

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Harry S. Mavrogenes
Executive Director
Redevelopment Agency

SUBJECT: APPROVAL OF THE DOWNTOWN STRATEGY PLAN 2000, DIRIDON /ARENA STRATEGIC DEVELOPMENT PLAN, THE SOFA SOUTH FIRST AREA STRATEGIC DEVELOPMENT PLAN AND PROPOSED TRANSPORTATION IMPACT POLICY AMENDMENTS **DATE:** June 9, 2005

RECOMMENDATION

1. It is recommended that the City Council adopt a resolution approving:
 - (a) The Downtown Strategy Plan 2000,
 - (b) The Diridon/Arena Strategic Plan 2000
 - (c) The SoFA South First Area Strategic Development Plan
2. It is recommended that the City Council amend Transportation Impact Policy to adopt a special Downtown Gateway Corridor designation and identify 13 intersections within these Gateway Corridors as Protected Intersections under the Policy and exempt from traffic mitigation requirements. These intersections are 10th/Hedding, 10th/Julian, 10th/Taylor, 11th/St. James, 11th/Julian, 11th/St. John, 11th/Santa Clara, 11th San Antonio, 10th/St. James, 10th/Reed, 7th/Virginia, 4th/ Jackson and Almaden/Virginia.

BACKGROUND

In the spring of 2000, the Agency began a program to set the stage for the next decade of downtown development. That program started with the proposal to prepare a new and updated downtown Plan which would ultimately be called Strategy 2000. Strategy 2000 was just the start and within a period of three years a total of seven new more detailed Plans including five neighborhood Plans would be either adopted or reviewed by the Agency Board and City Council. In addition to Strategy 2000, two proposed Plans, the Diridon and SoFA area strategies are the subjects of this report. Finally, this report will also describe the development objectives and policies of each of these three Plans as well as any changes proposed since these Plans were first reviewed by the Agency Board and City Council.

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A separate staff report from the Planning, Building and Code Enforcement Department describes amendments to the San Jose 2020 General Plan intended to implement elements of the Strategy 2000 and Diridon/Arena Plans.

ANALYSIS

Listed below is a description and analysis of each of the three Plans:

1. Strategy 2000-San Jose Greater Downtown Strategy for Development
2. Diridon/Arena Strategic Development Plan
3. SoFA- South First Area Strategic Development Plan

1. STRATEGY 2000

Strategy 2000 was developed as an update to the Downtown Strategy Plan 2010, which was approved by the Board and Council in 1992 to guide policy and development in the Greater Downtown. The Strategy 2000 provides specific recommendations for land use, development types and the amount of development based on environmental, urban design and community needs. It is the umbrella long-term strategy and vision for the downtown.

A community task force, supported by the San Jose Redevelopment Agency, created the Strategy 2000. The task force was composed of 33 community representatives from downtown and throughout the city. A consultant team headed by Field Paoli Architects and Simon, Martin-Vegue, Winkelstein and Moris (SMWM) helped formulate the Strategy 2000 through a seven-month series of meetings and technical retreats. On January 8, 2001, the Task Force unanimously recommended that the Board approve the Strategy 2000. The Redevelopment Agency Board accepted a draft of the Strategy 2000 on February 27, 2001, provided feedback and directed staff to continue to study the feasibility of implementing the proposed Strategy 2000 Plan.

Strategy 2000 -Major Goals

Strategy 2000 envisioned the buildout of the downtown by 2010 with an expansion of the downtown in an easterly direction (towards the new city hall) and in a westerly direction (into the Diridon Station area). Coupled with this physical expansion, downtown was expected to grow from the present levels of development with an increase in the following manner:

**Greater Downtown
Levels of Development**

Use Category	Current Amount Of Development in the Greater Downtown	Growth Anticipated in the Strategy 2000 Plan	Total Level of Development in the Greater Downtown
Office	6,000,000 square ft	8,000,000 to 10,000,000 square ft	14,000 to 16,000 dwelling units
Residential	5000 dwelling units	10,000 dwelling units	15,000 dwelling units
Retail	1,000,000 square feet	900,000 to 1,200,000 square feet of retail space	1,900,000 to 2,200,000 square feet
Hotels	1,500 rooms	2000 to 2,500 rooms	3,500 to 4,000 rooms

Top Priorities

The Strategy 2000 contains hundreds of actions and strategies recommended to make San Jose a great international city, while respecting its cultural diversity and neighborhoods. Because of the breadth of the document, the task force identified seven top priorities for immediate implementation. Some of these recommendations have already been completed or are near completion. The status is noted in parentheses following the recommendation.

