



MEMORANDUM

TO: Mayor & City Council

FROM: Councilmember Dave Cortese

SUBJECT: Project C05-125

DATE: October 3, 2006

APPROVED:

DATE:

Oct 3, 2006

RECOMMENDATION

Approve city staff's recommendation for a conforming rezoning of the real property located at the southwest corner of Capitol Expressway and Tully Road from A Agriculture Zoning District to CG Commercial General Zoning District for commercial uses on a 2.07 gross acre site.

BACKGROUND

The intersection of Capitol Expressway and Tully Road is rapidly becoming a destination shopping location with the Evergreen Shopping Center on the southeast corner, Beshoff Motorcars Mercedes Dealership on the northeast corner and most recently, the 90 million dollar renovated Eastridge Mall on the southwest corner.

The project applicant's intent with the site in question is to operate a car dealership. The entire 2.07 acres is outside of the flight path of the Reid Hillview County Airport and therefore not subject to any of the constraints of the Airport Land Use Commission (ALUC) safety areas.

Ray Beshoff, the intended future operator of the proposed dealership at this site, has a remarkable record of success. He currently operates a Mercedes Benz dealership diagonal to the proposed site which generates over half a million dollars in sales tax and employs 120 individuals. The future dealership, if approved, stands to generate at least \$450,000 in sales tax annually and plans to employ about 80 individuals. This sort of investment on San Jose's East Side is unprecedented and is occurring at a time when many other big businesses are choosing to leave the area. Such investments should continue to be encouraged when they are in compliance with surrounding land use polices and stand to improve the overall quality and character of the area.