



MILPITAS PLANNING COMMISSION STAFF REPORT

October 28, 2015

APPLICATION:

THE DISTRICT LOTS 2, 3, 4 AMENDMENT AND CENTRE POINTE LOT 3A, B AND C, AND HOURET COURT 1 AND 2 DEVELOPMENT PROPOSAL – GP15-0002; RZ15-0005; ST15-0001; EA15-0005; SD15-0006; MT15-0006, MT15-0007, MT15-0008, MT15-0009; UP15-0010 – A request for a General Plan Amendment and Transit Area Specific Plan Amendment to change the land use designation from Residential-Retail High Density Mixed (RRMU) to High Density Transit Oriented Residential (HDTOR), and a Rezone from MXD2-TOD to R3-TOD for a portion Centre Pointe Lot B.

A request for a Site Development Permit, Major Tentative Maps and a Conditional Use Permit for the construction of a 175-room hotel, a 423 dwelling unit building with 66,421 square feet of retail on a portion of the District Lot 3, and 355 for sale units on Centre Pointe Drive and Houret Court parcels, and associated site improvements on 26.65 acres (“Project”).

A request for an amendment to the previously approved District One, Lots 2, 3 and 4 Site Development Permit and Conditional Use Permit to eliminate Lot 3 (mixed-use building with approximately 169 dwelling units and 27,187 of commercial-retail space) from the District 1 Project, and replace the two approximately 400,000 square foot mixed-use buildings on Lots 2 and 4 totaling 392 residential units and approximately 6,000 square feet of commercial-retail space with two five-story mixed-use buildings consisting of 391 residential units and 17,421 square feet of ground floor retail and office space on the District Lots 2 (186,386 square feet) and District Lot 4 (148,371 square feet).

RECOMMENDATION:

Staff recommends that the Planning Commission:

Conduct the public hearing and adopt Resolution No. 15-035 recommending the City Council approve an Addendum to the Certified Environmental Impact Report Prepared for the Transit Area Specific Plan (State Clearinghouse No. 2006032091) in support of the Centre Pointe and Houret Court Project located at 1310-1360, 1400-1460, and 1415-1475 McCandless Drive, 1463, 1501, 1507, 1515, 1536-1567, and

1577 – 1601 Centre Pointe Drive, and 231, 247-269, 274, and 1147 Houret Court; and

Adopt Resolution No. 15-036 recommending the City Council approve General Plan Amendment GP15-0002, Rezone RZ15-0005, Specific Plan Amendment ST15-0001, Site Development Permit SD15-0006, Use Permit UP15-0010, and Major Tentative Maps MT15-0006, -0007, -0008, -0009:

- 1. Adopt a General Plan Amendment and Transit Area Specific Plan Amendment to change the land use designation from Residential-Retail High Density Mixed (RRMU) to High Density Transit Oriented Residential (HDTOR), and a Rezone from MXD2 to R3 for a portion Centre Pointe Lot B; and**
- 2. Approve a Site Development Permit, Major Tentative Maps and a Conditional Use Permit for the construction of a 175 room hotel, a 423 dwelling unit building with 66,421 square feet of retail on a portion of the District Lot 3, and 355 for sale units on Centre Pointe Drive and Houret Court parcels, and associated site improvements on 26.65 acres; and**
- 3. Eliminate Lot 3 (mixed-use building with approximately 169 dwelling units and 27,187 of retail square footage) from District 1 Project, and replace two approximately 400,000 square foot mixed-use buildings on Lots 2 and 4 totaling 392 residential units and approximately 6,000 square feet of commercial-retail space with two 460,000 square foot, five-story, mixed-use buildings consisting of 391 residential units and 17,421 square feet of ground floor retail and office space on the District Lots 2 and 4.**

LOCATION:

Address/APN:

1415 - 1475 McCandless Dr. (APN: 86-33-093)
1310 – 1360 McCandless Dr and 1400 – 1460 McCandless Dr.
(APN: 086-33-101) 1463 Centre Pointe Dr. (APN: 086-33-086)
1501, 1507, 1515 Centre Pointe Dr. (APN: 086-33-087)
1536 – 1567 Centre Pointe Dr. (APN: 086-33-088)
1577 – 1601 Centre Pointe Dr. (APN: 086-33-089)
231 Houret Ct. (APN: 086-41-034)
247 – 269 Houret Ct. (APN: 086-41-033)
271 Houret Ct. (APN: 086-41-032)
1147 Houret Ct. (APN: 086-41-009)

Area of City: Transit Area Specific Plan (TASP) area – McCandless/Centre Pointe and Montague Corridor sub-districts

PEOPLE:

Project Applicant: Peter Zak, Lyon Communities
Consultant(s): Jorge Duran, RJA Civil Engineers
Property Owners: The Great Mall Parkway Project, LLC Jaime Chahine
Integral Milpitas Partner, LLC, Jaime Chahine
The Milpitas Project Owner, LP
Integral Communities McCandless, LLC
KPMW Integral, LLC
CP Land, LLC
IPCP Investor, LLC
The Houret Project Owner, LLC
Integral Communities Houret Partners, LLC
Project Planner: Adam Petersen/Bill Ekern

LAND USE:

General Plan Designations: Residential Retail High Density Mixed Use (RRMU);
Multi-Family Residential High Density (MFH); and
Boulevard Very High Density, Mixed Use (BVHDMU)
Zoning District: High Density Mixed Use (MXD2);
Multi-Family High Density Residential (R3);
Mixed Use, Very High Density (MXD3)
Overlay District: Transit Oriented Development (TOD) and Site and Architectural
Overlay (S)

ENVIRONMENTAL:

In accordance with Section 15164 of the California Environmental Quality Act (CEQA), and Environmental Impact Assessment No. EA15-0005, an addendum has been prepared to the Transit Area Specific Plan Environmental Impact Report (EIR) (State Clearinghouse No. 2006032091) certified by the City Council on June 3, 2008 (Resolution No. 7759). (Please access the TASP FEIR through these links.)
http://www.ci.milpitas.ca.gov/pdfs/plan_eir_tasp_draft.pdf
http://www.ci.milpitas.ca.gov/pdfs/plan_eir_tasp_final.pdf

EXECUTIVE SUMMARY

The Project consists of a master-planned development comprised of six distinct planning areas – each of which will be developed with a mix of multi-family residential and retail uses, or residential for sale units with loft and townhouse product types.

The applicant is requesting a General Plan Map Amendment, Specific Plan Amendment, Zoning Map Amendment, Site Development Permit, Conditional Use Permit and four Vesting Tentative Maps to allow the development of 814 Multi-Family units (mapped as condos, but operated for

rent), 355 3-story for sale flats and loft split units for a total of 1,169 dwelling units; 83,842 sf of retail and commercial uses, and a 175-room, 9-story hotel.

The project is a master-planned development consisting of six separate subareas, as follows:

- District Lot 2 is a 218 rental unit multi-family residential development with approximately 3,480 sf of retail/commercial uses. District Lot 2 has been mapped for residential uses pursuant to Vesting Tentative Map No. TM11-0002 approved by the City on March 20, 2012. This Vesting Tentative Map was determined to be in substantial conformance with the revised site plan reflected in the Site Development Permit applied for with this project.
- District Lot 4 is a multi-family residential development consisting of 173 rental units with approximately 13,941 square feet of retail. District Lot 4 has been mapped for residential uses pursuant to Vesting Tentative Map No. TM11-0002 approved by the City on March 20, 2012. This Vesting Tentative Map was determined to be in substantial conformance with the revised site plan reflected in the Site Development Permit applied for with this project.
- Centre Pointe Site A/District Lot 3 consists of a 175-room hotel, 66,421 square feet of retail, and 423 multifamily rental units. The Project includes an application for a Vesting Tentative Map No. MT15-0009.
- Centre Pointe Site B consists of 105 for sale, three and four story dwelling units. The Project includes an application for a Vesting Tentative Map No. MT15-0006.
- Centre Pointe Site C consists of 136 for sale, three and four story dwelling units. The Project includes an application for a Vesting Tentative Map No. MT15-0007.
- Houret consists of 114 for sale, three and four story townhome units. The Project includes an application for a Vesting Tentative Map No. MT15-0008.

To ensure overall project consistency, the applicant has also applied for a Site Development Permit that encompasses all six subareas, and a Conditional Use Permit to address a limited number of deviations from the development standards set forth in the TASP.

