the environmentally superior alternative is the No Project Alternative 1 or 2 on the basis of comparing the extent to which the alternatives reduce or avoid the project's significant impacts. 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 Intensity Alternative is the environmentally superior alternative as it would lessen traffic, air quality, GHG emissions, noise, public services, and utilities impacts. However, neither the Reduced Intensity Alternative nor the No Project Alternative 1 or 2 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 or Reporting Program. Furthermore, the City completed an impact analysis of the EOS Variant and determined that the proposed changes associated with the EOS Variant, including the additional parkland and the associated redistribution of office square footage, did not alter the conclusions of the FEIR. The impact analysis of the EOS Variant is included as Appendix A to the FEIR and is attached to this report. The DEIR, FEIR and FEIR Appendices constitute the EIR for the project.

Airport Land Use Commission (ALUC) Override:

The project has been reviewed by the ALUC for compatibility with the Airport Land Use Compatibility Plan. The residential portion of the project was deemed inconsistent with ALUC noise policies because of the proposed location of residential uses within the 65 dB CNEL. While the interior noise levels can be mitigated to achieve sound ratings of less than 45 dB CNEL with the required implementation of design features and treatments identified in the MMRP, exposure to temporary and periodic overhead air traffic noise would occur that would not be sufficiently mitigated. As such, the Developer shall be required to incorporate within the tenant lease agreements notification of the occurrence of aircraft traffic noise over the project site and convey an avigation easement to the City of San Jose on behalf of the San Jose International Airport.

PUBLIC NOTICES AND COMMENTS

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 General Plan Amendment #83, the rezoning to PD-MC, Development Agreement and EIR was published in the Santa Clara Weekly Newspaper on May 25, 2016. The proposed project is tentatively scheduled for review by the City Council on June 28, 2016. Comments received outside of the EIR process are attached to this staff report.

The City contacted the Native American Heritage Commission in July and August 2014 to request searches of the Sacred Lands file (SLF) and provide a list of interested Native American representatives for the project. The NAHC stated that a search of the SLF did not contain any records of Native American sacred sites in or adjacent to the project site. The NAHC provided lists (on July 23, 2014) of five Native American

contacts who might have information that would be pertinent to this project or have concerns regarding the proposed actions; they included: Valentin Lopez, Chairperson, Amah Mutsun Tribal Band; Irene Zwierlein, Chairperson, Amah Mutsun Tribal Band; Ann Marie Sayers, Chairperson, Indian Canyon Mutsun Band of Costanoan; Muwekma Ohlone Indian Tribe of the SF Bay Area; Andrew Galvan, The Ohlone Indian Tribe. The City notified all of the above contacts in July and August 2014 by letter. 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:

A series of public meetings, study sessions, open houses, and community meetings were conducted to inform and engage the public, agencies and organizations throughout the planning process of the City Place development proposal. The project received noticing by way of Council Agendas; mailings of notices to property owners within 1,000 feet of the project site and posted within 1,000 feet of the project boundaries; and publication in the Santa Clara Weekly. In addition, the Developer held community meetings that were noticed and posted as described above, and provided presentations to community organizations. Table 5 below chronicles the public outreach for the project to date.

Table 5 – Public Outreach Meetings

March 9, 2013	Council Hearing Project Announcement*	April – December 2015	Developer Small Group Meetings
October 30, 2013	Council Study Session Project Review*	June 16, 2015	Council Hearing Project Update*
December 3, 2013	Council Hearing Project Update*	October 20, 2015	Community Open House***
February 11, 2014	Council Hearing Project Update*	October 21, 2015	Bicycle & Pedestrian Advisory Committee and Silicon Valley Bike Coalition Meeting - Developer Presentations
July 1, 2014	Council Hearing Project Update*	October 26, 2015	Community Open House***
July 31, 2014	EIR Scoping Meeting Centennial Gateway Mixed-Use Project**	March 10, 2016 March 21, 2016 April 26, 2016 May 3, 2016	Joint Planning Commission & Council Study Sessions City Place Project, Entitlements, MCP & IMP Presentations**
August 12, 2014	EIR Scoping Meeting City Place Santa Clara Project**	June 7, 2016	Council Study Session Transactional Documents*
February 18, 2015	Chamber of Commerce - Developer Presentation	June 8, 2016	Planning Commission Hearing**
April 21, 2015	Council Study Session*	Tentative June 28, 2016	City Council Hearing**

* Council agenda noticing

** Council agenda, mailed, posted and newspaper published noticing

*** Mailed and posted noticing

ADVANTAGES AND DISADVANTAGES OF ISSUE

The proposed City Place development opportunity provides a number of advantages to both the City and the region. This adaptive reuse of a closed landfill facility within an urbanized area provides desirable jobs, housing and services where infrastructure improvements can be efficient and cost effective for the City compared to development of greenfields elsewhere that might further extend and disperse utility and roadway infrastructure and limit opportunities to take advantage of and support transit use and other alternative modes of travel and access.

