



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Planning Commission

**SUBJECT:** SEE BELOW

**DATE:** June 6, 2006

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**COUNCIL DISTRICT:** 2  
**SNI AREA:**

**SUBJECT: GP 03-02-05, GPT 03-02-05 AND PDC 04-100, GENERAL PLAN LAND USE AND TEXT AMENDMENTS AND PLANNED DEVELOPMENT REZONING IN AN AREA GENERALLY BOUNDED BY MONTEREY HIGHWAY, STATE ROUTE 85 AND MANASSAS ROAD, AND MODIFICATION TO THE EDENVALE AREA DEVELOPMENT POLICY.**

## RECOMMENDATION

The Planning Commission voted 6-0-0 to recommend that the City Council approve all four project elements: the subject General Plan land use Amendment, General Plan Text Amendment, Planned Development Rezoning, and Modification to the Edenvale Area Development Policy.

## BACKGROUND

On June 5, 2006, the Planning Commission held a public hearing to consider a General Plan Amendment to change the land use designation from Industrial Park to Mixed-Use with No Underlying Designation; associated General Plan text amendments to update the General Plan Mixed Use Inventory Appendix F and allow building height of 120 feet across the site; and a Planned Development rezoning from IP-Industrial Park to IP (PD) Planned Development to allow a commercial and mixed-use project consisting of up to one million square feet of industrial park uses and up to 450,000 square feet of commercial uses on an approximately 74-acre site. The Commission also considered a proposed modification to the Edenvale Area Development Policy (EADP) to facilitate the project and provide for future distribution of some industrial square footage associated with the project site to New Edenvale.

The Director of Planning, Building and Code Enforcement recommended approval of the proposed General Plan amendments, rezoning, and modification of the EADP.

Gerry DeYoung, representing the applicant, iStar, spoke in favor of the project, and indicated that he believed that the proposed project would result in a good development pattern that responded to and complemented the Hitachi Campus and Santa Teresa Transit Village to the

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June 6, 2006

**Subject: Edenvale Area Development Policy Modification, GP 03-02-05, GP T 03-02-05, and PDC 04-100**

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north of the site, addressed the need for retail while preserving potential industrial development, and would provide additional sales tax dollars for the City currently "leaking" south to Gilroy and Morgan Hill. He stated that he concurred with staff comments in the Supplemental Staff Report.

William Garbett spoke against the proposed General Plan Text Amendment and indicated that he believed there was already a sufficient area of the site designated for higher building height. The applicant's consultant and staff responded, and indicated that the increase in allowable building height would provide greater flexibility to develop the site and was appropriate, and that much of the site already could be developed with 120-foot high buildings due to proximity to transit stations. Mr. Garbett also indicated that any standing water from C3 stormwater mitigation measures could result in an increase in mosquitoes. No one else from the public spoke in favor of or in opposition to the proposed project.

Mr. De Young highlighted for the Commission that the Environmental Impact Report had previously been certified by the Commission in March 2006. He further commented that careful work with staff on the project since 2003 had resulted in a quality project and that area residents generally approved of the project and were not present to comment at the hearing.

The Planning Commission then closed the public hearing.

Commissioners Platten, Zito and Levy stated that the existing orchards and open space on the site would be missed, but that the proposed project represented a good blend and outline of uses for the site, and commended the applicant and staff on the project accomplished, noting particularly that more sales tax revenue would be captured in San Jose rather than Morgan Hill or Gilroy.

Commissioner Platten moved each of the four items separately for approval, with each project element unanimously recommended to the Council for approval.

Acting Director Horwedel complimented the applicant's consultant team for the spirit of compromise and flexibility working with staff that resulted in a good project design.

### **PUBLIC OUTREACH**

Notices for both the Planning Commission public hearing and this Council public hearing were distributed to the owners and tenants of all properties located within 1000 feet +of the project site. A notice of the rezoning was also published in the newspaper, in accordance with the City Council's Public Outreach Policy.

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**COORDINATION**

As standard procedure in the development review process, this project was coordinated with the Department of Public Works, Fire Department, Police Department, Environmental Services Department and the City Attorney.