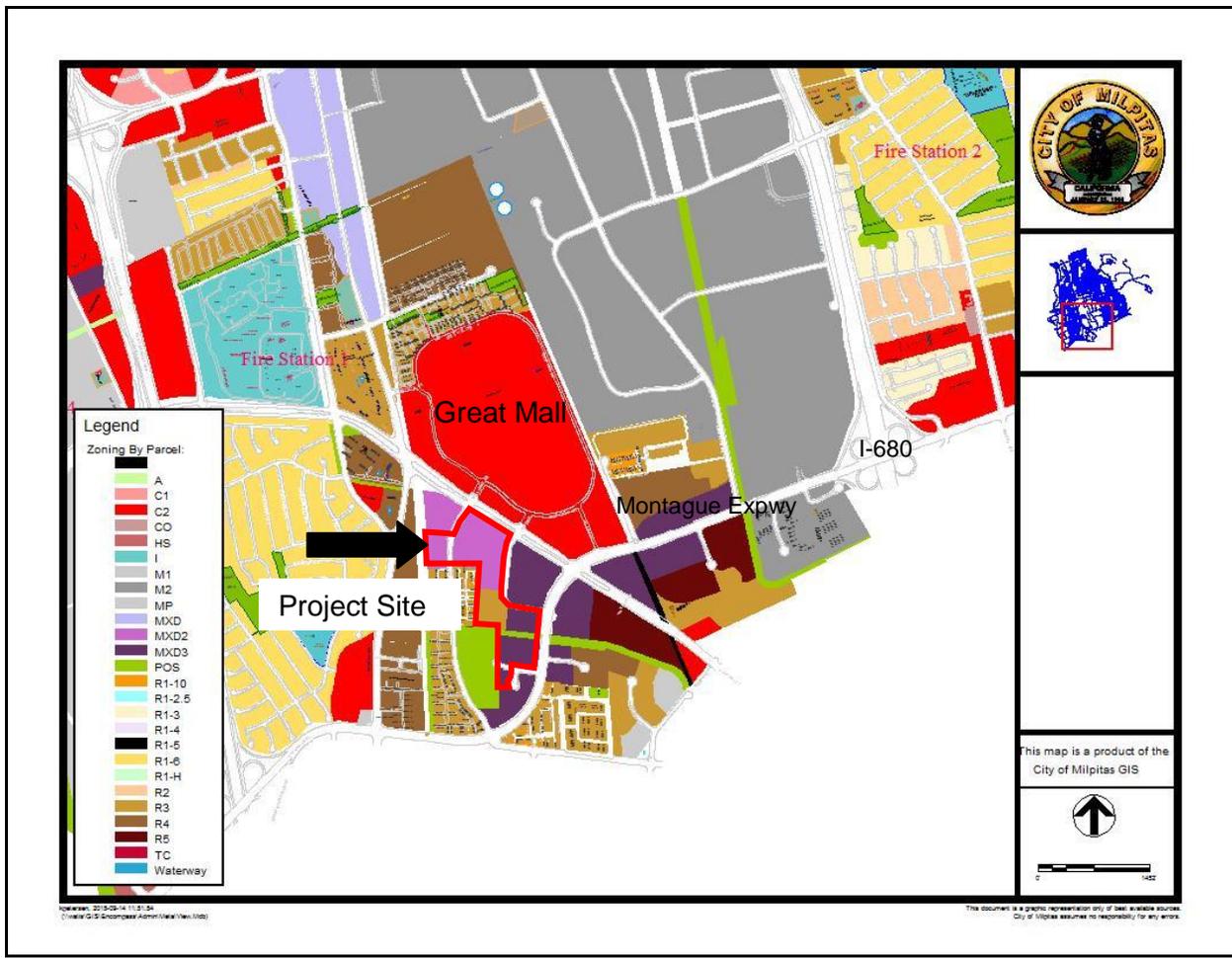
Amendments to the General Plan land use map, the TASP zoning map and City zoning map are requested to change the land use designation of a portion of Centre Pointe B subarea from MXD-2-TOD to R3-TOD to ensure that the entire Centre Pointe B subarea can be developed for three and four story flats consistent with the adjacent Centre Pointe B subarea.

The project would also include the development of a public plaza area at the corner of Market Street and McCandless Drive, on-site parking, on-street parking, landscaping and other associated landscape improvements. The project also proposes the construction of Market Street as a two-way street, Bond Street, and Centre Pointe Drive, as well as pedestrian walkways, paseos and recreational trails along the north and south banks of East Penitencia Creek. The

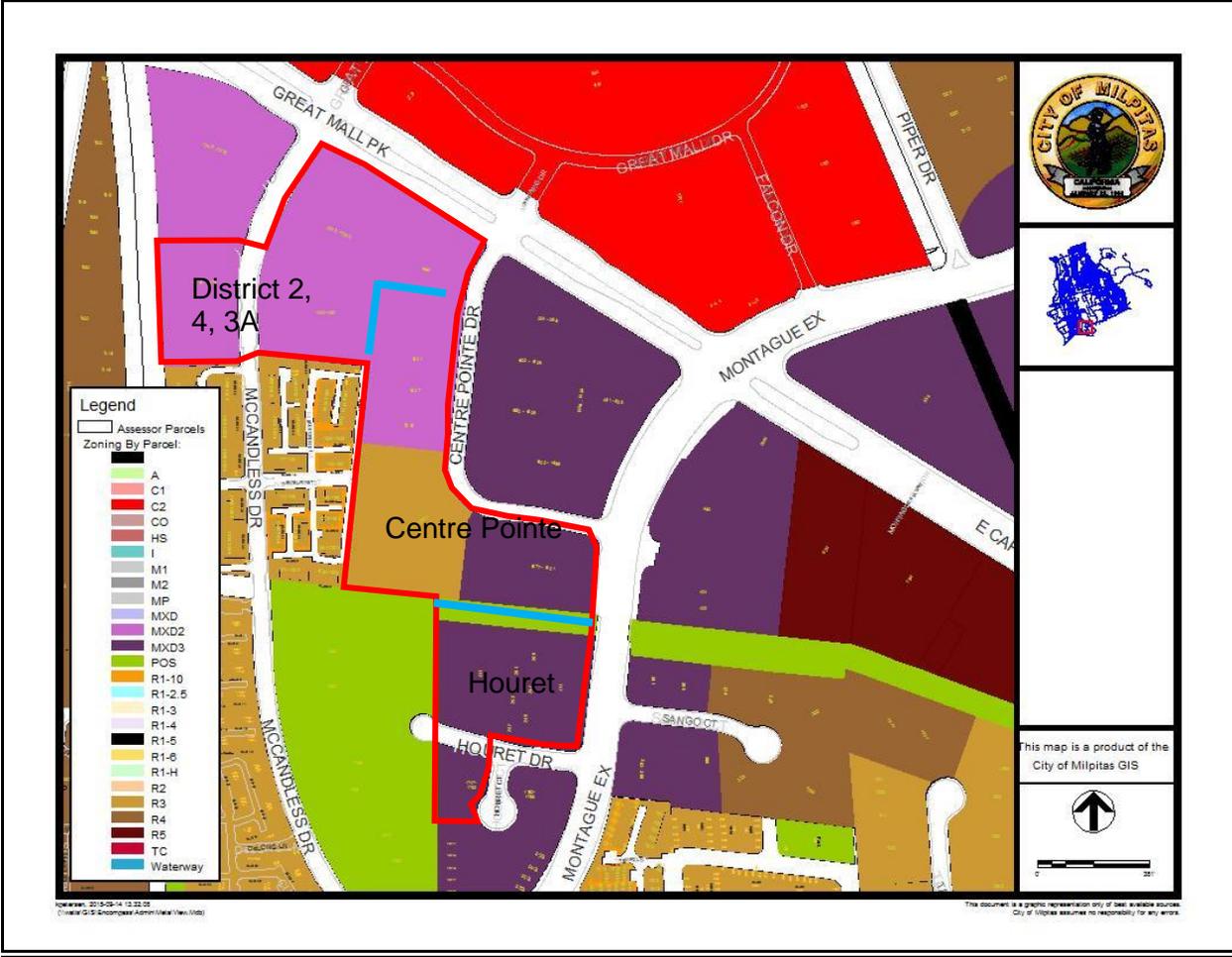
project provides an approximately 1,700 square feet at the intersection of Montague Expressway and East Penitencia Creek to accommodate a landing area for a proposed Pedestrian Bridge over Montague Expressway.

The developer proposes a series of public benefits as required by the TASP when a Conditional Use Permit is requested. The significant benefits proposed include a rapid response vehicle for the Fire Department (valued at approximately \$500,000); a contribution to the construction of a pedestrian bridge over Penitencia Creek (valued at approximately \$250,000), and a commitment to operate a public shuttle bus system linking the proposed hotel to BART, VTA light rail, and the Great Mall (valued at approximately \$150,000/year).

Map 1
Project Vicinity Map



Map 2
Project Zoning Map



Map 3
Site Aerial



* Aerial photo is not a current image.

BACKGROUND

History

On June 3, 2008, the City Council adopted the Transit Area Specific Plan. The Plan encompasses 437 acres and envisions the development of 7,109 dwelling units, 287,075 square feet of retail space, 993,843 square feet of office space and industrial. The plan includes development standards, goals and policies guiding development within the plan area. Because of the physical characteristics of the area, including major streets, railroads and creeks, the plan also established sub-districts with specific goals and policies to accommodate those unique characteristics.

The District and Centre Pointe History

- **2010: McCandless/The District Tentative Map Entitlements – 8 High-Density Mixed-Use Buildings**

In 2010, the Integral Communities received approvals from the Planning Commission and City Council for a tentative map and conditional use permit to construct eight high-density residential buildings along McCandless Drive with significant retail and commercial space in the first two buildings along Great Mall Parkway. The project included a maximum of 1,328 dwelling units and 75,000 square feet of retail/commercial space. The project also included an Owner Participation Agreement (OPA) that was approved by the City Council on August 3, 2010.

- **2012: “The District” - Mixed-use “Santana Row” style buildings and townhouse units Entitlements.**

In 2012, the project applicant received City Council and Planning Commission approval to amend the 2010 entitlements to replace four of the eight large buildings along McCandless Drive with a 200-unit townhouse project. The project included a Site Development Permit (SD11-0001) to review the architecture of the buildings, Conditional Use Permit (UP11-0037) to allow a grocery store on Lot 1 and Major Tentative Map (MT11-0002) to create 27 townhouse building lots and associated common areas. The approved changes resulted in a net decrease of 226 dwelling units from District 2 and net increase of 6,000 square feet of ground floor retail for Lots 2 and 4.

