

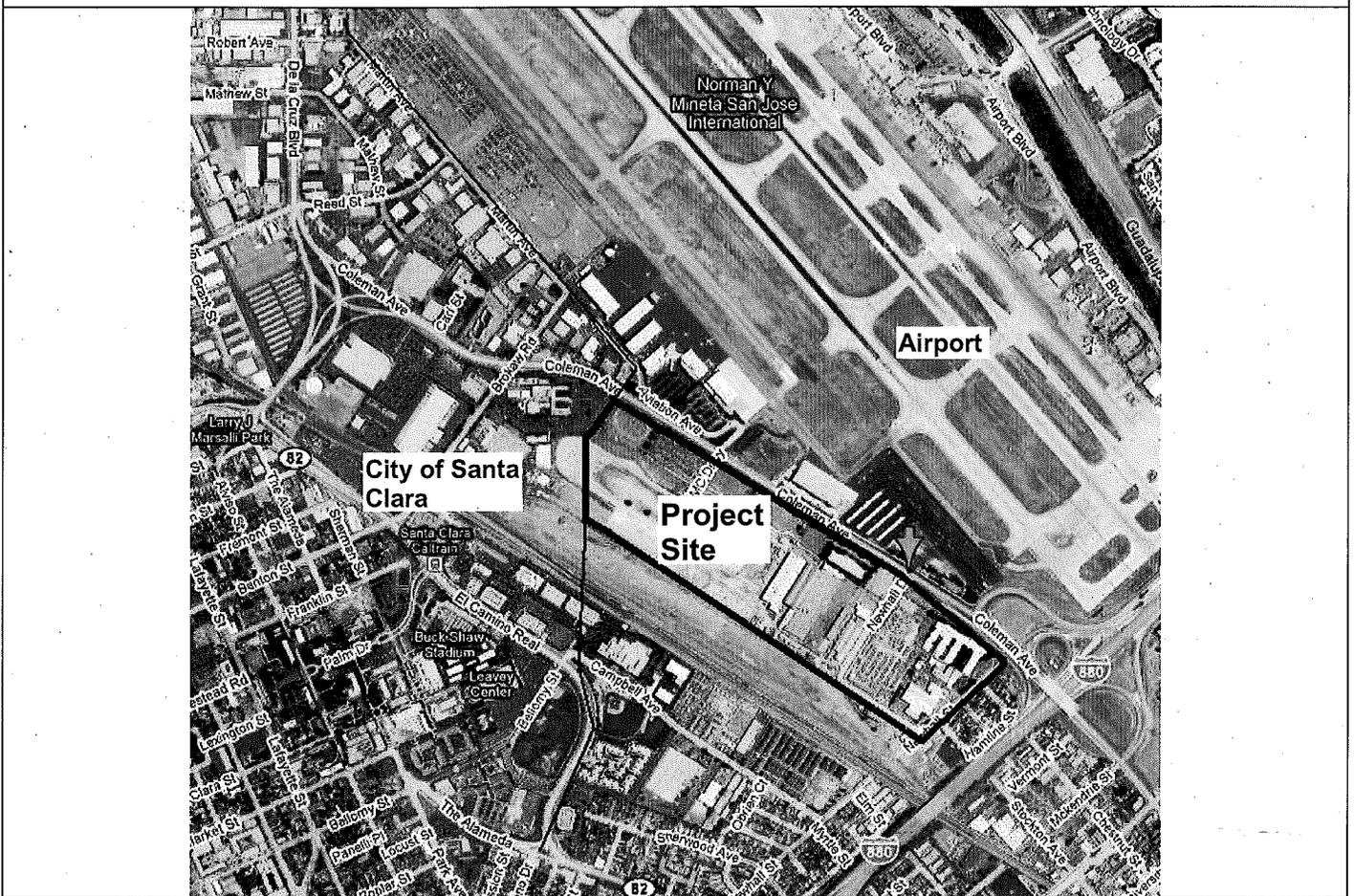
**STAFF REPORT**

**PDC08-017 – PROJECT DESCRIPTION:**

Conforming Rezoning from A(PD) Planned Development to A(PD) Planned Development to modify the development standards of the existing zoning district (file no. PDC98-104) to allow 24-hour drive-through uses by right, minor modifications to building setback and height requirements on the southeasterly portion of an approximately 94.8 gross-acre site, minor technical or clarifying revisions, and other revisions to address traffic capacity for a project located at the northwest corner of Coleman Avenue and Newhall Street (former FMC site).

