



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Planning Commission

SUBJECT: SEE BELOW

DATE: December 6, 2007

COUNCIL DISTRICT: #3
SNI AREA: None

SUBJECT: PP07-172. Transportation Development Policy to manage the traffic congestion associated with near term "smart growth" development in the US 101 – Oakland/Mabury area including Transit Oriented Development near the planned BART Berryessa Station, Japantown Neighborhood Business District, Jackson-Taylor Specific Plan, and Luna Park/13th Street Neighborhood Business District. The Policy is proposed to identify required transportation improvements at the US-101/Oakland Road corridor and to manage near term traffic congestion associated with smart growth development in the vicinity. This Policy would create a fair share traffic impact fee to finance the construction of the required improvements, and allow the Level of Services (LOS) at intersections along the corridor to degrade temporarily below City's LOS goals.

RECOMMENDATION

The Planning Commission voted 6-0-1 (Platten absent) forward a recommendation to the City Council to adopt a resolution and ordinance for the US-101/Oakland/Mabury Transportation Development Policy and Transportation Impact Fee.

OUTCOME

The US 101/Oakland/Mabury Transportation Development Policy and Transportation Impact Fee will facilitate near term development projects in the Jackson/Taylor and Berryessa areas and provide fair share funding for the implementation of US-101 freeway access improvements at US-101/Oakland Road and US-101/Mabury Road.

BACKGROUND

On November 28, 2007, the Planning Commission held a public hearing to consider the US 101/Oakland/Mabury Transportation Development Policy.

No one from the public appeared to speak on these items.

The Planning Commission voted 6-0-1 (Platten absent) to recommend that the City Council adopt a resolution and ordinance to adopt the US 101/Oakland/Mabury Transportation Development Policy and Transportation Impact Fee.

ANALYSIS

See original memorandum to Planning Commission attached.

POLICY ALTERNATIVES

Alternative 1 - Do not approve the Policy and require development in the vicinity of the US 101-Oakland/Mabury area to develop according to the City-wide Transportation Policy 5-3

Pros: Would not allow for interim congestion at the Policy intersections.

Cons: Planned development in the area would be dependent upon the long term construction of the planned improvements. Development could not occur in near term time frames or at the preferred densities per the General Plan.

Reason for not recommending: Does not align with city goals to facilitate development, encourage industrial development, support General Plan densities, and would not create a mechanism for all development in the area to share funding for construction of transportation improvements.

PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

A community meeting was held on September 6, 2007. The meeting was noticed on the City's website and the San Jose Mercury News and a mailer was sent to approximately 9000 properties in the area. The mailer/email was also distributed to the SNI, Neighborhood groups such as 13th street NAC, Berryessa, and Japan town, Council office 3 and 4, and the sign-up lists for the Flea Market and Dobbin Drive development projects.

The Policy was also discussed as part Planning, Building and Code Enforcement's Developer Roundtable.

COORDINATION

This policy has been coordinated with the City Attorneys Office, The Department of Planning, Building, and Code Enforcement, The Office of Economic Development, and The Department of Public Works.

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COST SUMMARY/IMPLICATIONS

Not applicable.

BUDGET REFERENCE

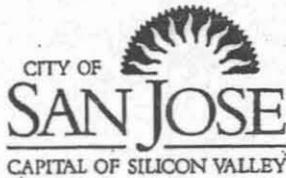
Not applicable.

CEQA

The Planning Commission certified the Final EIR prepared for the project. The Final EIR discloses the policy will result in interim impacts to traffic while funds are being collected to construct the improvements and will result in no significant impacts once the interchanges are fully constructed.

Joe *Akuri Amielon*
JOSEPH HORWEDEL, SECRETARY
Planning Commission

For questions please contact Manuel Pineda, Department of Transportation at 975-3295.



P.C. AGENDA: 11-28-07
ITEM:

Memorandum

TO: PLANNING COMMISSION
FROM: James R. Helmer
SUBJECT: US-101/OAKLAND/MABURY
TRANSPORTATION
DEVELOPMENT POLICY
DATE: 11-15-07

Approved

Date

COUNCIL DISTRICT: 3 and 4
SNI AREA: Thirteenth St

RECOMMENDATION

The Department of Transportation recommends that the Planning Commission forward a recommendation to the City Council to adopt the US-101/Oakland/Mabury Transportation Development Policy and Transportation Impact Fee.