**CEQA**

Environmental Impact Report Resolution to be adopted.

  
for JOSEPH HORWEDEL, SECRETARY  
Planning Commission

For questions please contact Planning, Building and Code Enforcement at (408) 535-7800.



COUNCIL AGENDA: 06-20-06  
ITEM: 10.5

# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Joseph Horwedel

**SUBJECT:** SEE BELOW

**DATE:** June 1, 2006

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## TRANSMITTAL MEMO

**COUNCIL DISTRICT:** 2  
**SNI AREA:**

**SUBJECT: GP03-02-05, GPT03-02-05 AND PDC04-100 GENERAL PLAN LAND USE AND TEXT AMENDMENTS AND PLANNED DEVELOPMENT REZONING IN AN AREA GENERALLY BOUNDED BY MONTEREY HIGHWAY, STATE ROUTE 85 AND MANASSAS ROAD, AND MODIFICATION TO THE EDENVALE AREA DEVELOPMENT POLICY.**

The Planning Commission will hear this project on June 5, 2006. The memorandum with Planning Commission recommendations will be submitted under different cover. We hope the submittal of this staff report is of assistance in your review of this project.

  
JOSEPH HORWEDEL, ACTING DIRECTOR  
Planning, Building and Code Enforcement

For questions please contact Planning, Building and Code Enforcement at (408) 535-7800.



# Memorandum

**TO: Planning Commission****FROM: Joseph Horwedel****SUBJECT: SEE BELOW****DATE: May 30, 2006**

COUNCIL DISTRICT: 2

## SUPPLEMENTAL MEMO

**SUBJECT: GP03-02-05, GPT03-02-05 AND PDC04-100 GENERAL PLAN LAND USE AND TEXT AMENDMENTS AND PLANNED DEVELOPMENT REZONING IN AN AREA GENERALLY BOUNDED BY MONTEREY HIGHWAY, STATE ROUTE 85 AND MANASSAS ROAD, AND MODIFICATION TO THE EDENVALE AREA DEVELOPMENT POLICY.**

### BACKGROUND

These items were originally scheduled to be heard by the Planning Commission on April 12, 2006 as part of the Winter 2006 General Plan hearings. Following completion of the staff report, the applicant requested additional time to allow for continued discussion regarding the project. These items were deferred to the Spring 2006 General Plan hearings, and have been deferred from both the May 3rd and May 24<sup>th</sup> hearings to June 5, 2006. Planning, Department of Transportation and Office of Economic Development staff have worked with the applicant to resolve their concerns and clarify staff's proposed conditions for the rezoning.

### ANALYSIS

The key issues staff have continued to review with the applicant relate to the timing and phasing of roadways and other infrastructure, and the minimum amount and location of industrial development required to occur on the site.

#### **Infrastructure phasing**

As described in the original staff report, as a condition of the Planned Development Zoning, a Master Planned Development Permit is required to implement the PD zoning and will, at a minimum, include design for construction of the major street network, identify future rights-of-way required for eventual widening of the public streets, and include conceptual information regarding the potential stormwater solutions for the overall site. This Master PD Permit will ensure that the infrastructure can be constructed and be fully operational as commercial and/or industrial development is constructed and occupied. Staff has worked with the applicant to revise the phasing plan for construction of different portions of the infrastructure to coincide with

square footage thresholds of a possible mix of industrial and retail commercial development, and to identify intermediate milestones for the large scale, more regional improvements such as the Monterey Road/Blossom Hill south intersection improvements. Some of these regional improvements will require close coordination with other agencies such as Caltrans to achieve actual construction, but the applicants have indicated they will work in good faith to develop fully engineered plans to meet development triggers, to the satisfaction of the Director of Public Works. Timely completion of the improvement plans will facilitate City/Caltrans cooperation and agreement for the actual construction.

Additional clarification has also been added to the phasing plan for ultimate development of Great Oaks Boulevard to a 4-lane arterial. The applicant has agreed to be conditioned in the PD Zoning to work to acquire the right-of-way on the property (Lands of Uchiyama) frontage just south of the iStar site to allow timely widening of Great Oaks to four lanes, from Hitachi south to the interchange at State Route 85, to proceed at the time when development on the subject site together with that on the Hitachi site warrant it.