- **2014: “The District” and “Centre Pointe” – Mixed-Use and Condominium Project**

In November 2014, the Planning reviewed a proposal for the subject site, which consisted of the following requests:

- *Site Development Permit (SD13-0010 and SD13-0013):* To allow an amendment to Lots 2 and 4 changing them from large high-density mixed-use residential buildings to townhouse units resulting in a net decrease of 284 units, a net decrease of approximately 6,000 square feet of ground floor retail, relocation of the Urban Plaza from Lot 4 to Lot 3 and removing Lot 3 from the District project to the adjacent Centre Pointe project resulting in the elimination of a high-density mixed-used building on Lot 3 and eliminating approximately

169 residential units and 27,000 square feet of retail/commercial space entirely from the District project; and proposing a 362 apartment unit, 55,431 square foot of commercial space in a mixed use building and approximately 241 condominium/townhouse.

- *Major Tentative Map (MT13-0005 and MT13-0007)*: To amend the original Tentative Map relocating the Urban Plaza to Lot 3 and the creation of 18 townhouse-building lots, associated common lots on Lots 2 and 4 and removal of Lot 3 from the map.
- *Conditional Use Permit (UP13-0009 and UP13-0013)*: To amend the original Conditional Use Permit pertaining to Lots 2 and 4 to allow change from mixed use to townhouses, to allow tandem garage spaces and to allow reduction in TASP-required setbacks.

The Planning Commission voted to deny the requested entitlements in 2014, and the application was subsequently withdrawn.

PROJECT DESCRIPTION

The project consists of a master-planned development comprised of six distinct planning areas that will be developed with a mixture of hotel, multi-family residential, retail uses, and residential for-sale units with loft and townhouse product types. The project covers approximately 26.65 acres.

The applicant requests approval of a General Plan Amendment, Specific Plan Amendment, Rezone, Site Development Permit, Use Permit and Tentative Maps for the project. The project is generally bordered by Great Mall Parkway to the north, Montague Expressway to the east, Penitencia Creek to the west and Houret Drive to the south. Table 1 below summarizes the areas of the project, and Map 4 illustrates the proposed project.

Table 1
Project Summary

	Planning Area	APN	Acreage	Density	Product Type
1	District Lot 2	86-33-093	2.585 acres	218 du (84.3 du/ac) 3,480 sf ground floor retail	5-story Multi-family Rental
2	District Lot 4	Portion of 86-33-101	2.68 acres	173 du (64.5 du/ac) 13,941 sf ground floor retail	5-story Multi-family Rental
3	District Lot 3 / Centre Pointe Site A	Portions of 86-33-101 and 86-33-086	5.49 acres	175 room hotel w/ground floor retail (7,286 sq. ft.) 9-story hotel 66,421 sq. ft. retail 423 du (77 du/ac) 4-9 floors rental above ground floor retail 10 floor rental	4-9 floors rental above ground floor retail 10 floor rental 9-story hotel
4	Centre Pointe Site B	Portions of 86-33-86; -087; -088	4.72 acres	105 du (22.2 du/ac)	3 and 4-story for sale units Loft Split 4 story Split Loft

	Planning Area	APN	Acreage	Density	Product Type
5	Centre Pointe Site C	Portion of 86-33-088 and all of 86-33-089	5.81 acres	136 du (23.4 du/ac)	3 and 4-story for sale units Loft Split 4 story Split Loft
6	Houret	86-41-032; -033; -034; 86-41-009	5.30 acres	114 units (21.5 du/ac)	3 and 4-story for sale units
	Total			Multi-Family: 814 units (mapped as condos, but operated for rent) For Sale: 355 units SF retail: 83,842 Hotel rooms: 175 rooms	

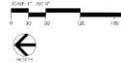
**Map 4
Project Proposal**



DISTRICT - CENTRE POINTE - HOURET

LYON COMMUNITIES
4901 Birch Street, Newport Beach, CA 92660

Milpitas, CA
DATE: 10.21.15
UN. JOB #: 12080



OVERALL SITE PLAN

Sheet No.
District - Centre Pointe - Houret
ACS.0

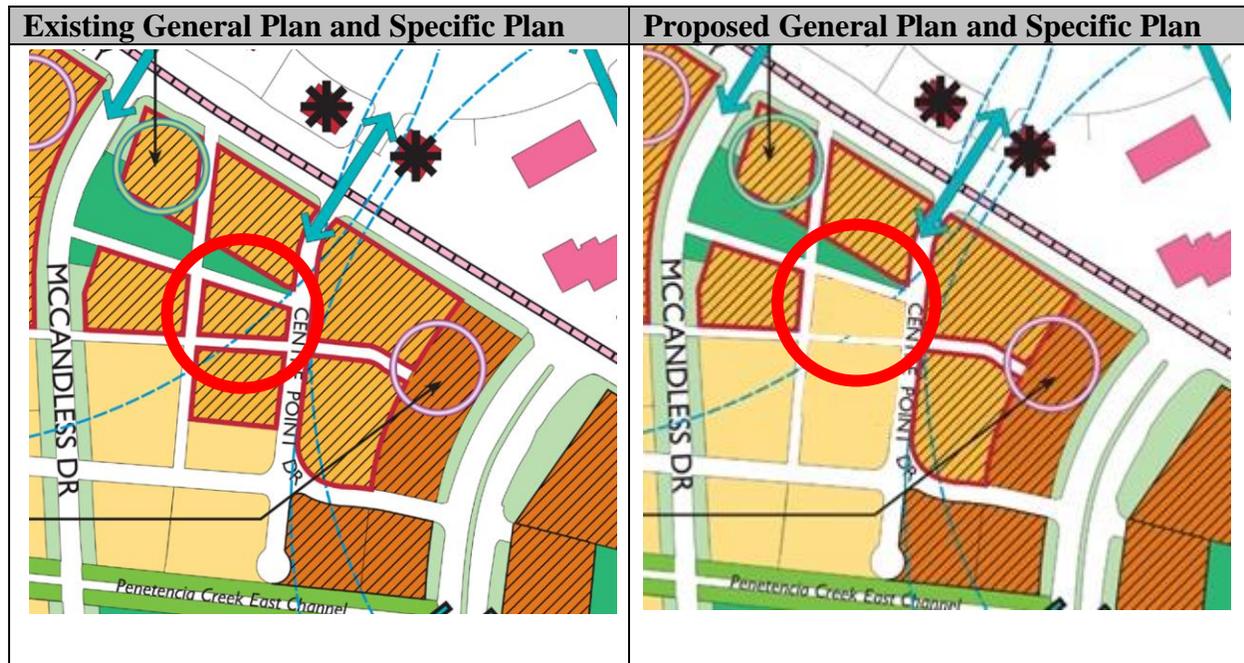
General Plan Amendment, Specific Plan Amendment and Rezone

The project includes a request for a General Plan and Specific Plan Amendment to change the land use designation on a portion of Centre Pointe Lot B. The General Plan land use designation would change from Residential Retail High Density Mixed-Use (RRMU) to High Density Transit Oriented Residential (HDTOR). Map 5 below illustrates the area of the proposed General Plan and Specific Plan Amendment. The requested amendment would alter TASP Figure 5-1 (Street Design and Character), removing the retail mixed use designation from a portion of the development along western portion of Centre Pointe Drive, from Market Street to Newbury Street. The requested amendment also requires an amendment to Figure 3-1 in TASP to clarify the zoning change that eliminates the retail requirement from the Centre Pointe B property.

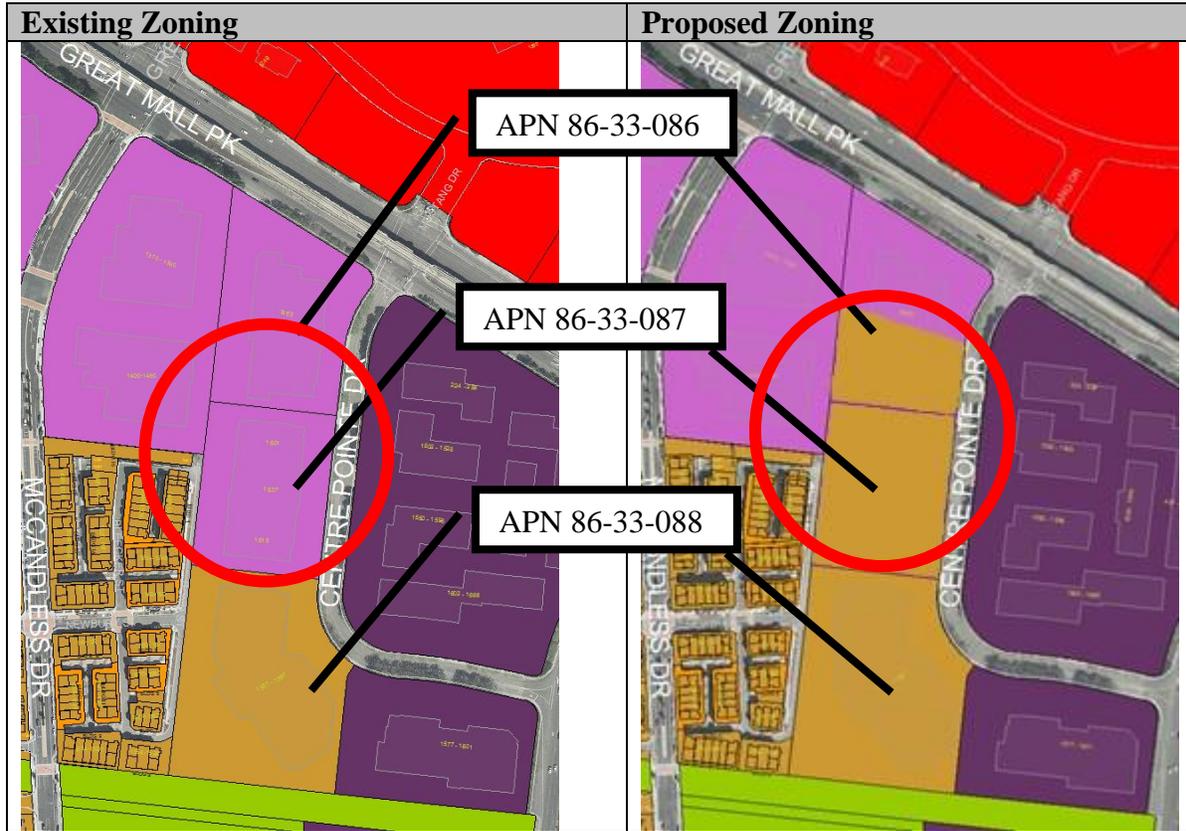
Accompanying the General Plan and Specific Plan Amendment is a request to rezone the same areas from High Density Mixed Use (MXD2) to Multi-Family High Density Residential (R3). Map 6 illustrates the existing and proposed Rezone.