1. Develop retail in the Greater Downtown. Continue implementing the Urban Land Institute recommendations, and encourage a variety of retail uses at the ground floor of developments in areas with a retail focus. (ongoing)
2. Develop housing with an emphasis on high-density, mixed-income, and overall 20% affordable rental and for sale units. (ongoing)
3. Complete the Guadalupe River Park and Los Gatos Creek Trail System. (GRP Master Plan approved December 17, 2002; GRP Design Policies approved October 7, 2003, major park completion in September 2005.)
4. Develop parking resources and alternatives. Develop a Parking Management Plan that inventories current parking assets, develops additional parking locations, and proposes parking management strategies. (The Parking Management Plan was adopted in November 2001. Development of parking facilities is ongoing.)
5. Invest in streetscape improvements to improve the walkability and comfort of streets in the Greater Downtown. (Streetscape Master Plan adopted on September 16, 2003. Streetscape projects are ongoing.)

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6. Expand the San Jose Convention Center. (temporary expansion complete June 2005)
7. Update San Jose's Zoning Code to reflect the Strategy 2000 recommendations. Code revisions should address mixed-use overlays, shared parking programs, density bonuses, adaptive use and preservation guidelines, parking ratios, ground floor restrictions, and environmental review requirements. (First Phase completed June 2004)

2. DIRIDON/ARENA STRATEGIC DEVELOPMENT PLAN

The Diridon/Arena Strategic Development Plan is intended to enhance Strategy 2000 by providing the detailed planning necessary to foster new development and respond to the unique property ownerships and parcel development in the area. The Redevelopment Agency and the Valley Transportation Authority (VTA) partnered in the preparation of the Plan. The Plan area, anchored by Diridon Station (at Cahill and Santa Clara Streets) and the HP Pavilion, is intended to become a South Bay and regional ground transportation hub with the convergence of major transit improvements including the Vasona Light Rail line, the (potential) Downtown/East Valley Light Rail line, BART and Caltrain. The Plan addresses the inter-modal connectivity of the various modes of transportation, land uses, access and circulation, and recognizes that this logical area for growth of the Downtown Core.

The Diridon /Arena Strategic Development Plan was developed over a nine-month period through a public participation process. A community advisory committee, representing a cross section of the community, guided the development of the Plan through a series of five public meetings. Additionally, extensive outreach efforts were undertaken by Agency staff, including one-on-one meetings with key stakeholders, such as the HP Arena management, and a door-to-door outreach.

The final draft of the Diridon/Arena Strategic Development Plan was approved by the community advisory committee in October 2002 and on August 19, 2003 the Agency Board accepted a draft, provided feedback and directed staff to continue to study the feasibility of implementing the proposed Plan.

Key Elements of the Diridon Plan

The following basic goals would be established for the study area:

- Create an integrated transportation hub
- Encourage transit ridership and pedestrian activity through land use decisions (i.e. high density development)
- Provide an appropriate level of parking
- Protect adjacent neighborhoods from negative impacts.
- Create new public amenities for residents and workers in the area.

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More specific goals that also include:

- Complete the Guadalupe River Park and Los Gatos Creek as open space amenities
- Expand Diridon Station to create a grand transit station of architectural and functional significance
- Enhance existing residential neighborhoods and reinforce downtown living with additional high density residential development
- Create a high activity, lively pedestrian environment with excellent connectivity to downtown destinations and regional transit
- Provide a variety of commercial and mixed use development opportunities, ranging from larger scale corporate or institutional sites to incremental, infill development zones to accommodate unpredictable market demand and implementation strategies

The Diridon/Arena Strategic Development Plan incorporates a circulation and access plan integrating pedestrian, vehicle and mass transit. The Plan also incorporates design guidelines that were previously integrated into the recently approved "Downtown Urban Design Guidelines."

The Diridon/Arena Strategic Development Plan integrates existing plans and other planning efforts. This includes: the San Jose 2020 General Plan, the Midtown Specific Plan, Delmas Park Neighborhood Improvement Plan, the Julian-Stockton Redevelopment Plan, the Parking Management Plan, the Los Gatos Creek Master Plan, and the Guadalupe River Park Master Plan.

