



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Stephen M. Haase

SUBJECT: SEE BELOW

DATE: March 22, 2004

Approved

Date

COUNCIL DISTRICT: Citywide
SNI AREAS: All

SUBJECT: URGENCY ORDINANCE AMENDING SECTION 20.50.100 OF TITLE 20, THE ZONING CODE, TO MODIFY THE USES ALLOWED IN THE INDUSTRIAL ZONING DISTRICTS, AND INITIATION OF A PERMANENT ORDINANCE FOR THE SAME PURPOSE.

RECOMMENDATION

Planning staff recommends that the City Council approve the proposed urgency ordinance amending Title 20, the Zoning Code, of the San Jose Municipal Code pertaining to allowing additional uses in the IP Industrial Park District, and initiate a permanent ordinance for the same purpose, to be heard by the Planning Commission on July 28, 2004, and by the City Council on August 17, 2004.

BACKGROUND

The City Council adopted Economic Development Strategy identifies a specific tactic to create greater land use flexibility in order to attract and retain businesses in San Jose. Currently, there are approximately 20 million square feet of vacant industrial and office space in San Jose and over 66 million square feet in Silicon Valley (source: Colliers International, Q4 2003). As a first step towards this tactic and to give San Jose a favorable position in the current competitive market, staff is recommending an urgency ordinance to facilitate the absorption (i.e., occupancy) of vacant industrial buildings in the IP Industrial Park Zoning District with a wider array of businesses than currently allowed in the Zoning Code, Title 20. The desired outcome of the proposed urgency ordinance would be a reduction of vacant space and a strengthening of the City's employment lands with viable economic activities. Another possible outcome may be reduced pressure to convert employment lands to other uses.

ANALYSIS

Under the current Zoning Code, the IP Industrial Park Zoning District allows a limited variety of uses, such as business and administrative offices, research and development, and light manufacturing uses. Industrial uses are allowed in the IP Industrial Park District, as long as any hazardous or nuisance impacts of the proposed operation can be mitigated through design controls.

In the current economic environment, there are a large number of vacant buildings in the IP Industrial Park District. Many of the vacant buildings are single story that could be occupied by a wider variety of industrial uses due to the fact that the buildings have roll-up doors. In some cases, these vacant buildings are generally too old to attract high-end office uses, but at the same time are in a Zoning District that allows limited industrial uses.

The proposed regulations would increase the variety of types of uses that would be allowed in the IP Industrial Park District, which would allow greater flexibility to property owners in a down economy.

The proposed urgency ordinance also changes the permit process for a small number of uses from a Conditional Use Permit to a Special Use Permit. This change shifts the decision-maker from the Planning Commission (City Council on appeal) to the Director of Planning, with the Planning Commission as an appeal body. The net effect of the change would be to improve response times to new development requests, which should facilitate absorption of vacant industrial buildings.

The proposed urgency ordinance would take effect immediately. As part of the urgency ordinance, the City Council is required to initiate an Ordinance Amendment for the same purpose. Staff is proposing that the ordinance be revisited by the Planning Commission and City Council on July 28, 2004, and August 17, 2004, respectively, to determine if the proposed use allowances should become permanent features of the City's regulations.

The proposed urgency ordinance would allow Medium Manufacturing and Assembly and Processing Laboratory uses with a Special Use Permit. These uses are currently prohibited in the IP Industrial Park District. This would allow property owners additional flexibility to lease their buildings to a variety of tenants. Medium Manufacturing and Assembly covers a wide range of industrial uses, including manufacturing from unprocessed raw materials, provided that the finished product is non-combustible and non-explosive. Medium manufacturing uses can produce noise and vibrations that are perceptible to adjacent land users, as long as those impacts do not rise to the level of nuisance. The Special Use Permit requirement would allow staff to condition proposed uses appropriately to minimize potential adverse impacts.

The proposed urgency ordinance would also change the following uses from being allowed with a Conditional Use Permit to being allowed with a Special Use Permit: Warehouse/Distribution Facility, Wholesale Sale Establishment, and Common Carrier Depot.

The use table would also be amended to allow the Common Carrier Depot use in the LI Light Industrial and HI Heavy Industrial Districts with a Special Use Permit. This change is to maintain consistency across the Industrial Districts. The changes to the industrial use table are summarized below.

Table 1. Proposed Changes to the Industrial Zoning Districts.

USE	Industrial Zoning Districts					
	Current			Proposed		
	IP	LI	HI	IP	LI	HI
Laboratory, Processing	-	P	P	S	P	P
Manufacturing and Assembly, Medium	-	P	P	S	P	P
Warehouse/Distribution Facility	C	P	P	S	P	P
Wholesale Sale Establishment	C	P	P	S	P	P
Common Carrier Depot	C	C	C	S	S	S

Note: IP – Industrial Park; LI – Light Industrial; HI – Heavy Industrial; C – Conditional uses; S – Uses requiring a Special Use Permit; P – Permitted uses; “-“ – Not Permitted.

The proposed changes to the IP Industrial Park District are consistent with and support the recently adopted Economic Development Strategy by making existing employment lands more viable in a down economy.

The changes are also consistent with the General Plan, by focusing on uses that have a minimum of adverse impacts, and by providing a process for conditioning the proposed uses.

PUBLIC OUTREACH

On March 15, 2004, a public hearing notice was sent to the San Jose Post Record for publishing in the March 19, 2004 edition. In addition, copies of the hearing notice were e-mailed to members of the industrial development community. As standard practice, staff posted the staff report and draft ordinance as well as the hearing dates on the Department’s website.

This item was discussed at the PBCE Developer Roundtable, and there was no opposition.

COORDINATION

Preparation of the proposed ordinance and this memorandum have been coordinated with the City Attorney's Office.

HONORABLE MAYOR AND CITY COUNCIL

March 22, 2004

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in the IP Industrial Park District**

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CEQA

The proposed ordinance, PP04-03-073, was found exempt from CEQA per Section 15061(b)(3). Any project-specific impacts from a development proposal under the revised IP Industrial Park District regulations would be analyzed as a part of the development proposal.

STEPHEN M. HAASE, DIRECTOR
Planning, Building, and Code Enforcement

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