Staff has included these changes in the chart of Required Public Improvements for the iStar Project (Revised May 26, 2006) (see attached) which will be provided as Attachment E to the Edenvale Area Development Policy, as it is proposed to be modified, in addition to being conditions included in the PD Zoning. Inclusion of the required improvements for both the iStar and Hitachi projects in the Area Development policy should ensure overall consistency and unified progress on these improvements, many of which benefit both these developments and the larger surrounding area. Staff believes that this proposed phasing plan will allow infrastructure development to keep pace with the development of buildings on the site, to be fully designed during the PD permit and Public Works clearance stages.

### **Industrial Portion of the Project**

The project proposal includes development of up to 1 million square feet for industrial park uses on the site, while allowing up to 450,000 square feet of commercial uses. The PD zoning's Draft Development Standards (revised May 25, 2006) (see attached) specify that a maximum of 42 acres of the subject site can be used for commercial purposes. To guide the development of the industrial portion of the site, staff had previously included a set of conditions relating to minimum Floor Area Ratio (FAR) requirements for industrial development to attempt to maximize the amount of industrial development on the available acreage.

In response to comments by the applicant and the Office of Economic Development regarding the complexity of the proposed conditions requiring a different FAR for general industrial users versus driving industry users potentially making marketing of the site more difficult, staff has simplified this requirement to provide that the buildout of the industrial portion of the site must be a minimum of 500,000 square feet, an unusual condition for an industrial project. To help address the viability of the future industrial area, the Draft Development Standards continue to require that a minimum of approximately 45 percent (or roughly 680 feet) of the lineal frontage along Great Oaks Boulevard, must be devoted to industrial uses, with no significant surface parking area or parking garages fronting onto Great Oaks. This change is reflected in a modification to the proposed General Plan text change to include the site in Appendix F, which specifies the Use Intensity Ranges for sites with the Mixed Use with no Underlying Designation General Plan Land Use designation (see attached), and in the Draft Development Standards for the PD Zoning.

The applicant has indicated a willingness to continue to work with the Office of Economic Development and the Redevelopment Agency to attract potential users from the driving industry sector to locate along Great Oaks, and to strive for a more urban form for this industrial site as a gateway for this new "front door" ultimately to the Hitachi campus as it is redeveloped and intensified in the future. While the City is anxious to achieve the greatest possible amount of industrial square footage at this location, Economic Development staff caution that it is important to balance a maximum square footage goal against a potential long term lag for any new industrial development at the southern end of Great Oaks Boulevard. Moving forward with at least 500,000 square feet of industrial uses on the site and moving forward on the ultimate design for Great Oaks Boulevard would have significant benefits for Edenvale.

### **RECOMMENDATION**

Planning staff recommends the Planning Commission forward a recommendation to the City Council to approve the proposed General Plan Amendments and Planned Development Rezoning.

  
JOSEPH HORWEDEL, ACTING DIRECTOR  
Planning, Building, and Code Enforcement

For questions please contact Planning, Building and Code Enforcement at (408) 535-7800.

#### Attachments:

- Revised Attachment E (May 30, 2006)
- Revised Proposed Text for Appendix F, GPT03-02-05
- Revised Draft Development Standards (May 25, 2006)
- Original staff reports, exhibits and plansets