3. SOFA STRATEGIC DEVELOPMENT PLAN

The purpose of the SoFA Strategic Development Plan is to establish an action plan for development and redevelopment in the area. Long-term and near-term goals and actions are designed to shape the budgetary allocations of the Agency. The Plan is a response to public policy, historic and cultural resources, infill development, streetscape and open space, and circulation issues during the Strategy 2000 process. The Plan includes designs for specific types of projects that build on the vision for SoFA as presented in the Strategy 2000 and describes a process to assist in their realization.

The SoFA area is generally described as the area between Market Street to the west, Fourth Street to the east, San Carlos Street to the north, and I-280 to the south. The formal boundary for the Plan area was enlarged slightly to the north, west and east for purposes of developing the Plan. That boundary is identified on page 18 of the SoFA Plan.

The SoFA Strategic Development Plan was created by a 29 member SoFA committee comprised of residents, property and business owners, hoteliers, representatives of the Convention Center, University and other key institutions in and around SoFA.

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Major priorities identified in the Plan include:

- Events and promotions to attract people to SoFA.
- Convention Center expansion.
- Improving Parque de los Pobladores.
- Improving the parking supply for SoFA.

The Plan's major recommendations focused on specific buildings, land uses and programs with the goal of enhancing business development. A major element of the Plan is a section on Urban Design Concepts that recommends defined improvements to specific streets and parks for both private and public buildings. This includes circulation, access and parking recommendations, and streetscape connections to other institutions such as San Jose State University. The intent is to knit together dispersed development, fill in empty and undeveloped parcels and create a new enhanced identity for the area. Additional policies include the preservation of historic landmarks and the promotion of different land uses.

Finally, there were other very specific recommendations dealing with entertainment closing time, zoning, permitting, individual parcel and block building heights, land uses and building facades as well as urban design policies which have also been incorporated into the Downtown Urban Design Guidelines adopted by the Board and City Council.

The Agency Board accepted a draft of the SoFA Strategic Development Plan in January 21, 2003, provided feedback and directed staff to continue to study the feasibility of implementing the proposed Plan.

4. THE IMPACT OF STRATEGY 2000, THE DIRIDON/ARENA STRATEGIC DEVELOPMENT PLAN

With the ultimate buildout of Strategy 2000, the skyline of the downtown will change with the addition of 20-30 office buildings, dozens of low and high rise residential buildings and four to five new hotels. The streets will take on a new life as thousands of new residents live work and become a part of the urban environment. The downtown will be a very active and attractive place for residents and visitors. More congestion, both pedestrian and vehicle will also be a common occurrence as part of the urban fabric of the downtown.

5. TRANSPORTATION

A complete transportation analysis was conducted for the Strategy 2000. The main elements of the analysis are the disclosure of impacts and mitigation, the phasing plan for transportation improvements, and the modifications of transportation policies. More specific details of the transportation analysis are included in the EIR and accompanying staff report from the Department of Planning, Building and Code Enforcement the General Plan Amendments required to implement the Strategy 2000, Diridon and SoFA Plans.

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Impacts, Mitigation, and Phasing

The scope of planned growth proposed by the Strategy 2000 Plan has traffic impacts that extend beyond the Downtown Core area as disclosed in the EIR. However, with Downtown San José has been positioned as the transit hub of the South Bay region and is well served by transit facilities. Projected transit use in the Downtown area is 19% of all peak hour travel compared to a current County average of 4%. Clearly, development growth in Downtown will have less traffic impacts than if similar growth levels were to occur anywhere else in the region.

In June 2002, the City Council approved a Downtown Transportation Access and Circulation Study. That study identified various transportation improvements that serve to provide quality multi-modal access for a growing and vibrant Downtown.