<b>PDC08-017</b>	
Existing General Plan Designation	Combined Industrial/Commercial
Existing Zoning	A(PD) Planned Development
Proposed Zoning	A(PD) Planned Development
Council District	3
Annexation Date	12/8/1925
SNI	None
Historic Resource	N/A
Redevelopment Area	N/A
Specific Plan	N/A

**AERIAL MAP**



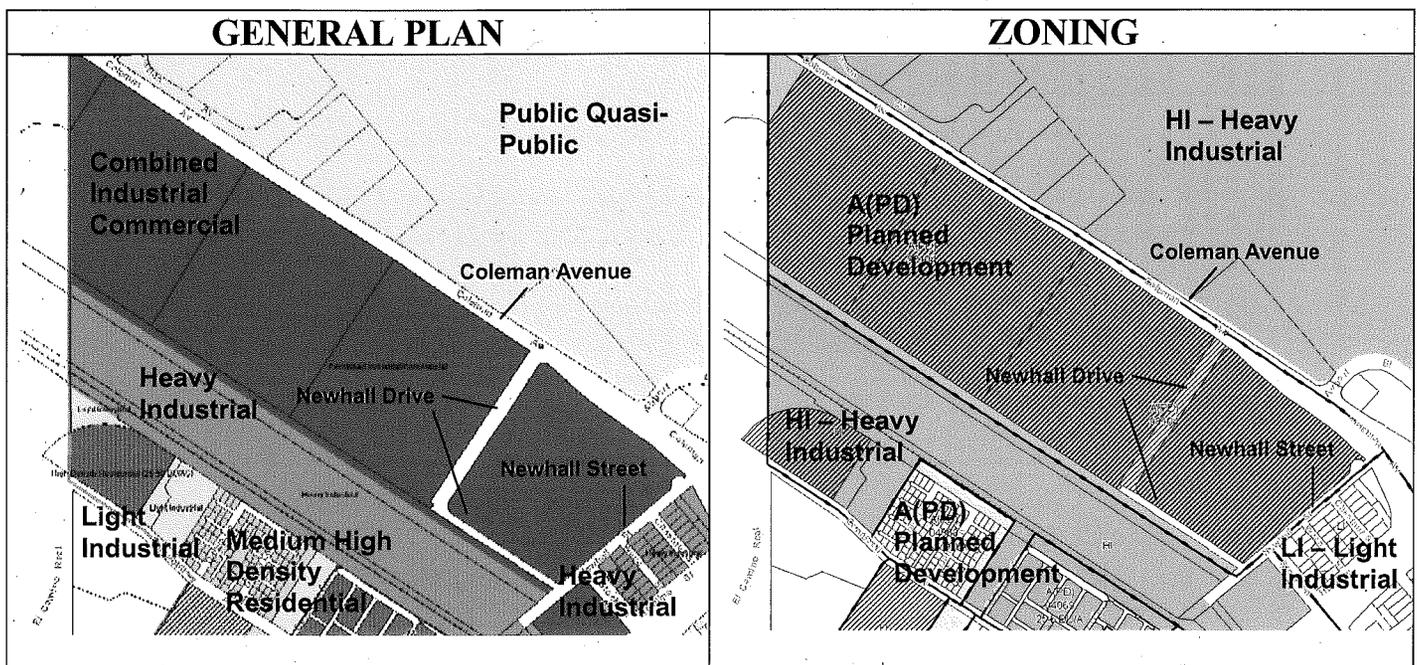
## RECOMMENDATION

Planning staff recommends approval of the proposed Conforming Planned Development Rezoning for the following reasons:

1. The proposed rezoning is consistent with the San José 2020 General Plan Land Use/Transportation designation of Combined Industrial/Commercial.
2. The proposed land use is compatible with existing uses on the surrounding properties.

