



## COMMUNITY DEVELOPMENT DEPARTMENT

Council Meeting Date: May 24, 2005

Staff Report #: 05-076

**STUDY SESSION: Discussion of and Possible Direction on a Proposal to Construct a 165,000-Square-Foot Hotel Facility and a 100,000-Square-Foot Office Complex on a Property Located at 2825 Sand Hill Road adjacent to the Sand Hill Road/Interstate 280 Interchange.**

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This is a study session item and no action will be taken at this time. The study session will provide an opportunity for the Council to become familiar with the project and for the applicant and staff to understand questions, ideas or concerns of the Council.

### ANALYSIS

Stanford University is proposing to construct an approximately 165,000-square-foot hotel facility comprised of 120 guest rooms, five extended-stay villas, a restaurant and spa/fitness center, and to construct approximately 100,000 square feet of office space in two, two-story buildings at a currently undeveloped 21-acre property located at 2825 Sand Hill Road. The project site is the same one on which a 350-room Westin hotel of approximately 345,000 square feet was proposed in the late 1980s.

The conceptual site plan (Attachment B) shows access to the site from an existing traffic light on Sand Hill Road. The access point would be shared with the five existing office buildings at 2725, 2735, 2755, 2765 and 2775 Sand Hill Road. There would be a ring road on the perimeter of the site. The hotel rooms would be located closest to the existing office buildings on the adjacent property at the higher portion of the site. The public facilities of the hotel, such as the lobby, restaurant, meeting rooms, spa/fitness center, would be located in the center of the site. The office buildings would be located on the lower portion of the site closest to the Sand Hill Road/Interstate 280 interchange.

The applicant has provided a packet of material describing the project (Attachment C) and providing some context for the project in terms of potential traffic comparing the proposed project to a potential project under the existing zoning (Attachment D). The applicant has requested a study session to introduce the project concept to the City Council and the community at an early stage. The applicant seeks feedback from the Council on the proposed uses before proceeding with more detailed development of the project plans.

The property has a General Plan land use designation of Professional and Administrative Offices and the property is zoned C-1-C (Administrative, Professional and Research District, Restrictive). The proposed office component of the project is consistent with the General Plan land use designation and the zoning district. The hotel and related facilities are not expressly identified in the General Plan and the uses are not currently allowed in the C-1-C zoning district. The proposed project would be consistent with the use and floor area ratio standards of a General Plan land use designation of Retail/Commercial and a zoning classification of C-4 (General Commercial not applicable to El Camino Real). Information pertaining to the existing and proposed General Plan land use designations and zoning districts is included in Attachment E).

Under the straight C-4 zoning requirements, the project would require a use permit for new construction of office, personal service and restaurant uses and a use permit, regardless of new construction, for the hotel and the provision of alcohol associated with the restaurant. As currently contemplated, the proposed project would require exceptions to two requirements of the C-4 zoning district. One exception relates to parking. The C-4 zoning district requires six parking spaces per 1,000 square feet of gross floor area regardless of use. With a total gross floor area of 265,000 square feet, the parking requirement would be 1590 spaces. Based on the proposed uses, the applicant is proposing 590 parking spaces with 250 spaces at grade and 340 spaces under the office buildings. Through the Phase II Commercial Streamlining proposal that is scheduled for adoption on May 24, 2005, the applicant could request an exception to the parking requirements utilizing the use-specific guidelines that could be reviewed as part of the use permit request. The other exception would be to building height. The maximum allowed is 30 feet and although the building plans have not been fully developed, the applicant believes the proposed height of the office buildings would be closer to 35 feet. Given the desire for these two exceptions and the overall scale of the project, staff believes the best mechanism for review would be a conditional development permit with an "X" overlay. All elements requiring a use permit would be covered through the conditional development permit.

The proposed project would require the following applications to be reviewed by the Planning Commission for its recommendation to the City Council for final action:

- General Plan Amendment: Change from Professional and Administrative Offices land use designation to Retail/Commercial land use designation;
- Rezoning: Change from C-1-C (Administrative, Professional and Research District, Restrictive) to C-4-X (General Commercial - Conditional Development District);
- Conditional Development Permit: Establish specific uses and development regulations and review architectural designs; and
- Environmental Review of the proposed project in the form of an Environmental Impact Report (EIR).

Throughout the process, there will be multiple opportunities for public input. The following public meetings are planned:

- EIR Scoping Session conducted by City staff and the environmental consultants.
- Planning Commission Study Session to become familiar with the details of the project.
- Planning Commission Public Hearing to review the Draft EIR and the requested development applications.
- Planning Commission Public Hearing to make recommendations on the Final EIR, incorporating responses to comments on the Draft EIR, and the requested development applications.
- City Council Public Hearing on the Final EIR and the requested development applications, including introduction of the ordinance to rezone the property.
- City Council Meeting to adopt the ordinance to rezone the property.

Given the prominence of the project site and the potential for the project to generate substantial benefits to the City, the project will be considered a high-priority project for staff review.

## **IMPACT ON CITY RESOURCES**

The applicant is required to pay planning permit fees, based on the Master Fee Schedule, to fully cover the cost of staff time spent on the review of the project. The applicant would bear the cost of any required environmental review. The proposed use has the potential to generate substantial revenue for the City in terms of transient occupancy tax and sales tax.