**REQUIRED PUBLIC IMPROVEMENTS FOR THE ISTAR PROJECT (REVISED - 5/30/06)**

		PROJECT PHASES (Cumulative) AFTER APPROVAL OF MASTER PD PERMIT			DESCRIPTION
LOCATION	PRE-CONSTRUCTION RECORDATION OF 1ST SUBDIVISION MAP OR LOT LINE ADJUSTMENT OF FIRST DEVELOPABLE LOT	PHASE 1 UP TO 334K S.F. RETAIL + 150K S.F. INDUSTRIAL	PHASE 2 MORE THAN 334K S.F. RETAIL + 150K S.F. INDUSTRIAL		
1 4 Lane Great Oaks R.O.W. (Property)	X				30 feet R.O.W. offer of dedication along property frontage for future 4 lane Great Oaks Blvd. Some frontage improvements along Great Oaks may need to be designed to accommodate access to proposed development.
2 4 Lane Great Oaks R.O.W. (Uchiyama Frontage)			X		Acquire R.O.W. interest in the Uchiyama property to accommodate expansion of Great Oaks to 4 lanes or pay an in-lieu fee equal to the Fair Market Value of the R.O.W. to be used to fund CSJ Economic Development.
3 2 Lane Manassas	X				20 feet R.O.W. offer of dedication along the property frontage.
4 Monterey Highway / Blossom Hill Road (south)	Develop Plans X	City Approval of Plans X	Caltrans Approval; CSJ Construction Agreement Construct Improvement X		Add a second westbound right turn lane. This improvement will require modification to the signal and widening the east leg of the intersection.
5 Fair Share Contribution Toward US 101 / Blossom Hill (west)		<b>EADP Fee</b> (50% of fee paid @ First Commercial Building Permit) (50% of fee paid @ Commercial Building Permit >225K S.F.)			Payment of the \$571,000 fee as the project contribution toward EADP improvements, including added third right turn lane to the southbound US101 off ramp.
6 San Ignacio / Great Oaks Blvd.		Develop Plans X	CSJ Approval; Plans/Construction Agreement. Construct Improvement. X		Convert southbound shared through/right turn lane into separate through and right turn lanes and construct dual north bound left turns.
7 San Ignacio / Bernal		Develop Plans X	CSJ Approval; Plans/Construction Agreement. Construct Improvement. X		Signal interconnect and extension of the southbound left turn pocket on San Ignacio. Modify signal timing accordingly.
8 Via Del Oro R.O.W.	X				For portion on iStar property dedicate 60' wide, 2 lane R.O.W. along existing Via Del Oro alignment on iStar property.

**REQUIRED PUBLIC IMPROVEMENTS FOR THE ISTAR PROJECT (REVISED - 5/30/06)**

LOCATION	PROJECT PHASES (Cumulative) AFTER APPROVAL OF MASTER PD PERMIT			DESCRIPTION
	PRE-CONSTRUCTION RECORDATION OF 1ST SUBDIVISION MAP OR LOT LINE ADJUSTMENT OF FIRST DEVELOPABLE LOT	PHASE 1 UP TO 334K S.F. RETAIL + 150K S.F. INDUSTRIAL	PHASE 2 MORE THAN 334K S.F. RETAIL + 150K S.F. INDUSTRIAL	
9 Via Del Oro Street Upgrade	Develop Plans X	1/2 Street Improvements X		Upgrade street on iStar property to CSJ standards (initial 1/2 street) . Construct sidewalk within existing R.O.W. on one side of existing Via Del Oro for only the portion of the roadway located under SR 85 overpass.

**PROPOSED TEXT AMENDMENTS FOR GENERAL PLAN TEXT AMENDMENTS**  
**GPT03-02-05**

1. The following new text shall be added to the list of SPECIFIC SITES AND GEOGRAPHIC AREA EXCEPTIONS of the General Plan Urban Design policies.  
 Chapter IV Community Development, Urban Design, Page 74.

At a site generally bounded by Monterey Highway to the northeast, State Route 85 to the South, and Manassas Road to the northwest, the maximum building height is 120 feet.

2. The following new text shall be added to the Mixed Use Inventory Table, Appendix F.

Appendix F Mixed Use Inventory

<u>Map Reference Number</u>	<u>Location</u>	<u>Amendment File Number</u>	<u>Use Mix</u>	<u>Use Intensity Range</u>
<u>MU #18</u>	<u>Generally Bounded by Monterey Highway, State Route 85, and Manassas Road</u>	<u>GPO3-02-05/ GPT03-02-05</u>	<u>Industrial Park on 32 acres (+/-)</u>  <u>General Commercial on 42 acres (+/-)</u>	<u>A minimum of 500,000 sq. ft.,</u>  <u>A maximum of 450,000 sq. ft.</u>