## BACKGROUND & DESCRIPTION

This is a Conforming Planned Development Rezoning of the approximately 94.8-acre former FMC property, comprised of the 74.8-acre property owned by the City of San Jose (Airport West site) and the adjacent 20-acre property owned by the Arcadia Development Company (Coleman Landing). The existing zoning on the site, File No. PDC98-104, allows a maximum of 3,000,000 square feet of office and research and development uses as well as hotel and retail uses, as long as the total intensity of development on the site does not exceed the equivalent of 3,534 morning peak hour vehicle trips. The proposed rezoning is intended to add 24-hour drive-through uses by right within the Coleman Landing site, as well as make minor modifications to building setbacks and height provisions, and other revisions to specify how traffic capacity is allocated across the entire site. The rezoning has been initiated to facilitate the second phase of the commercial project at the southernmost portion (Coleman Landing) of the former FMC site. This rezoning would potentially allow the addition of 24-hour drive-through uses, including restaurants, at the corner of Coleman Avenue and Newhall Drive. As a Conforming Rezoning, this project does not require review or recommendation by the Planning Commission. Currently, there are no applications on file for a specific development proposal for drive-through uses on this site. A subsequent Planned Development Permit would be required for approval of a specific drive-through proposal.



Surrounding land uses are generally industrial. The project site abuts the boundary between the cities of San Jose and Santa Clara to the northwest. The Norman Y. Mineta San Jose International

Airport and associated airport uses are located to the northeast across Coleman Avenue. The site is bordered on the southwest by a Union Pacific Railroad switching yard facility, and Union Pacific and Caltrain rail lines. Newhall Street and a mix of commercial, light industrial and residential uses occupy the neighborhood to the southeast.

## ANALYSIS

On April 30, 2008, the Director of Planning approved a Planned Development Permit (File No. PD07-049) to allow a Lowe's home improvement warehouse and two commercial buildings totaling approximately 251,300 square feet in the first phase of the Coleman Landing commercial center project. According to the Arcadia Development Company, the second phase of the Coleman Landing commercial center is proposed to include approximately 20,000 square feet of retail pad buildings and drive-through uses at the corner of Coleman Avenue and Newhall Drive. The proposed rezoning primarily consists of modifications to the existing Development Standards applicable only to the approximately 20-acre southernmost portion of the former FMC site owned by Arcadia Development.

### *24-hour Drive-through uses*

The proposed rezoning proposes to add 24-hour drive-through uses as permitted uses in the Planned Development Zoning District. While the existing zoning places emphasis on transit-oriented land uses focused around the future Santa Clara BART and the existing Caltrain station, it also acknowledges the need for airport-supporting commercial uses. The proposed drive-through uses are consistent with providing airport-supporting retail on the site. The location of such uses at Coleman Landing should not conflict with future transit-oriented development, because these uses will be more than 3,500 feet away from the existing and future transit stations (where 2,000 feet is generally considered to be a reasonable walking distance). The San Jose 2020 General Plan defines BART Station Area Nodes as areas for transit-oriented development that are within a 3,000-foot radius of planned BART stations. The location of the drive-through uses is outside of the BART Station Area Node. The additional vehicular traffic generated by the drive-through uses has been analyzed and determined to have less-than-significant impacts under the California Environmental Quality Act (CEQA).

### *Setback Reduction*

Reductions in landscaped setbacks by ten to fifteen feet around the perimeter of the site are also proposed. Specifically, the setbacks are proposed to decrease from 20 feet to 10 feet along Coleman Avenue, the Interstate 880 on-ramp frontage and Newhall Drive, and from 30 feet to 15 feet at the corner of the intersection of Newhall Drive and Newhall Street. The reduced setbacks are intended to provide for an increased amount of retail parking on the site, and to improve truck access at the rear of the Lowe's building, although reducing these setbacks will not affect the width of the sidewalks. To balance the loss of landscaped areas, staff recommends that Council provide direction for the applicant to incorporate the use of pervious paving for some parking areas and to widen other landscape areas when a specific development proposal is proposed on this portion of the site.