Many of these improvements have been incorporated as mitigation measures for the Strategy 2000 Plan. Additionally, phasing requirements are proposed in order to ensure that traffic impacts are managed as Downtown grows. The following identifies the transportation mitigation measures and the associated development phases:

- o Coleman Avenue Widening (Phase 1)
- o Autumn Extension (Phase 1)
- o Adjacent Neighborhood Traffic Calming (Phase 1)
- o SR 87/Julian off-ramp Improvements (Phase 2)
- o Bird Avenue Corridor Improvements (Phase 2)
- o US 101/Oakland Road Interchange Upgrade (Phase 2)
- o I-280/3rd & 7th Streets Extension (Phase 3)
- o Couplet Conversions (Phases 3 and 4)

Other transportation improvements are planned for the Downtown area, but were not assumed as part of the traffic analysis for the EIR. The completion of the planned BART extension to Downtown and the Downtown East Valley Transit Corridor projects will further serve to provide quality access to Downtown.

Transportation Policy Changes

Various City transportation policies are proposed for modification to support the Strategy 2000 Plan. These changes are discussed below:

Expanding the Downtown Core Area Exemption from Traffic Level of Service Standards -
The Downtown Core area is currently exempt from the City's Transportation Impact Policy. Intersections and projects within the Downtown Core are not required to meet Level of Service (LOS) D within its boundaries. The Strategy includes plans for an expansion of the downtown core to include a broader area. Accordingly, a larger area (the Greater Downtown) will be subject to this exemption.

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Adding "Downtown Gateways" as Exempt from Traffic Level of Service Standards - The policy change includes the creation of a new "Downtown Gateway" designation. The Downtown Gateways are 14 intersections surrounding the downtown that will be designated as "Protected Intersections," as described further in the following paragraph. As development occurs in Downtown and the surrounding areas it is expected the traffic will increase. Under the current Transportation Impact Policy, development projects would be required to construct vehicular improvements for Gateway Corridors including the one-way couplet system (which are assumed to be two-way in the EIR analysis as approved by the City Council when it approved the Downtown Access and Circulation Plan in 2002). Unless the policy is changed, the standard mitigation provisions could require maintaining the couplets as one-way streets, or it could also entail parking removal, downsizing sidewalks, tree removals, and right of way acquisition to expand the streets. All of those mitigations would directly conflict with the Downtown Access and Circulation Plan. The addition of the Downtown Gateway designation allows these intersections to be exempted from having to meet the LOS D criterion; and would extend the downtown exemption to these corridors. The intent of the new designation is to protect the intersections from undesirable mitigation. The project proposes to modify the Transportation Policy to include the gateways as a Special Planning Area and the intersections within the gateway would be eligible to be designated as Protected Intersections.

Designation of 14 Locations as Protected Intersections - Projects outside the downtown core that have significant impacts to the Downtown Gateway intersections described above, would fund offsetting improvements instead of automobile mitigation under the new policy guidelines. A revised Transportation Impact Policy that allows for establishing "Protected Intersections" and establishes a methodology for implementing offsetting "Transportation System Improvements" is subject to separate City Council action scheduled for June 21, 2005. The Strategy 2000 Plan has impacts at 14 intersections on the Downtown Gateways. Those intersections are 10th/Hedding, 10th/Julian, 10th/Taylor, 11th/St. James, 11th/Julian, 11th/St. John, 11th/Santa Clara, 11th San Antonio, 10th/St. James, 10th/Reed, 7th/Virginia, 4th/Jackson Almaden/Virginia, and Vine/Grant are proposed to be added to the Protected Intersection list.

It should be noted that 11 of the 14 locations are on the Couplet Corridors. This is based on a deliberate decision by local downtown neighborhood representatives and supported by the City Council to protect these streets from Downtown traffic impacts by reducing their capacity. Reducing their capacity ultimately will lessen traffic speed, increase pedestrian safety, reduce traffic noise and ultimately contribute to making these neighborhoods more viable residential areas.

6. OTHER ISSUES

General Plan Amendments

As noted previously, a separate staff report describes the proposed amendments to the San Jose 2020 General Plan intended to implement elements of the Strategy 2000 and Diridon/Arena Plans. In summary, these amendments would accomplish the following:

1. Bring the General Plan land use designations into conformance with existing uses, specifically the HP Pavilion/San Jose Arena and Guadalupe River Park;
2. Bring the General Plan land use designations into conformance with the Diridon/Arena Strategic Development Plan;
3. Expand the Greater Downtown Core Area boundary in order to expand the Downtown Transportation Level of Service (LOS) exemption area;
4. Amend the General Plan text to state that building heights and floor area ratios (FAR) are subject to FAA limitations and amend the text of the Midtown Planned Community to reflect the proposed Strategy 2000.

