



Memorandum

TO: City Council

FROM: Mayor Ron Gonzales
Councilmember Chuck Reed

SUBJECT: Proposed Framework for
Evaluating Proposed Conversions
of Employment Lands

DATE: March 25, 2004

Approved

Date

RECOMMENDATION

We recommend approval of the staff recommendations with the following changes:

1. Evaluation of the fiscal impact of the conversion on City revenues and service costs must be the highest priority.
2. Under Framework Elements, item #2 regarding subareas to promote or facilitate conversion to housing, retail, mixed use, or other Household-Serving Industries, delete the reference to North San Jose 5.
3. Under Framework Elements, #3 regarding subareas to consider for conversion to housing, retail, mixed use, or other Household Serving Industries in certain circumstances, add:
 - North San Jose 5 Subarea east of I-880: Consider housing in areas that are close to existing residential areas and areas that could be integrated into a neighborhood framework.
 - Northeast San Jose Subarea east of Coyote Creek: Consider housing near the Berryessa BART station consistent with our Transit Oriented Development policies.
 - Evergreen Industrial Area: Consider uses if recommended through the Evergreen Smart Growth Strategy process.
 - Coyote Valley: Consider uses if recommended through the Coyote Valley Specific Plan process.
4. Add the language noted below to Framework Elements #2, first bullet:

As the employment areas intensify in North First Street and Edenvale 2, respectively, then opportunities for (*insert: **intensive development of***) supportive uses may be considered in the following subareas:

5. Under: **Subareas to preserve for Driving and Business Support Industries**, define Northeast San Jose as west of Coyote Creek and add North San Jose 5 west of 880.
6. Under Framework Applications add:
 - The criteria are not in rank order. They are not scored to a point system and the weight of the individual criterion may vary by site based on individual circumstances and changing background information.
 - Conversions that present opportunities for development of significant new sources of revenue may be considered in any subarea in which the development would be compatible with existing or planned uses in the subarea.

BACKGROUND

As policy makers, we must balance the need for more housing with the need to protect the job base. Establishing a framework for proposed conversions of industrial lands to residential or commercial is extremely important for the future of San Jose, its economy, and its quality of life.

We must make responsible land use changes rather reacting to the short-term outlook based on the economy of today. Rather, we must take care to protect the potential economy and prosperity for our future. We must protect our industrial base that creates jobs and ensures the essential economic innovation that has made our region special. Despite the current downturn in the economy, we must preserve the opportunities for future companies to grow in our creative and diverse economy. We want the future Ciscos, eBays, BEAs, Atmels, and Webexes to call San Jose home.

Throughout the study area are small islands and peninsulas of industrially zoned land that would be suitable for conversions to make them consistent with surrounding uses. Because the framework provides a more complete understanding of the fiscal impact of conversions in subareas of the City, the Council can make better-informed decisions that can balance the need to develop and protect strong neighborhoods with our goal to preserve job centers and economic opportunities critical to our future.

We support the framework put forth by the Administration as modified by our recommended changes. The framework will provide predictability and certainty for the community, developers, City staff and the Council, and it will ensure that we retain the foundation of prosperity for our residents and businesses.