The requested General Plan and Specific Plan Amendment, and Rezone would affect parcels 86-33-086 and 86-33-087, totaling approximately 3.287 acres.

Map 5
Existing and Proposed General Plan Land Use Designation



Map 6
Existing and Proposed Zoning



Site Development Permit, Tentative Subdivision Maps and Conditional Use Permit

District Lot 2 and 4:

The proposed District Lots 2 and 4 would supersede the approved Site Development Permit for these lots. The project proposes one less unit than the entitled project, and the design of the buildings would be modified. The project proposes two buildings comprised of 5-story, multifamily rental apartments in a “wrap” configuration with the residential units surrounding an interior parking structure. Recreational amenities include a pool and lounge area. District Lot 2 is approximately 2.585 acres and located west of McCandless Drive and adjacent to proposed residential development being constructed by Lyon Communities to the north, and Taylor Morrison to the south. District Lot 4 is approximately 2.68 acres and located between McCandless Drive, Bond Street, Market Street, and a proposed residential development to be constructed by Taylor Morrison. Ground floor, neighborhood serving retail will be developed in conjunction with these multi-family developments. The average density of development of District Lot 2 is approximately 84.3 du/acre and approximately 64.5 du/acre for District Lot 4.

District / Centre Pointe Lot 3A:

District Lot 3/Centre Pointe A proposes to contain a 9-story hotel with ground floor retail on the western edge of the site, adjacent to McCandless Drive. The hotel will be flanked by a 10-story multi-family building with 423 dwelling units above 66,421 square feet of retail on the ground

floor. The retail uses will front on Market Street and Great Mall Parkway. Parking is provided in a structure located in the center of the development, which is surrounded by the residential, commercial and hotel uses. District Lot 3/Centre Pointe A is adjacent to the Great Mall Parkway and between Centre Pointe Drive and McCandless Drive with Market Street to the south. The average density of the multi-family development proposed on Centre Point A is approximately 77 du/acres, and will be developed as 9 floors above ground floor retail that will surround a 10-story multifamily building.

Centre Pointe Lot B and C:

Centre Pointe B, located between Centre Pointe Drive, Bond Street, Market Street and Newbury Street is proposed to be developed with 105 for sale 3- and 4-story units at a density of 22.2 du/acre on this 4.72 acre site.

Centre Pointe C is approximately 5.81 acres located between Bond Street, Newbury Street, Montague Expressway and the Penitencia Creek, and is proposed to be developed with 4-story for-sale units adjacent to Montague Expressway, and 3-story for-sale units on the remainder of the site. Approximately 136 for-sale loft type units are proposed at a density of 23.4 du/acre.

Houret:

The Houret area is located south of Penitencia Creek, west of Montague Expressway, and north of Houret Court and west of Houret Court and east of a future school site. This area will have a similar product mix as Centre Pointe C with 83 4-story for-sale units adjacent to Montague Expressway and 31 3-story for-sale units on the remainder of the site. Houret is 5.30 acres, and has a density of 21.5 dwelling units per acre.

Circulation and Infrastructure Improvements

The Project will provide landscaping on the southern side of Newbury Street and will stripe a new four-way stop at the intersection of Newbury Street, Centre Point Drive, and “Drive G” (a new proposed street between Newbury Street and Penitencia Creek). The Project will also provide landscaping and on-street parking along Market Street. The Project will also provide improvements to Centre Pointe Drive by removing the existing curb.

The project will provide improvements and landscaping to the portions of McCandless Drive and Bond Street that border the Project area.

Finally, the Project will provide land to accommodate the alignment of one pedestrian bridge over Penitencia Creek and provide sufficient land to accommodate a landing area for a pedestrian bridge over Montague Expressway.

Because the Project site is located within the 100-year flood zone, the Project will be graded to ensure that all residential and commercial development pads are raised above the flood zone. Market Street and Newbury Street will be designed and constructed to provide flood paths in the event of a 100-year storm.

The Project will also provide all necessary infrastructure for water and sewer.

Parking

Parking for District Lots 2, 3, 4 and Centre Pointe Site A will be provided through parking structures located in the interior of each planning area, with additional street parking provided on Market Street.

Parking for the for-sale units in Centre Pointe Site B, Site C and Houret will be provided in street level garages associated with each unit.

PROJECT ANALYSIS

General Plan Amendment, Specific Plan Amendment

The Project proposes to amend a portion of the General Plan and Specific Plan Land Use Designation from Residential Retail High Density Mixed-Use (RRMU) to High Density Transit Oriented Residential (HDTOR). The amendment is proposed for one parcel and a portion of another parcel. Table 2 lists the proposed General Plan/Specific Plan Amendment that affects the following parcels:

Table 2
General Plan and Specific Plan Amendment

Lot	APN	Existing General Plan (GP) / Specific Plan (SP) Designations	Proposed General Plan / Specific Plan Designations
Centre Pointe Site B	0.625 acre portion of 86-33-086	GP: Residential Retail High Density Mixed Use (RRMU)	GP: Multi-Family Residential High Density (MFH)
		SP: Residential Retail High Density Mixed Use (RRMU)	SP: High Density Transit Oriented Residential (HDTOD)
	86-33-087	GP: Residential Retail High Density Mixed Use (RRMU)	GP: Multi-Family Residential High Density (MFH)
		SP: Residential Retail High Density Mixed Use (RRMU)	SP: High Density Transit Oriented Residential (HDTOD)

The proposed amendments are consistent with the intent of the requested General Plan and Specific Plan Multi-Family Residential High Density and High Density Transit Oriented Residential land use designation. The General Plan and Specific Plan describe the High Density Transit Oriented Residential land use as intended for medium-density residential neighborhoods further from BART at the interior of the sub-district neighborhoods. The proposed amendment area is located approximately seven-tenths of a mile from the Milpitas BART Station and along the western area of the TASP. Further, it is located interior to the proposed District project. The site is bordered by other medium density residential uses to the south and to the west. High-density uses along Centre Pointe Drive also form a buffer for the site from Montague Expressway. Amending TASP Figure 5-1 to remove the retail mixed-use street design

requirements for this area would maintain consistency with the High Density Residential land use designations because these designations do not have a retail requirement. Given these conditions, the requested land use designation and change to TASP Figure 5-1 is consistent with the intent of high density residential land use description, and is therefore consistent with the General Plan and Specific Plan.

Rezone

The Project proposes to amend the zoning designation for the same sites from High Density Mixed-Use (MXD2) to Multi-Family High Density Residential (R3). The project is consistent with this Zone because it proposes high-density residential units for sale. The R3 zone and intensity of the land use is the same as land uses located to the south and the west of the Project site. Further, the requested R3 zone is consistent with and implements the HDTOR General Plan and Specific Plan land use designation. Therefore, the requested Zone change implements the purpose and intent of the R3 zone, is consistent with adjacent uses, and is consistent with the City’s General Plan.

General Plan Conformance

Table 3 presents the multiple General Plan Designations, required density and general description of each sub area in the project:

Table 3
General Plan Descriptions

	Planning Area	General Plan Land Use Designation	Minimum Density Requirement	General Description
1	District Lot 2	Residential-Retail High Density Mixed-Use	31 – 50 du/ac	A mixed use area with retail, restaurants, and services on the ground floor, and residential, hotel, or office uses on floors above or horizontally mixed.
2	District Lot 4	Residential-Retail High Density Mixed-Use	31 – 50 du/ac	
3	District Lot 3 / Centre Pointe Site A	Residential-Retail High Density Mixed-Use	31 – 50 du/ac	
4	Centre Pointe Site B	Residential Retail High Density Mixed Use changed to: High Density Transit Oriented Residential	21 – 40 du/ac	These properties are intended for medium-density residential neighborhoods further from BART, at the interior of subdistrict neighborhoods.
5	Centre Pointe Site C	Multi-Family High Density Residential and Boulevard Very High Density Mixed Use	21 – 40 du/ac and 41 – 60 du/ac	This designation is intended to provide high-density housing, retail, and employment along Montague Expressway which has a landscaped boulevard character.
6	Houret	Boulevard Very High Density Mixed Use	41 – 60 du/ac	These properties are intended for medium-density residential neighborhoods further from BART, at the interior of subdistrict neighborhoods.

These designations were identified as appropriate land uses during the development of the TASP because of the proximity to the existing VTA station and future BART station. The future BART station is approximately seven-tenths of a mile from the residential uses, and the residential uses are located interior to the project site, away from major roadways. These designations require a range of densities from 21 dwelling units per acre to 60 dwelling units per acre. As shown in the Specific Plan Analysis section, the overall density of project falls within the mid-range density. Further, the mixed-use designations on the District Lots 2, 4, and 3 allow for retail space at the ground floor, and the project provides this use. The proposed project is consistent with the General Plan and TASP land use designations and densities.