Conflicts between the Strategies and Neighborhood Plans

Since Strategy 2000 was prepared in 2001, seven (7) Plans have been prepared for the greater downtown. With so many individualized neighborhood and other district strategies, there is a potential for conflicts between the Plans. This issue has been raised by a number of neighborhood groups. While the overall Strategy 2000 goals remain the same, the Neighborhood Plan is tailored to the needs of that area and fits within the envelope of the Strategy 2000. (See the text change under "Link and Respect" below.

Plan Revisions

In response to public input, two text changes to the Strategy 2000 have been identified. These changes do not alter the fundamental recommendations or goals of the Strategy 2000. Those changes are:

1. St. James Park

The Urban Concepts section "Strategies" on page 103 has an error in the text dealing with the height of buildings around St. James Park. The current text states, "The tallest buildings should surround the Park and step down in height as they are developed away from the Park to create a transition to the surrounding lower scaled neighborhoods." The actual intent of the policy as identified in both the Strategy 2000 and St. James Park Historic Development Guidelines is to have the lower height buildings face the park and have building heights increase or step up as they are developed away from the Park.

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The revised sentence should read (Strategy 2000, page 103, first paragraph, second sentence): "Along the Park edges, the tallest buildings should step down in height to acknowledge the historic building scale while similarly sculpting the mass as they are developed away from the Park to create a transition to the surrounding lower scale neighborhoods."

2. Link and Respect

Strategy 2000 recognizes both the value and need to protect the Greater Downtown's neighborhood areas. Strategy 2000 provides a specific section called "Link and Respect" (page 24). That section was written before the development of specific neighborhood Plans including the SoFA, and Delmas Park Plans. After meeting with neighborhood representatives, staff feels it is important to have the Strategy 2000 formally recognize these neighborhood Plans and to state how they fit into the overall strategy.

Accordingly, the following should be added to the end of the second paragraph of Page 24 of the Strategy 2000:

"When individual neighborhood Plans are adopted by the City Council, these Plans are intended to provide greater detail with regard to land use, building heights, intensity of development, circulation, parking, open space and urban design as well as other factors that are relevant to the needs of a particular neighborhood. The intent of these Plans is to establish long-range goals. These goals may also include preservation of valuable elements of a neighborhood that establish the character of the neighborhood. These Plans will be used to guide the decision making process for new development, major building renovations and public construction. While these Plans are intended to provide greater clarity for decision-making in the development review process, they are intended to supplement the overall goals, policies and implementation strategies in the Strategy 2000. As of the date this Plan was approved, Strong Neighborhood Plans have been adopted for the Delmas Park, Market Almaden, Burbank/Del Monte, 13th Street and University neighborhoods."

PUBLIC OUTREACH

All of the Strategy Plans underwent considerable public review as part of the City Council-appointed citizen participation process. Each strategy had its own citizen advisory committee. Each committee sought public input, discussed options, discussed and recommended changes to each of the Plans. Many of the public meetings drew considerable citizen participation beyond the membership appointed by the Agency Board.

Since the publication of the Downtown EIR, City staff have held citywide meetings concerning the EIR and the proposed General Plan amendments. Additionally, other neighborhood meetings have been held in the Civic Plaza and Delmas Park neighborhoods with City and Agency staff. Meetings were also held with representatives of the Burbank Del Monte neighborhood to review their issues and concerns.

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COORDINATION

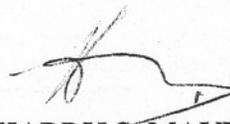
This report has been coordinated with the General Counsel's Office, the Department of Transportation and the Department of Planning, Building and Code Enforcement.

COST IMPLICATIONS

The approval of the proposed Strategic Development Plan will have no financial impacts

CEQA

The Downtown Strategy 2000 and related Plans were the subject of an EIR entitled San Jose Downtown Strategy 2000, certified by the Planning Commission June 6, 2005. The appeal period for the EIR closes June 9, 2005. In the event of an appeal, the City Council is scheduled to consider certification of the EIR June 21, 2005. The EIR discloses that the Downtown Strategy 2000 will result in significant unavoidable environmental impacts and, therefore, the Council will be required to adopt a resolution pursuant to CEQA Guidelines Sections 15091 and 15093.



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Encl.