The development will provide to the City substantial annual lease revenues, as well as property tax and sales tax revenues not realized today with the current use of the site. Other public entities, such as schools and special districts will also benefit with increased taxes. Most infrastructure costs and maintenance will be borne by the development, including some public facilities.

The site location provides a unique opportunity to concentrate development where transit resources can be a significant alternative to auto-oriented access common to development across most of Silicon Valley, with both light and heavy rail access immediately adjacent to the site, as well as multiple bus lines. And as this development specifically, and Silicon Valley generally, still must accommodate the demand for automobile access because of the suburban character of the region, the site is suitably accessible as it is readily served by various major local roadways, three expressways and three State highways in close proximity, presenting little to no need for intrusion into local residential areas. Also, the surrounding employment sites, the City's Convention Center, Great America Theme Park and Levi's Stadium will all be served by food and entertainment businesses within walking distance, services that are in short supply today in the vicinity.

The urbanization of this site adjacent to transit facilities and with good bike and pedestrian connections to the surrounding development will enhance the likelihood of development of substantial residential densities at opportunity sites such as the Tasman East Focus Area, where new housing at high densities can offset some job growth that also take advantage of transit and nearby services and employment. Planning in that area is underway now.

A notable disadvantage of the project development is the displacement of the municipal golf course and tennis club. While an inherent drawback of golf course facilities is the large acreage that generally serves a limited number of patrons at any given time, it does represent a visual open space for the general area. Both of these will be offset to some degree by the set-aside of approximately 35 acres of the project site for City-owned open space with access for all, with bike and pedestrian links to the creek and river trails, as well as to the Ulistac Open Space Preserve.

In consideration of the project's advantages, disadvantages, alternatives, and variants, the Increased Housing Alternative coupled with the EOS Variant bring the most benefits to the City, as this combination allows substantial amounts of housing growth and open space on the project site.

RECOMMENDATION

That the Planning Commission adopt resolutions for the project located at 5155 Stars and Stripes Drive, et al, on an approximately 240 acre site, subject to conditions of approval, to recommend that the City Council:

- 1) Approve and Certify a 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 #83 from Parks/Open Space and Regional Commercial to Urban Center/Entertainment District; changes to Figure 2.3-1 Areas of Potential Development and General Plan Table 8.6-2 Proposed Development (Approved, Not Constructed and Pending Projects) and related

- minor text amendments; and revisions to the Climate Action Plan to add TDM goals for the new land use designation;
- 3) Approve the rezone from Public, Quasi-Public, Park or Recreation (B) and Commercial Park (CP) to Planned Development-Master Planned Community (PD-MC) to allow the phased development of a new multi-phased, mixed-use development of up to 9.16 million gross square feet of office buildings, retail and entertainment facilities, residential units, hotel rooms, surface and structured parking facilities, new open space and roads, landscaping and tree replacement, and new upgraded and expanded infrastructure and utilities, subject to the development implementing the Increased Housing Alternative and Enhanced Open Space Variant analyzed in the EIR, and subject to conditions; and
 - 4) Adopt an Ordinance to approve the Development Agreement.

In addition, staff recommends that the Planning Commission recommend that the City Council:

- 5) Adopt a Resolution Overriding the Airport Land Use Commission's Finding that the Project is Inconsistent with the Airport Comprehensive Land Use Plan.

Documents Related to this Report:

- 1) *Draft Environmental Impact Report (DEIR) and Final Environmental Impact Report (FEIR) [Previously Distributed]*
- 2) *FEIR Exhibit A (Enhanced Open Space Variant Analysis) and Exhibit B (FEIR Responses to Comments)*
- 3) *CEQA Findings and Statement of Overriding Considerations (SOC)*
- 4) *Council Resolution Overriding Airport Land Use Commission Determination of Inconsistency*
- 5) *Mitigation Monitoring or Reporting Program (MMRP)*
- 6) *Resolution Recommending Council Certification of Environmental Impact Report and Adoption of SOC and MMRP*
- 7) *Resolution Recommending Council Approval of General Plan Amendment #83*
- 8) *General Plan Consistency Findings*
- 9) *Resolution Recommending Council Approval of the Rezoning*
- 10) *Resolution Recommending Council Approval of the Development Agreement*
- 11) *Development Agreement Ordinance*
- 12) *Development Agreement*
- 13) *Conditions of Approval*
- 14) *Correspondence as of June 2, 2016*
- 15) *Development Plans (Master Community Plan, Master Community Plan Park Supplement, and Infrastructure Master Plan)*