## **POLICY ISSUES**

The proposed project will ultimately require a policy decision to change the General Plan Land Use designation and the Zoning classification for the property. The implications associated with this decision will be analyzed through the project review process.

## **ENVIRONMENTAL REVIEW**

Staff has made a determination that the proposed project warrants the preparation of an Environmental Impact Report and the applicant agrees with this determination.

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Justin Murphy  
Development Services Manager  
Report Author

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Arlinda Heineck  
Community Development Director

## **PUBLIC NOTICE**

Public notification was achieved by posting the agenda, at least 72 hours prior to the meeting, with this agenda item being listed. In addition, notices of the study session were mailed to all property owners, residents and businesses within 300 feet of the project site, plus the Sand Hill Circle area and properties located between Sharon Park Drive and Sand Hill Road.

## **ATTACHMENTS**

- A. Location Map
- B. Conceptual Site Plan
- C. Project Description prepared by the Applicant
- D. Trip Generation Comparison prepared by Fehr & Peers for the Applicant
- E. Applicable General Plan Land Use Designations and Zoning Districts

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## **ATTACHMENT E**

### **COMMERCIAL GENERAL PLAN LAND USE DESIGNATIONS**

#### **Retail/Commercial**

This designation provides for retail services, personal services, professional offices, banks, savings and loans, restaurants, cafes, theaters, social and fraternal clubs, residential uses, public and quasi-public uses, and similar and compatible uses. The maximum FAR for non-residential uses shall be in the range of 40 percent to 200 percent. Residential intensity shall not exceed 18.5 units per net acre.

#### **Professional and Administrative Offices**

This designation provides for professional offices, executive, general, and administrative offices, research and development facilities, banks, savings and loans, convalescent homes, research and development facilities, residential uses, public and quasi-public uses, and similar and compatible uses. The maximum FAR for non-residential uses shall be in the range of 25 percent to 40 percent. Residential intensity shall not exceed 18.5 units per net acre.

## Chapter 16.36

### C-1-C ADMINISTRATIVE, PROFESSIONAL AND RESEARCH DISTRICT, RESTRICTIVE

#### Sections:

- 16.36.010 Permitted uses.
- 16.36.020 Conditional uses.
- 16.36.030 Development regulations.

**16.36.010 Permitted uses.** There are no permitted uses in the C-1-C district.

**16.36.020 Conditional uses.** Conditional uses allowed in the C-1-C district, subject to obtaining a use permit, are as follows:

- (1) Professional, administrative, and executive offices;
- (2) Research and development facilities;
- (3) Convalescent homes;
- (4) Public utilities in accordance with Chapter 16.76;
- (5) Special uses in accordance with Chapter 16.78.

**16.36.030 Development regulations.** Development regulations in the C-1-C district are as follows:

- (1) Minimum lot area -- three acres;
- (2) Minimum lot dimensions -- two hundred feet width and depth;
- (3) Required minimum yards -- seventy-five feet front; seventy-five feet rear when abutting a residential district, otherwise forty feet; interior side thirty feet; corner side seventy-five feet;
- (4) Land cover by all structures shall not exceed twenty percent of building site;
- (5) Not less than thirty percent of building site shall be occupied by appropriate landscaping;
- (6) Height of structures shall not exceed thirty-five feet;
- (7) In the case of conditional uses, additional regulations may be required by the planning commission;
- (8) The floor area ratio shall not exceed twenty-five percent.

## Chapter 16.42

### C-4 GENERAL COMMERCIAL DISTRICT (OTHER THAN EL CAMINO REAL)

#### Sections:

- 16.42.010 Permitted uses.
- 16.42.020 Conditional uses.
- 16.42.030 Development regulations.

**16.42.010 Permitted uses.** Permitted uses in the C-4 district, all within a building and not requiring new construction or structural alterations therefor, are as follows:

- (1) Retail stores;
- (2) Financial establishments;
- (3) Professional offices;
- (4) Personal services;
- (5) Offices;
- (6) Cafes and restaurants not serving liquor.

**16.42.020 Conditional uses.** Conditional uses allowed in the C-4 district, subject to obtaining a use permit are as follows:

- (1) All of the uses listed in Section 16.42.010, for which new construction or structural alterations are required;
- (2) Automotive sales and repair;
- (3) Service stations;
- (4) Cafes and restaurants where liquor or live entertainment are provided.
- (5) Commercial recreation;
- (6) Motels;
- (7) Mortuaries;
- (8) Veterinary hospitals;
- (9) Public utilities in accordance with Chapter 16.76;
- (10) Special uses in accordance with Chapter 16.78.

**16.42.030 Development regulations.** Development regulations in the C-4 district are as follows:

- (1) Minimum lot area, none;
- (2) Minimum lot dimensions, none;
- (3) Required minimum yards, none;
- (4) Maximum land coverage, none;
- (5) Not less than five percent of building site shall be occupied by appropriate landscaping;
- (6) Height of structures shall not exceed thirty feet;
- (7) In the case of conditional uses, additional regulations may be required by the planning commission;
- (8) The floor area ratio shall not exceed forty percent.