OUTCOME

The US 101/Oakland/Mabury Transportation Development Policy and Transportation Impact Fee will facilitate near term development projects in the Jackson/Taylor and Berryessa areas and provide fair share funding for the implementation of US-101 freeway access improvements at US-101/Oakland Road and US-101/Mabury Road.

BACKGROUND

The Jackson/Taylor and Berryessa areas of San Jose are planned for future development growth consistent with the General Plan. However, near term development is constrained due to a lack of traffic capacity for access at US-101 and is expected to have Level-of-Service (LOS) impacts at key intersections. The following two major transportation improvement projects are planned to improve capacity in the area: 1) Reconstruction of the US-101/Oakland interchange and 2) Construction of the new US-101/Mabury interchange.

The required interchange improvements are expensive and require years to build which is not feasible for most projects. To address this issue, the City Council, at the June 5, 2007 Council meeting, directed staff to initiate the development of an Area Development Policy (ADP)/Transportation Development Policy (TDP). The primary reasons and goals for the Policy are as follows:

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1. Support near-term "smart growth" development projects in the 101/Oakland/Mabury area. Key projects include: Transit Oriented Development near Berryessa BART Station; Dobbin Family Shelter and Affordable Housing; Japantown Neighborhood Business District; Jackson Taylor Specific Plan; and Luna Park/13th Street Neighborhood Business District.
2. Create "fair share" traffic impact fee structure to finance US-101/Oakland and US-101/Mabury improvements.
3. Support timely implementation of US-101/Mabury and US-101/Oakland projects to meet development triggers associated with Downtown, North San José, and BART.
4. Provide streamlined traffic analysis and development review for development projects.
5. Encourage industrial development.

A proposed Transportation Development Policy and Traffic Impact Fee for the US-101/Oakland/Mabury area has been developed consistent with the above goals and in coordination with the City's Community and Economic Development City Service Area staff team. A copy of the proposed policy is attached.

ANALYSIS

The key issues in analyzing the proposal are its needs and consistency with the San Jose General Plan Major Strategies, Goals, and Policies.

Policy Need

Due to limited traffic capacity, future traffic LOS impacts caused by new development are expected to occur at the intersections of US-101/Oakland Road and Oakland Road/Commercial Avenue. The primary causes for the future operational deficiencies are the volume of traffic bounded for the US-101 freeway from land uses east and west of US-101.

The proposed US-101/Oakland/Mabury TDP recognizes and identifies that two major regional transportation projects are necessary to provide adequate regional access to the US-101 freeway for new development and the planned Berryessa BART station. The two regional transportation projects which are referred to as the "Policy Interchanges" or "Planned Improvements" are described as:

- Construction of the US-101/Mabury interchange- This interchange has long been identified in the City's General Plan as a needed freeway gateway to alleviate congestion at the US 101/Oakland interchange. A Caltrans Project Study Report (PSR) was previously completed and approved and will be updated as part of the process. The estimated project cost is \$49 million.

- Reconstruction of the US-101/Oakland interchange- The scope of work includes upgrading the facility by widening the existing on-ramps and off-ramps and widening of the existing Oakland Road bridge structure over US-101 to provide more through capacity. The estimated project cost \$20 million.

Construction of the Policy Interchanges will increase capacity in the area at all of the policy intersections. By constructing the proposed improvements, a total of 1462 peak afternoon trips will be available to accommodate future growth with a portion (300 trips) of it allocated to the BART station access traffic. To encourage industrial development in the area, 115 of the trips are allocated (without cost) to future industrial growth. The rest of the trips would be available for all development projects

The proposed trip capacity will be used for all types of development including industrial, commercial, and residential. However to provide perspective on the proposed improvements and the additional capacity they provide, the Policy would provide enough development potential for the equivalent of approximately 6000 new housing units in the area.