Specific Plan Conformance

The entire District project falls within the mid-range density prescribed by the TASP. The project locates the majority of the density around McCandless Drive and Great Mall Parkway on the District Lots 2, 3, and 4, while the Centre Pointe and Houret sites provide townhouse style densities. The TASP permits this type of development pursuant to Policy 3.8, and the overall project density is within the average mid-range density. Therefore, the project is consistent with the Specific Plan. Table 4 presents a summary of the density analysis:

Table 4
TASP Density Analysis

Site	Density			
	Required	Units	Acres	Proposed Density DU/AC
Lot 2	31 – 50 du/ac	218	2.55	85.49 du/ac
Lot 4	31 – 50 du/ac	173	2.71	63.83 du/ac
Lot 3	31 – 50 du/ac	423	5.49	77.05 du/ac
Centre Pointe Lot B	21 – 40 du/ac	105	4.72	22.2 du/ac
Centre Pointe Lot C	21 – 40 du/ac and 41 – 60 du/ac	136	5.78	23.5 du/ac
Houret	41 – 60 du/ac	114	5.30	21.5 du/ac
Average	37 – 59 du/ac	1,169 du	26.6 ac	43.9 du/ac

The Specific Plan Land Use Designation for the District Lots 2, 3 and 4 contains a requirement for commercial and retail space. The proposed project exceeds this commercial requirement, as demonstrated in Table 5. Therefore, the project is consistent with the TASP commercial requirement.

Table 5
TASP Retail Requirement

Site	Floor Area			
	Min Density	Requirement	Area Required	Area Provided
Lot 2	31 du/ac	200 sq. ft. per unit based on minimum density	15,810 sq. ft.	3,480 sq. ft.
Lot 4	31 du/ac		16,802 sq. ft.	13,941 sq. ft.
Lot 3	31 du/ac		34,038 sq. ft.	66,421 sq. ft.
Centre Pointe Lot B	--	0 sq. ft. per unit	0 sq. ft.	--
Centre Pointe Lot C	--	0 sq. ft. per unit	0 sq. ft.	--
Houret	--	0 sq. ft. per unit	0 sq. ft.	--
Total	--	--	66,650 sq. ft.	83,842 sq. ft.

As demonstrated by Table 5, the project exceeds the commercial retail space requirements. The minimum TASP standards generate a demand for 66,650 square feet of commercial space, while the project provides 83,842 square feet. This amount exceed the commercial requirement by approximately 17,000 square feet. This will benefit the City with additional jobs and sales tax revenue. Therefore, the project satisfies the TASP requirements for commercial space.

The TASP divides the areas into subdistricts, and each subdistrict contains specific policies that guide development. The District project is divided between the McCandless/Centre Pointe subdistrict and the Montague Expressway subdistrict. Table 6 provides an analysis of the project's consistency with applicable policies from the two subdistricts and other policies from the TASP:

Table 6
Consistency with Transit Area Specific Plan Policies

Policy	Complies?
Policy 3.4: Provide a variety of housing types for different types of households, different income levels, different age groups, and different life-styles.	Yes. The project includes high-density residential units in mixed-use buildings and townhouse units.
Policy 3.6: Encourage creativity in high-density residential design. Allow housing types, such as live/work lofts that are not currently developed in the city.	Yes. The project includes high-density residential units in mixed-use buildings and townhouse units
Policy 3.17: New streets shall be located as generally shown on the Street System Map, Figure 3-2.	Yes. The street have been located in a pattern consistent with the TASP.
Policy 3.18: New development must dedicate land for new public streets and pay for their construction.	Yes. The project will dedicate land for Newbury and Bond Streets and for the improvement of Centre Pointe Drive.
Policy 3.54: Include a network of trails along Penitencia Creek and railroad right of ways.	Yes. The project proposes a trail network along Penitencia Creek.

Policy	Complies?
Policy 3.56: Connections shall be created across Montague Expressway with overhead bridges or undercrossings to create a continuous trail network; allow pedestrians and bicyclists to cross safely; and connect neighborhoods, schools, and parks.	Yes. The project proposes a landing area for the pedestrian crossing over Montague Expressway on Centre Pointe Lot C. Additionally, the project provides a pedestrian bridge from Centre Pointe Lot C to the proposed City park site and school.
Policy 3.57: All properties along the trail network will need to set aside land for the trails. This land will count towards the required public park land dedication requirement. Refer to Figure 3-7 for required dimensions. If trail easements already exist or are acquired within the rail line or flood control right of ways, these easements may be used in lieu of land on development sites.	Yes. The project provides a 12 ft. wide trail along Penitencia East Creek Channel.
Policy 3.59: Create a 45-foot deep continuous landscaped setback on Montague Expressway.	Yes. The project provides a 45 ft. deep setback along Centre Pointe Lot C and the Houret Site.
Policy 4.2 (MON): New curb cuts and auto access onto Montague Expressway are strongly discouraged, unless specifically indicated on the Plan map.	Yes. The project does not propose curb cuts along Montague Expressway. The project utilizes the existing Houret Drive access.
Policy 4.4 (MON): A 45-foot wide, landscaped setback is required from the future right of way line of Montague Expressway.	Yes. The project provides a 45 ft. deep setback along Centre Pointe Lot C and the Houret Site.
Policy 4.5 (MON): New development along Montague Expressway must dedicate land, such that a total of 79 feet from the roadway centerline is provided, to accommodate the future Montague Expressway widening project.	Yes. The project provides a setback of 79 ft. from the centerline of Montague Expressway.
Policy 4.6 (MON): Buildings will be designed with facades facing Montague Expressway.	Yes. Building in Centre Pointe Lot C and Houret are designed with facades facing Montague Expressway.
Policy 4.63 (MC-C): Create three street connections between McCandless Drive and Centre Point Drive. However, a public pedestrian pathway can be substituted for one of the streets.	Yes. The project proposes Market Street and Newbury Road from McCandless Drive to Centre Pointe Drive. The third connection is a pedestrian pathway through Centre Pointe Lot B from McCandless Drive to Centre Pointe Drive.
Policy 4.64 (MC-C): Create a new north/south street parallel to McCandless Drive and Centre Point Drive to provide access to parking as well as service and loading functions.	Yes. The project proposes Bond Street as a new north/south parallel street.
Policy 4.69 (MC-C): Create a mixed-use area with retail, restaurant, and personal service uses in the area closest to Great Mall Parkway.	Yes. The project provides over 80,000 square feet of commercial space, over 800 units adjacent to Great Mall Parkway, and a

Policy	Complies?
	175-room hotel.
Policy 4.70 (MC-C): Create a high-density residential neighborhood at the interior of the sub-district, centered along McCandless Drive.	Yes. The project proposes over 800 units at the interior of the subdistrict centered on McCandless Drive and Bond Street.
Policy 4.73 (MC-C): Create a plaza or other type of public space in the retail mixed use district, located as shown in the Plan Map.	Yes. The project provides a commercial promenade at the southeast corner of McCandless Drive and the proposed Market Street. This promenade is 0.83 acres and is the same size as the plaza proposed in the TASP.
Policy 4.74 (MC-C): Create a trail along the Penitencia Creek East Channel.	Yes. The project provides a 12 ft. wide trail along Penitencia East Creek Channel.

Vesting Tentative Maps

The application includes four Vesting Tentative Maps for District/Centre Point Lot 3, Centre Pointe Lots B and C and Houret. The uses and residential densities of the proposed maps are consistent with the General Plan and zoning as amended. Pursuant to Milpitas Municipal Code Section XI-1-4.06(a), an approved tentative map is valid for twenty-four (24) months from date of approval or conditional approval. Pursuant to Milpitas Municipal Code Section XI-10-64.06(b), the Subdivider shall have the right to request an extension of the map for one year. Subdivider has submitted an application for an extension for Vesting Tentative Map Nos. 15-0006, 15-0007, 15-0008, and 15-0009 and has requested that the extension be granted after the Council adopts Resolution 15-036 approving the four Vesting Tentative Maps, thus providing for an initial term of the vesting tentative maps of twenty-four (24) months, followed by an extension of twelve months, for a total approved term of thirty-six months from the date of approval of Resolution 15-036.

The application also carries forward prior Vesting Tentative Map No. TM11-0002 for District Lots 2 and 4, which were mapped for residential uses and approved by the City on March 20, 2012. This map is consistent with the District Lot 2 and District Lot 4 site plans in the Site Development Permit application, SD 15-0006.

Site Development Permit

Development Standards

The following tables demonstrate the project's consistency with the applicable development standards of the Very High Density Mixed-Use Zone (MXD3), High Density Mixed-Use Zone (MXD2), and Multi-Family High Density Residential (R3). As is allowed by the TASP, the applicant has requested a use permit where the project does not comply with the minimum setback requirements or other development standards. In addition, the project in its entirety falls within the range of averaged minimum and maximum densities required of all of the six subareas, though each subarea does not necessarily comply with the given minimum and maximum density range assigned to it. This density averaging principle is permitted by TASP Policy 3.8, provided each subarea is conditioned to ensure that project-wide densities do not end up above or below the project-wide minimum and maximum densities.