### *Building Presence on Coleman Avenue Frontage*

The proposed rezoning would add a minimum building frontage requirement along the Coleman Avenue frontage and a minimum height requirement of 24 feet for buildings located at the corner of Coleman Avenue and Newhall Drive. These requirements are intended to help ensure the project maintains a strong building presence along the Coleman Avenue frontage, and are consistent with the original objective of the existing zoning to establish a "gateway" to the City. The minimum height requirement of 24 feet does not conflict with height limits established for airport safety. The

maximum height allowed on the site is defined by Federal Aviation Administration (FAA) requirements and the existing height limits will remain unchanged.

#### *Traffic Allocation*

The existing zoning allows a mix of commercial uses, including retail and hotel uses, limited by the traffic performance criteria associated with three million square feet of office/R&D development. However, the Development Standards in the existing zoning do not specify how the trip capacity should be allocated to the various parcels on the site. Currently, the proportionate shares of development on different portions of the site are allocated through a private Memorandum of Allocation of Traffic Capacity entered into by the FMC Corporation and Arcadia Development in 2004. The City inherited the Agreement when it purchased 74.8 acres of the FMC-owned site in 2005. As part of the subject rezoning, staff is proposing to incorporate the Memorandum of Allocation of Traffic Capacity by reference into the proposed draft Development Standards so the methodology is set forth in the zoning.

#### *Other Minor Revisions*

The proposed rezoning includes other non-substantive edits to the text of the Development Standards to improve user-friendliness and to remove obsolete references in the Development Standards section on stormwater treatment requirements.

#### *General Plan Conformance*

The site is designated Combined Industrial/Commercial on the San Jose 2020 General Plan Land Use/Transportation Diagram. This land use category is intended for commercial, office, or industrial developments or a compatible mixture of these uses that are arranged to be compatible with surrounding industrial uses. The proposed rezoning is consistent with this designation because it will maintain the flexibility for a mixture of industrial R&D, office and commercial uses consistent with the General Plan land use designation.

### **PUBLIC OUTREACH/INTEREST**

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 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)**
- Criterion 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)**

Although this item does not meet any of the above criteria, staff followed Council Policy 6-30: Public Outreach Policy. A sign has been posted on the project site. A notice of the public hearing was distributed to the owners and tenants of all properties located within 1,000 feet of the project site and posted on the City website. The rezoning was also published in a local newspaper, the San Jose Post-Record. This staff report is also posted on the City's website. Staff has been available to respond to questions from the public.

The Santa Clara Valley Transportation Authority (VTA) commented that drive-through uses are inconsistent with transit-oriented development (TOD) principles. However, the proposed drive-

through uses are airport-supporting retail and are located outside of the BART Station Area Nodes. Future development on other portions of the former FMC site that are located within the BART Station Area Node would be evaluated according to the City's goals and policies for TOD. VTA also recommended adding a requirement in the zoning for future development to financially contribute to the planned pedestrian tunnel expansion from the Santa Clara Caltrain Station to Brokaw Road. Connections to the Caltrain facility were not analyzed as part of the original Planned Development Zoning and are not within the scope of the current conforming rezoning to make minor modifications. Staff will coordinate with the VTA to plan for pedestrian connections to nearby transit facilities as part of future development on the site.

With regard to comments from the Municipal Water System on the use of recycled water for non-potable needs and Environmental Services Department on the use of green building design principles, staff recommends the Council provide direction to the applicant to incorporate these comments as part of future development on the site, and staff will work with the applicant at the Planned Development Permit stage.

### **COORDINATION**

This project was coordinated with the City Attorney and the Office of Economic Development.

### **FISCAL/POLICY ALIGNMENT**

This project is consistent with applicable General Plan goals and policies as described above.

### **CEQA**

EIR Resolution No. 71716, adopted August 19, 2003 and Addenda thereto.

**Project Manager:** Allen Tai **Approved by:** *Susan Walton* **Date:** *May 30, 2008*

Applicant:	Attachments:
City of San Jose; Arcadia Development Company 1115 Coleman Avenue San Jose, CA 95110	<ol style="list-style-type: none"> <li>1. Location Map</li> <li>2. Draft Development Standards</li> <li>3. General Development Plan (PDC08-017)</li> <li>4. Memorandum of Allocation of Traffic Capacity</li> <li>5. Addendum to 2003 FMC EIR</li> <li>6. Correspondence</li> <li>7. Existing Zoning General Development Plan (PDC98-104)</li> </ol>