



Memorandum

**TO: HONORABLE MAYOR &
CITY COUNCIL**

FROM: Councilmember
Sam T. Liccardo

**SUBJECT: GENERAL PLAN AMENDMENT
AT THE CORP YARD SITE**

DATE: May 16, 2008

Approved

Date

5-16-08

RECOMMENDATION

1. Approve Staff and Planning Commission recommendation for a General Plan/
Specific Plan Amendment;
2. Direct Redevelopment Agency Executive Director and City Manager, prior to
public hearings for the Rezoning of the property and the DDA with Williams &
Dame, to:
 - Continue to evaluate lower-density options while maximizing retail square
footage and space for a prominent community amenity;
 - Continue negotiations with Williams and Dave concerning alternative
density configurations;
 - Engage the Japantown neighborhood in a public workshop on
transportation impact mitigation strategies, and obtain input regarding
mitigation preferences.

BACKGROUND

For twenty years, the development of the Japantown Corporation Yard site has occupied the imagination and attention of the community. The site's history and its location have made it a lynchpin to the larger effort of preserving one of the last three existing *nihonmachi* in the United States. With an aging demographic and a diaspora of younger generations, each of the remaining three Japantowns has endured a struggle for survival. That struggle prompted then-Senator John Vasconcellos to champion SB 307 to provide

state funding for the preservation of the *nihonmachi* in San Francisco, Los Angeles, and San Jose, and spurred the development of the Japantown Community Congress.

The community has repeatedly expressed concern about the endurance of the many unique ethnic businesses in Japantown. Many believe that bringing more residents to Japantown will help sustain the fragile retail corridor along and around Jackson Street, an approach reflected in the area's specific plan, the Jackson-Taylor Residential Strategy, adopted in 1992.

Countless community members and several cultural institutions have played integral roles in preserving Japantown through the promotion of its unique history, art, music, culture, and business over the last several decades. Since 2005, representatives of these organizations, such as the Japantown Neighborhood Association, the Japantown Community Congress, the Japantown Business Association, San Jose Taiko, and several surrounding neighborhood associations, have engaged in dozens of formal public meetings to formulate the community's vision for the Corp Yard's development. The RDA and the City have ably led the effort, which ultimately resulted in community engagement over the selection of the developer and the concept for the site.

After a couple of false starts, several developer presentations, and many meetings, a near-consensus emerged in 2007 that the high-density concept presented by Williams & Dame best captured the vision of the community. The participating community members understood that the additional density on this site appeared necessary to make the development financially viable, particularly with the community's demands for retail expansion, an interior park plaza, and 10,000 to 20,000 square feet of community amenity space. Tellingly, a prior developer on the site backed out in 2006 after designing a lower-density configuration that was neither widely supported by the community nor financially sustainable.

Since those meetings, representatives of ROEM Corporation, which has entitlements to develop a site immediately to the east, have objected about what it has characterized as adverse shading and design impacts from the structure.

More recently, some neighbors have expressed objections over the density and height of this project. This concern appears understandable in light of the fact that one tower on the project could reach a height of 175 feet, and the entire 5.768 acre site could incorporate as many as 600 units. With rapid residential development in and around Japantown, the neighborhood has suffered from excessive traffic congestion, particularly along Taylor and Hedding Streets, and a parking shortage. The additional burdens wrought by a development of this scale have exacerbated those concerns, particularly since little relief or mitigation appears imminent to address the chronic traffic congestion. Three of the impacted intersections remain "protected" from expansion under the City's policy, and improvements to expand freeway access to 101 nearby will not occur for several years.

Since the airing of those concerns, the Redevelopment Agency has explored the viability of a somewhat lower-density development, and the impacts of reducing the unit count on retail space and the community amenities. Due to the understandable concerns of the neighborhood concerning traffic and parking impacts, this line of inquiry is appropriate. For these reasons, I have recommended that the RDA continue negotiations with the developer, and I have sought additional outreach with the community regarding traffic impacts from this development.

At the same time, I remain fully supportive of high-density development at this site, for many of the reasons expressed by the community, and because of broader concerns about planning policy. City leaders have long planned higher density development in the Japantown area to focus residents closer to transit and job opportunities downtown and in North San Jose. With over 300,000 additional residents in the next twenty years, we face the unenviable task of finding sites for housing in a city that has largely been built out. Accommodating those new residents in a manner consistent with "smart growth" principles remains a critical citywide goal.

To be clear, with the residential development must come commensurate services and supporting infrastructure. The recent inception of community bus service linking Japantown, the downtown, and the Market Center on Taylor and Coleman is an important start. As soon as funding allows, the City must move forward on the 101-Mabury and 101-Oakland Road interchange improvements. I also look forward to continuing with pedestrian improvements along the 5th Street corridor. Finally, we must should look for opportunities to entitle the additional 65,000 square feet of retail proposed (but not yet delivered) by the Jackson-Taylor specific plan some 16 years ago.

I have discussed my concerns with representatives of Williams and Dame. We all agree that we should strive to find a balance with this development that meets the legitimate objectives of the developer as well as the needs of this diverse and unique community. I'm confident that we can do so.