Table 7
District Building Lot 2 Development Standard Analysis

MXD2-TOD	Minimum Standard	Proposed	Complies?
<u>Setbacks (Minimum)</u>			
Front (McCandless Dr.)	8-15 feet	26 feet	Yes
Interior (North)	10 feet	30 feet	Yes
Interior (South)	10 feet	10 feet	Yes
Rear	10 feet	18 feet	Yes
○ Creek Setback	○ 25 Feet	○ 25 feet	
<u>Building Height (Maximum)</u>	6 stories or 75 feet	6 stories	Yes
<u>Parking (Minimum)</u>	287 residential + 43guest + 9 retail = 339	351	Yes
<u>FAR</u>	1.88	2.03*	Yes, with a Use Permit
<u>Block Size</u>	Minimum 2 acres Maximum 4 acres	2.55 acres	Yes
<u>Open Space</u>	Min 40 sq. ft. for balconies and Min of 50 sq. ft. for patios	No balconies for 17 studio units*	Yes, with a Use Permit
<u>Groundfloor elevation</u>	Maximum 2' above sidewalk	2.6'-5.0'	No**
* Indicates a Conditional Use Permit is required to allow the proposed deviations.			
** Required to meet FEMA flood requirements			

Table 8
District Building Lot 4 Development Standard Analysis

MXD2-TOD	Minimum Standard	Proposed	Complies?
<u>Setbacks (Minimum)</u>			
Front (McCandless Dr)	8-15 feet	17 feet	Yes
Street Side (Market St)	10 feet	15 feet	Yes
Interior (South)	10 feet	14 feet	Yes
Rear (Bond)	10 feet	30 feet	Yes
<u>Building Height (Maximum)</u>	6 stories or 75 feet	6 stories	Yes
<u>Parking (Minimum)</u>	226 residential + 50 guest + 45 retail = 321	343	Yes
<u>Block Size</u>	Minimum 2 acres Maximum 4 acres	2.71 acres	Yes
<u>Open Space</u>	Min 40 sq. ft. for balconies and Min of 50 sq. ft. for patios	All units have min size balconies or patios	Yes
<u>Ground Floor Retail Space Depth</u>	75 feet typical 60 feet minimum	31 feet to 58 feet*	Yes, with a Use Permit
<u>FAR</u>	1.88 Maximum	1.73	Yes
<u>Groundfloor elevation</u>	Maximum 2' above sidewalk	1.7'-5.5'	No**
* Indicates a Conditional Use Permit is required to allow the proposed deviations.			
** Required to meet FEMA flood requirements			

Table 9
District / Centre Pointe Building 3 Development Standard Analysis

MXD2-TOD	Standard	Proposed	Complies?
<u>Setbacks (Minimum)</u>			
Front (Great Mall Parkway)	8-15 feet	45 feet	Yes
Street Side (McCandless)	10 feet	29 feet	Yes
Street Side (Centre Pointe)	15 feet	15.5 feet	Yes
Rear (Market Street)	15 feet	15.5 feet	Yes
<u>Building Height (Maximum)</u>	12 stories or 150 feet	11 stories	Yes
<u>Floor Area Ration (Maximum)</u>	Up to 1.88	2.35	Yes
<u>Parking (Minimum)</u>	578 residential + 87 guest + 182 retail + 140 hotel = 988	1,080 (97 tandem spaces*)	Yes
<u>Curb Cuts</u>	Maximum two per lot per street frontage	Market – 2 Great Mall Pkwy – 1 McCandless – 1 Centre Pointe – 1	Yes
<u>Block Size</u>	Minimum 2 acres Maximum 4 acres	5.50 acres*	Yes, with a Use Permit
<u>Block Dimension</u>	Maximum of 500 feet between publicly accessible paths of travel	390 feet	Yes
<u>Open Space</u>	Min 40 sq. ft. for balconies and Min of 50 sq. ft. for patios	Unit S1 balconies are 33 sq. ft. for 55 studios* Unit B1 for 30 two three bedroom units*	Yes, with a Use Permit
<u>Ground Floor Retail Space Depth</u>	75 feet typical 60 feet minimum	35 feet to 105 feet*	Yes, with a Use Permit
<u>Groundfloor elevation</u>	Maximum 2' above sidewalk	2'-6'	No**
* Indicates a Conditional Use Permit is required to allow the proposed deviations.			
** Required to meet FEMA flood requirements			

Table 10
Centre Pointe Lot B

R3-TOD	Standard	Proposed	Complies?
Density	21 – 40 du/ac	22.25 du/ac	Yes
<u>Setbacks (Minimum)</u>			
Bond Street (west)	8 feet	7 feet*	Yes, with a Use Permit
Centre Pointe Drive (east)	8 feet	8 feet*	Yes,
Newbury Street (south)	8 feet	13 feet	Yes
Market Street (north)	10 feet	7 feet to 14 feet	Yes
<u>Building Height (Maximum)</u>	75 feet	38 feet to 46 feet	Yes
<u>Yard Projections</u>	6 feet into required yards	3 feet	Yes
<u>Parking (Minimum)</u>	168 garage spaces + 21 guest spaces = 189 required	210 garage spaces (27% tandem garages) 8 guest spaces on site 13 guest spaces on street out of 70 on street spaces*	Yes, with a Use Permit
<u>Block Size</u>	Minimum 2 acres Maximum 4 acres	Two 2.34 acres pieces (4.685 acres)	Yes
<u>Block Dimension</u>	Maximum of 500 feet between publicly accessible paths of travel	323 feet	Yes
* Indicates a Conditional Use Permit is required to allow the proposed deviations.			

Table 11
Centre Pointe Lot C

R3-TOD	Standard	Proposed	Complies?
Density	41 – 75 du/ac	23.53	Yes, consistent with TASP Policy 3.8
<u>Setbacks</u> (Minimum) Centre Pointe/Newbury (north) Bond Street (west) Penitencia Creek (south) Montague Expressway (east)	15 feet 8 feet Minimum of 25 feet from top of bank 45 feet	15 feet 10 feet 45 feet from top of bank 45 feet	Yes Yes, Yes Yes
<u>Building Height</u> (Maximum)	75 feet	38 feet to 46 feet	Yes
<u>Yard Projections</u>	6 feet into required yards	2.67 feet	Yes
<u>Parking</u> (Minimum)	218 garage spaces + 28 guest spaces = 246 required	272 garage (32 tandem; 24%) 26 guest on site 2 guest spaces out of 48 on street spaces*	Yes, with a Use Permit
<u>Block Size</u>	Minimum 2 acres Maximum 4 acres	5.95 acres = two 2.92 acre pieces	Yes
<u>Block Dimension</u>	Maximum of 500 feet between publicly accessible paths of travel	475 feet	Yes
* Indicates a Conditional Use Permit is required to allow the proposed deviations.			

Centre Pointe Lot C

MXD3-TOD	Standard	Proposed	Complies?
Density	41 – 75 du/ac	23.53	Yes, consistent with TASP Policy 3.8
<u>Setbacks</u> (Minimum) Centre Pointe/Newbury (north) Bond Street (west)	15 feet	15 feet	Yes
Penitencia Creek (south) Montague Expressway (east)	7 feet	5 feet*	Yes, with a Use Permit
	Minimum of 25 feet from top of bank	45 feet from top of bank	Yes
	45 feet	45 feet	Yes
<u>Building Height</u> (Maximum)	12 stories	38 feet to 46 feet	Yes
<u>Yard Projections</u>	6 feet into required yards	2.67 feet	Yes
<u>Parking</u> (Minimum)	Numbers included in chart above	Numbers included in chart above	Yes, with a Use Permit
<u>Block Size</u>	Minimum 2 acres Maximum 4 acres	5.95 acres = two 2.92 acre pieces	Yes
<u>Block Dimension</u>	Maximum of 500 feet between publicly accessible paths of travel	475 feet	Yes
* Indicates a Conditional Use Permit is required to allow the proposed deviations.			

Table 12
Hourset

R3-TOD	Standard	Proposed	Complies?
Density	41 – 75 du/ac	20.20	Yes, consistent with TASP Policy 3.8
<u>Setbacks</u> (Minimum) South Park (west) Penitencia Creek (north) Montague Expressway (east)	10 feet 10 feet Minimum of 25 feet from top of bank 45 feet	12.8 feet 19 feet 61 feet from top of bank 45 feet	Yes Yes Yes Yes
<u>Building Height</u> (Maximum)	75 feet	38 feet to 46 feet	Yes
<u>Yard Projections</u>	6 feet into required yards	2.5 feet	Yes
<u>Parking</u> (Minimum)	183 garage spaces + 23 guest spaces = 206 required	228 garage (0 tandem spaces) + 28 Guest Spaces = 256 total	Yes
<u>Block Size</u>	Minimum 2 acres Maximum 4 acres	2.6 acres average for Hourset 1 and Hourset 2	Yes
<u>Block Dimension</u>	Maximum of 500 feet between publicly accessible paths of travel	Hourset 1 = 482 feet Hourset 2 = 175 feet	Yes
* Indicates a Conditional Use Permit is required to allow the proposed deviations.			

Access & Circulation

TASP Policy 3.17 generally requires that new streets within the TASP should be located as shown in the TASP Street System Map (Figure 3-2). However, it also provides that “[n]ew local streets may shift location to take into account more detailed survey information, to better align them evenly along property boundaries, or to facilitate a better, more efficient development project.” (TASP, 3-23, discussing Policy 3.17.) The project proposes multiple improvements to the street network that would serve the various subdistricts.

Great Mall Parkway, McCandless Drive, Centre Pointe Drive and Hourset Drive from Montague Expressway provide access to the Project site. The applicant proposes Market Street to run between McCandless Drive on the west and Centre Pointe Drive to the east. A new left turn pocket would be installed on McCandless Drive to facilitate left turn movements onto Market Street. Market Street is proposed to be a private street and will be lined with retail uses on the north side of the street, and divided between retail and residential uses on the southern half of the

street. The combination of the retail and residential uses activates the street space and creates a lively retail environment.