Funding and Traffic Impact Fee

This TDP identifies various sources of funding to support the construction of the Planned Improvements. A total of \$69 million is required for full construction with two funding sources already identified to contribute a total of \$38 million. One source is the regional funds pursued by the City and Valley Transportation Authority (VTA) as part of the Valley Transportation Plan 2030 (VTP2030) which is expected to be a \$30 million contribution. The other source is an \$8 million contribution by the City and/or the San Jose Redevelopment Agency as described in (1) the North San Jose Area Development Policy; and (2) the Downtown Strategy 2000 EIR.

The adoption of this TDP will also establish a Traffic Impact Fee (TIF) program to fund the balance of the \$31 million cost. The TIF requires all new development that generates capacity demand to make a fair share contribution as determined by the Nexus Study Report. The City will administer the traffic impact fees it collects and will facilitate the design, environmental clearance, and construction of the planned improvements. (It is noted that project development work is already underway by the City, VTA and Caltrans). The TIF for each interchange trip is initially valued at \$30,000 per trip and will increase annually per the Engineering News Record to account for increasing design and construction costs.

Previously Approved Projects (The Flea Market Site) and Future Projects

If the Flea Market project develops in accordance with its current conditions of approval it will be required to partially reconstruct the US-101/Oakland interchange. Under the proposed policy, the Flea Market project could apply to modify its current environmental clearance to participate in the policy and pay the appropriate traffic impact fee.

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All future development projects will be required to submit a Traffic Impact Analysis (TIA) per the City's Guidelines. The traffic impact fees for this policy will be determined as part of the TIA and will be collected prior to building permits. Upon collection of the Traffic Impact Fee, the project will have addressed transportation impact requirements at any of the Policy Interchanges and intersections. New developments will still be required to mitigate any other impacts following all of the relevant City policies and guidelines.

Policy Summary

The proposed policy is expected to address issues in the area by supporting key near term development and implementing major transportation needs in the area. The following are the key points of the proposed Policy:

- Support near-term "smart growth" development projects in the 101/Oakland/Mabury area. Key projects include: Transit Oriented Development near Berryessa BART Station; Dobbin Family Shelter and Affordable Housing; Japantown Neighborhood Business District; Jackson Taylor Specific Plan; and Luna Park/13th Street Neighborhood Business District.
- Create a traffic impact fee for projects using trip capacity at 101/Oakland, with funds to be used to help finance US-101/Oakland and US-101/Mabury improvement projects.
- Promote new industrial land use intensification by exempting a certain amount of new industrial development from the traffic impact fee program.
- Allow for the LOS for intersections covered by the TDP to temporarily exceed the City's LOS standard.

POLICY ALTERNATIVES

Alternative 1 - Do not approve the Policy and require development in the vicinity of the US 101-Oakland/Mabury area to develop according to the City-wide Transportation Impact Policy
5-3

Pros: Would not allow for interim congestion at the Policy Intersections.

Cons: Planned development in the area would be dependent upon the long-term construction of the transportation improvements at the 101/Oakland and 101/Mabury interchanges. Development could not occur in near term-time frames or at the preferred densities per the General Plan.

Reason for not recommending: Does not align with City goals to facilitate development, encourage industrial development, support General Plan densities, and would not create a mechanism for all development in the area to share funding for construction of transportation improvements.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
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A community meeting was held on September 6, 2007. The meeting was noticed on the City's website and in the San Jose Mercury News, and a mailer was sent to approximately 9000 properties in the area. The mailer and/or an email notification was also distributed to neighborhood groups associated with the 13th Street SNI, Berryessa, and Japan town; City Council District Offices 3 and 4; and the sign-up lists for the Flea Market and Dobbin Drive development projects. The Policy was also discussed with private development stakeholders as part of the Developer Roundtable meetings facilitated by the Department of Planning Building and Code Enforcement.

COORDINATION

The US 101/Oakland/Mabury Transportation Development Policy and Transportation Impact Fee has been prepared in coordination with the Departments of Transportation, Public Works, Housing, and Planning, Building and Code Enforcement; the Office of Economic Development; the City Attorney's Office; and the San Jose Redevelopment Agency.

CEQA

Resolution to be adopted


for JAMES R. HELMER
Director of Transportation

For questions, please contact Manuel Pineda, Transportation Planning Manager at 975-3295.

Attachment