The applicant proposes to extend Bond Street from the high-density residential townhomes located to the south of the project, north to the District Lot 3 / Centre Pointe Site A. Bond Street would intersect the proposed Market Street. The proposed extension would be a private street and maintained jointly by the District Lot 4 and Centre Pointe Site B.

The project proposes three modifications to the street network from what is shown on Figure 3-1 as the overall conceptual layout of streets in TASP. The first involves Newbury Street. The applicant would extend Newbury Street from McCandless Drive to Centre Pointe Drive. Newbury Street will be offset as it crosses Bond Street. (The Fire Department has indicated that this offset is acceptable.) The second improvement would bring Centre Pointe Drive to TASP standards. In its existing condition, the street curves from the north and bends to the east where it ultimately intersects Montague Expressway. The developer of Centre Pointe Lots B and C would be required to construct a four-way intersection at Newbury Street and Centre Pointe Drive. The project also proposes to remove the retail street requirement from Centre Pointe Lot B along the western portion of Centre Pointe Drive. Lastly, the project would involve vacating the cul-de-sac at the end of Houret Drive. The area would be vacated by the City in favor of the Milpitas Unified School District. This proposal would create a seamless row of houses along western border of the project that would lend to a cohesive design theme and provide a better interface with the future school.

The street sections proposed for the project conform to TASP standards, and play a critical role in conveyance of floodwaters. The streets are designed to serve as the drainage channels in the event of flood events. The locations of the various streets differ from the TASP concepts because of the specifics of the proposed project. Overall, staff believes that the proposed street design is in keeping with the requirements of the TASP policies.

Landscaping & Open Space Design

The proposed project locates the open space area to the north side of Market Street, consistent with the TASP. The TASP requires that a 0.83-acre urban plaza be provided along the north side of Market Street. The project includes a 0.83-acre urban plaza and elevated retail promenade. These spaces activate the retail uses and provide the urban plaza intended by TASP. In addition, most units will provide private balconies; except for a few units located on the larger buildings (see CUP discussion below).

The District area of the project incorporates roof top decks with patios and pools. District Lot 3 / Centre Pointe Site A proposes a 49,240 square roof top deck with pool and a 19,920 square foot clubhouse that is publicly accessible private open space. The District Lots 2 and 4 include exterior courtyards and roof top recreation decks as well. The Centre Pointe and Houret areas include pedestrian pathways and open space areas incorporated into the site design. Centre Pointe Lot C and Houret include pedestrian walking trails along the north and south side of Penitencia Creek.

The proposed project site will result in the removal of several existing trees. The following tally summarizes the trees that are proposed to be removed:

Table 13
Existing and New Tree Inventory

Project Area	Trees To Be Removed	New Trees
District	167	151
Centre Pointe	260	476
Houret	30	235
TOTAL	457	862

The landscape improvements will establish the pedestrian realm along Montague Expressway, Bond Street, Newbury Street, Houret Court and Centre Pointe Drive. The landscape improvements will enhance the pedestrian realm along these streets by adding planter beds, wide sidewalks and street trees.

Site & Architectural Design

The project proposes a consistent and cohesive design theme throughout the development that is consistent with the design guidelines of the TASP. The various elements of the project represent a contemporary architectural style, which blends with the approved District 1 building, while also distinguishing itself from the surrounding townhouses. For example, the large protruding bay elements provide a modern industrial feel when combined with the contrasting color palate and stone materials. The colors and materials provide a base to each building and create a pedestrian-oriented feel at the street level. The hotel establishes a distinct corner element at McCandless Drive and Great Mall Parkway. It will serve as a key entryway into the McCandless/Centre Pointe subdistrict. Further, the project is consistent with the following design requirements of the TASP:

- Block lengths do not exceed 500 feet between publicly accessible pathways. In Centre Pointe Lot B, this has taken the form of a pedestrian access-way with walkways.
- Residential buildings reinforce streets and pedestrian connections to the transit stations by being oriented toward the streets.
- Building facades are designed to include street-facing entries, windows, special corner treatment, and other articulation.
- For the District Lots 2, 4 and District Lot 3/Centre Pointe Site A, the service alleys or auto courts are incorporated into the design of the garages.
- Buildings maintain a strong relationship to the streets with entrances oriented towards the streets. The massing of the buildings is parallel with the street system, as well.
- The colors are muted and light in tone.
- The material are high quality, durable, and consist of stucco, tile, and other long lasting composites.
- Ground floor residential units have direct access to the streets.

Urgency Ordinance (240.2) Exception Request

On August 26, 2014, the City Council adopted Urgency Ordinance No. 240.2, which implemented water use restrictions. Specifically, as it relates to this project, the Urgency

Ordinance prohibited the use of potable water for the installation of new landscape unless it is served by Reclaimed Water (Section 5.07). Section 5.08 of the Urgency Ordinance allows the City Council to grant exceptions as needed. The subject site will connect to reclaimed water in Centre Pointe Drive. These lines will serve Centre Pointe Sites B and C. Reclaimed water lines in McCandless Drive will serve the District Lots 2 and 4, and District Lot 3 / Centre Pointe Site A. The project will extend the reclaimed water lines from Great Mall Parkway south to Houret Drive to serve the Houret Drive and Court sites. Reclaimed water is not allowed in the swimming pools proposed in the District Lot 2 and 4, and District Lot 3 / Centre Pointe Site A. Staff is in support of the requested exception. These amenities are consistent with the Water Efficient Landscape Ordinance.

The Urgency Ordinance also prohibits the use of potable water for the construction of new swimming pools (Section 5.03). The project proposes new rooftop pools on District Lot 2 and 4, and District Lot 3/ Centre Pointe Site A. Section 5.08 of the Urgency Ordinance allows the City Council to grant exceptions as needed. The proposed exceptions can be considered for approval as the potable water use will be for rooftop pools which is an attractive amenity for the hotel, as well as for the residents of the high density project proposed in District Lots 2 and 4. The provision of recreational amenities at the hotel will make it an attractive destination for visitors and business travelers staying in Milpitas.

Grading, Drainage and Stormwater

The proposed project will require grading to allow for the construction of the garage, streets and building pads. Site drainage will be treated through a combination of Low Impact Development (LID) measures, which include bio-treatment planters and some mechanical filtration units. These are allowed for projects with higher densities located near mass transit.

Utilities

The site will be served by City water and sewer and San Jose reclaimed water. All other utilities will be placed either underground or relocated to accommodate new utilities or site improvements.

Solid Waste

The project proposes an alternative solid waste collection system. The District Lots 2 and 4 will collect solid waste in the garage. These bins will be transported by a cart or electric vehicle to curb side staging areas along McCandless Drive and Bond Street. Garbage trucks will then collect the waste from these bins, and they will be returned to the garage for storage. This plan has been reviewed by both the current garbage service provider and city staff.

Public Art

The project includes numerous retaining walls that serve to elevate the various development areas out of the floodplain. The applicant has proposed to meet its public art requirement by incorporating art into these walls. The City's Art Commission will review the public art at a future date.

Climate Action Plan Conformance

The project helps implement the City's Climate Action Plan (CAP) through consistency with the following Goals in the CAP:

Goal 5: *Provide an economically sustainable mixed-use community focused on high-density development around central urban plazas and gathering places.*

Consistent with Measure 5.1, the project is a high density, mixed-use development that provides a central urban plaza designed to attract residents and visitors to a commercial/retail center anchored by a new hotel. The hotel and commercial center will be located along a pedestrian-friendly Market Street with on-street parking for the neighborhood retail uses fronting Market Street. The hotel and adjacent multi-family project will provide high-rise development along the Market Street and Great Mall Parkway corridors consistent with Action 5.1.D. The project is adjacent to and will be integrated with the adjoining mixed-use project that will provide a new neighborhood serving grocery/food store as envisioned by Action 5.1.E.

Consistent with Measure 5.2, the project provides for an urban plaza in the TASP to encourage pedestrian activity and vibrant mixed-use centers that reduce vehicular activity.

Goal 6: *Achieve an efficient transportation system integrated into distinct areas that meets the needs of all users.*

In support of this Goal, the project provides high-density residential development proximate to the new BART station, as well as the VTA station, and provides for connectivity between the residential, commercial and transit areas. (Measures 6.1, 6.2. and 6.3.) As a community benefit, the project is also proposing to implement and operate a shuttle system from the hotel that will pick up individuals at various stops along the proposed residential area and route them to the Great Mall, BART Station, VTA Line and bus terminal, which will help minimize trips and promote use of nearby transit.

Goal 7: *Increase use of non-motorized transportation throughout the community.*

The project provides for walkable streets, pedestrian walkways to and through the commercial areas, and bikeways and trails.

The proposed project includes numerous measures identified in the Climate Action Plan, including waste reduction, bikeways, water conservation, recycled water and green building. In addition, the project will participate in the VTA bike share program providing rent-a-bike parking and will make a \$250,000 contribution to construction of a bridge over Penitencia Creek that links the residential areas to the park and schools on the south side of the Creek.

Conditional Use Permit

Though the TASP provides detailed guidelines and requirements for development within its borders, it also allows applicants to seek a Conditional Use Permit in the event deviations from certain of its provisions are sought. The application thus includes a request for a Conditional Use Permit for three items:

1. Tandem parking in District Lot 3 / Centre Pointe Site A
2. Increase in the Floor Area Ratio (FAR) for the District components
3. Exceptions to the TASP development standards

The size of the proposed tandem parking spaces is consistent with the City's Zoning Code because the spaces are proposed to be 9 feet wide by 36 feet long. The applicant demonstrated adequate vehicle circulation and turning movements in the garage to accommodate the tandem spaces. Therefore, the use of tandem parking for this project remains consistent with TASP requirements.

The TASP establishes a FAR as a way of measuring the density of mixed-use projects. There are two mixed use land use categories and zoning districts in the Project for which density is measured by FAR: Residential-Retail High Density Mixed Use (MXD2-TOD) and Boulevard Very High Density Mixed Use (MXD3 and MXD3-TOD). The maximum FAR for the District is 1.88 as both MXD3-TOD and MXD2-TOD establish a maximum FAR of 1.88 (TASP Table 5-1). If a Use Permit is approved, projects within these two zoning districts can be developed up to a maximum FAR of 2.5. When considered together pursuant to the site development permit, average FAR for the District Lot 2 (2.03), Lot 4 (1.73), and Lot 3 / Centre Pointe Site A (2.35) is 2.03, and, individually, no site exceeds the maximum FAR of 2.5. An FAR of 2.5 may be permitted on individual sites with approval of a Use Permit by the Planning Commission, subject to the following special criteria:

- 1) The proposed uses include a hotel or office uses that create substantial new jobs;

The project provides a 175-room hotel at the corner of McCandless Drive and Great Mall Parkway with over 250 permanent new jobs and over 5,000 temporary jobs.

- 2) The design of the project is of extremely high quality and is compatible with the scale of surrounding buildings;

The project is consistent with the TASP Design Guidelines. Therefore, the proposed hotel and District buildings are of extremely high quality as discussed in the Architectural analysis section of this staff report. Further, the buildings are compatible with the previously approved building on the District Lot 1 currently under construction.

- 3) There are no adverse traffic impacts beyond those studied in the Transit Area Plan EIR or the project will be required to mitigate such impacts individually; and

As demonstrated in the Addendum prepared for the project, the project will not cause adverse traffic impacts. The traffic study supports this conclusion.

- 4) Buildings do not shade public parks or plazas more than 30-percent between 10 AM and 3 PM as measured on March 15.

The shadow studies demonstrate that the plaza and retail promenade areas of the project will not be shaded by more than 30-percent on December 22, 2015, consistent with the Planning Division’s application submittal requirements.

According to the TASP, exceptions to the TASP development standards are allowed through a Conditional Use Permit. In addition to the standard findings for a CUP, the following two additional findings must be met:

The deviation from the Transit Area Specific Plan standard meets the design intent identified within the Specific Plan and does not detract from the overall architecture landscaping and site planning integrity of the proposed development.

The deviation from the Transit Area Specific Plan standard allows for a public benefit not otherwise obtainable through the strict application of the zoning standard.

The proposed project includes the following deviations from the adopted plan:

Table 14
District Building Lot 2 Development Standard Deviation Analysis

Feature	Standard	Proposed	Justification
Ground floor elevations relative to the public sidewalk	Maximum of 2’ above public sidewalk	<u>Varies between 2.6’-5’</u>	Flood zone and hydrology for this area create this constraint
Balconies	40 square foot balconies on all units	<u>No balconies on 17 studio units</u>	<i>Ample common area amenities are provided throughout project. Balconies not provided for 17 studio units, as it will negatively impact architectural aesthetics.</i>

Table 15
District Building Lot 4 Development Standard Deviation Analysis

Feature	Standard	Proposed	Justification
Depth of ground floor commercial space	Typical: 75' Minimum: 60'	Provided: 31' – 45'; 44'-58' (when considering outdoor patio space)	It is assumed that many of the retail spaces will be used for restaurants. Wider tenant blocks are to be provided to make up for shorter depths. Generous outdoor patio spaces provided for outdoor seating which is also an offset to the lack of depth in the building space. Retailers will be encouraged to use this space to activate the retail promenade along both sides of Market Street.
Ground floor elevations relative to public sidewalk	Maximum of 2' above public sidewalk.	1.7'-5.5'	Flood zone and hydrology for this area create this constraint.

Table 16
District / Centre Pointe Building 3 Development Standard Deviation Analysis

Feature	Standard	Proposed	Justification
Depth of ground floor commercial space	Typical: 75' Minimum: 60'	35'-90'; 50'-105' when factoring in patio dimension	It is assumed that many of the retail spaces will be used for restaurants. Wider tenant blocks are to be provided to make up for shorter depths. Generous outdoor patio spaces provided for outdoor seating which is also an offset to the lack of depth in the building space. Retailers will be encouraged to use this space to activate the retail promenade along both sides of Market Street.
Block size	Minimum: 2 acres Maximum: 4 acres	5.50 acres	Block is broken with public access through an urban retail plaza connecting Great Mall Pkwy to Market Street. Even with this separation, the smaller block (which includes the public plaza and hotel) is smaller than the 2 acre minimum.
Ground floor elevations relative to public sidewalk	Maximum of 2' above public sidewalk.	2'-6'	Variance.
Balconies	40 square foot balconies on all units	No balconies on 30 two bedroom units	Ample common area amenities provided throughout project. Balconies not provided for 30 two bedroom units, as it will negatively impact architectural aesthetics and site layout.

Table 17
Centre Pointe B Development Standard Deviation Analysis

Feature	Standard	Proposed	Justification
Guest parking	21 spaces (onsite)	8 onsite 13 on-street	Parking requirement for project is exceeded by 32 spaces (more garage spaces provided than requirement). Also, while 13 spaces need to be accounted for “on-street”, there are 70 on-street spaces available on the surrounding streets.
Setback (on Bond Street)	8’	7’ (total setback deficiency of 563 square feet)	Accommodating walkway/paseo trails through the site resulted in site restrictions.

Table 18
Centre Pointe C Development Standard Deviation Analysis

Feature	Standard	Proposed	Justification
Guest parking	28 spaces	26 on-site 2 on-street	Parking requirement for project is exceeded by 54 spaces (more garage spaces provided than requirement). Also, while 2 spaces need to be accounted for on-street, there are 48 on-street spaces.

Public Benefit

As the project is requesting a Conditional Use Permit to permit exceptions to the TASP development standards, the project is required to provide a public benefit as part of the development. Staff has worked with the applicant to design several important components related to the subject site and the remaining site to the east. The applicant has agreed to the following:

Table 19
Proposed Public Benefits

Feature	Description	Estimated Value
Real property	Mapping of Dedication and Vacation of Houret Drive cul de sac for benefit of School District	\$10,000 (in civil engineering fees)
Free shuttle service	Hotel shuttle, seating 20-25 passengers, providing service to project area on weekdays from 6-9 a.m., 11 a.m.-1 p.m., and 4-7 p.m., with designated stops within the project site, as well as stops at the BART station, VTA station, bus terminal, and Great Mall. An operating plan will be submitted for city staff review.	Estimated startup cost of \$100,00 per shuttle Estimated Annual Cost of \$150,000 per shuttle The feature would increase commerce to the Great Mall and on-site retail areas, increase use of BART and other local public transportation, decrease wear and tear on local streets, decrease parking demand, decrease pollution, and increase project marketability.
Bike share program	Participate in VTA bike share program providing rent-a-bike parking	Not yet calculated
Childcare facilities	Applicant is considering donations to Family Resource Center, a non-profit that provides educational resources to help low-income children, as well as to The Crossings at Montague Childcare Facility	Not yet calculated
Rooftop deck	1.16 acre rooftop amenity deck located at Lot 3, which will be publically accessible private open space	Not yet calculated
Pedestrian bridge contribution	Contribution to funding of the pedestrian bridge over Penitencia Creek	\$250,000
Fire equipment	Funding for a Fire Department Rapid Response Vehicle	\$500,000

FINDINGS FOR APPROVAL

A finding is a statement of fact relating to the information that the Planning Commission has considered in making a decision. Findings shall identify the rationale behind the decision to take a certain action. Staff has found that the proposed project is consistent with the General Plan, Zoning Ordinance, and all required Findings. The findings for approval are identified in detail in Attachment B (Resolution 15-036).

ENVIRONMENTAL REVIEW

The Planning Division conducted an initial environmental assessment of the project in accordance with the California Environmental Quality Act (CEQA). Staff determined that an Addendum to the Transit Area Specific Plan (SCH# 2006032091) pursuant to Section 15164 of the CEQA Guidelines was the appropriate CEQA document given the changes to the General Plan, Specific Plan and Zoning Code. The Addendum demonstrated that there are no substantial changes in the environment because the project would reduce the overall development intensity. The findings supporting approval of the Addendum are identified in detail in Attachment A (Resolution 15-035).

PUBLIC COMMENT/OUTREACH

Staff provided public notice the application in accordance with City and State public noticing requirements. At the time of publishing this report, there have not been public comments received. Further, staff conducted a community meeting as a result of the requested General Plan Amendment, Specific Plan Amendment and Zone change on October 13, 2015. There were no community members in attendance at the meeting. A notice was published in the Milpitas Post on October 9, 2015 (two Fridays before the Planning Commission meeting). In addition, 675 notices were sent to owners and occupants within 1,000 feet of the project site. A public notice was also posted on the project site, on the City's Website, www.ci.milpitas.ca.gov, and at City Hall.

CONCLUSION

RECOMMENDATION

STAFF RECOMMENDS THAT the Planning Commission:

1. Open the Public Hearing to receive comments;
2. Close the Public Hearing; and
3. Adopt Resolutions 15-035 and 15-036

ATTACHMENTS

A: Resolution 15-035

B: Resolution 15-036