

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Joseph Horwedel

SUBJECT: SEE BELOW

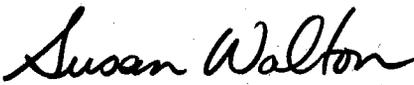
DATE: June 4, 2008

COUNCIL DISTRICT: 4
SNI: None

T R A N S M I T T A L M E M O

DA-Cisco Alviso Amendment #1 for the area generally bounded by Highway 237, N. First Street, Grand Boulevard, and Disk Drive to amend Ordinance 26136, adopted on June 13, 2000 to extend by six months a certain project occupancy date set forth in a Development Agreement between the City and Cisco Technologies, Inc relative to the development of property in North San Jose (the "Development Agreement") and to ratify and restate the effectiveness of the Development Agreement and authorizing the City Clerk to execute the Amended and Restated Development Agreement. (Cisco Technologies, Owner/Applicant).

The Planning Commission will hear this project on June 11, 2008. The memorandum with Planning Commission recommendations will be submitted under different cover. We hope the submittal of this staff report is of assistance in your review of this project.


 JOSEPH HORWEDEL, DIRECTOR
Planning, Building and Code Enforcement

For questions please contact Nancy Klein at (408) 535-8184.



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Planning Commission

SUBJECT: SEE BELOW

DATE: June 12, 2008

COUNCIL DISTRICT: 4
SNI AREA: N/A

SUBJECT: TO AMEND ORDINANCE 26136, ADOPTED ON JUNE 20, 2000, TO EXTEND TO DECEMBER 31, 2008 A CERTAIN PROJECT OCCUPANCY DATE SET FORTH IN A DEVELOPMENT AGREEMENT BETWEEN THE CITY AND CISCO TECHNOLOGIES, INC., RELATIVE TO THE DEVELOPMENT OF PROPERTY IN NORTH SAN JOSÉ (THE “DEVELOPMENT AGREEMENT”) AND TO RATIFY THE EFFECTIVENESS OF THE ORIGINAL DEVELOPMENT AGREEMENT AND AUTHORIZE THE CITY CLERK TO EXECUTE THE AMENDED DEVELOPMENT AGREEMENT.

RECOMMENDATION

The Planning Commission voted 7-0-0, to recommend that the City Council extend the project occupancy date set forth in the Development Agreement between the City and Cisco Technologies, Inc., and to ratify the effectiveness of the Original Development Agreement.

OUTCOME

Should the City Council approve the Development Agreement Amendment, the existing Development Agreement would be extended to December 31, 2008, and re-ratified.

BACKGROUND

On June 11, 2008, the Planning Commission held a public hearing to consider the proposed Planned Development Rezoning. The Director of Planning, Building and Code Enforcement recommended approval of the proposed Development Agreement Amendment.

Nanci Klein, staff with the Office of Economic Development, gave a brief report and highlighted that Cisco Systems is the City's largest employer, that the original Development Agreement has been in effect since June 2000 and extends to the year 2020, and it is an intermediate project occupancy date that Cisco is requesting to extend for six months at this time. She stated that staff is supportive of this extension. Ms. Klein also explained that since the signing of the Original Development Agreement, in accordance with their rights under the Agreement, Cisco

built approximately 400,000 square feet of industrial space in two buildings, one currently occupied and the other awaiting a tenant, and subsequently sold the buildings and associated acreage (approximately 22 acres) to another developer. In addition, in accordance with the Planned Development Zoning on the property, Cisco also previously dedicated certain areas of open space (approximately 16 acres) to the City. Cisco Systems is requesting that the proposed Amended Development Agreement to extend the project occupancy date include only those lands currently owned by Cisco, or approximately 111 acres. (See attached sketch map). Ms. Klein indicated that the Draft Amended Development Agreement would be slightly revised to reflect the clarification of Cisco's current holdings in Alviso.

Margo Bradish, speaking on behalf of Cisco Systems, thanked staff for bringing this item before the Planning Commission and the City Council prior to the current project occupancy date contained in the original Development Agreement, and stated that Cisco looks forward to working with the City over the next several months to determine the appropriate development opportunities and timing for Cisco's Alviso lands if the Amended Development Agreement is approved by the City Council.

There were no other speakers on the item. Commissioner Zito asked for clarification on the location of the areas that had been sold or dedicated to the City, and staff responded by referring to the attached map, and explaining that staff believes it is appropriate that the Amended Development Agreement for the future include just those properties still owned and controlled by Cisco. The Planning Commission then voted (7-0-0) to recommend approval of the Amendment to the Development Agreement to the City Council.

ANALYSIS

An analysis of the purpose and implications of extending a Development Agreement is contained in the attached staff report.

EVALUATION AND FOLLOW-UP

The applicant will be required to secure a subsequent Development Agreement to maintain their vested rights beyond December 31, 2008.

POLICY ALTERNATIVES

The Council could choose to not approve an Amendment to the Development Agreement to extend the project occupancy date of June 20, 2008 in the original Development Agreement, which would allow the Development Agreement to expire.

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)**

Although this item does not meet any of the above criteria, staff followed Council Policy 6-30; Public Outreach Policy. Over one thousand notices of the public hearings were distributed to the owners and tenants of all properties located within Alviso and posted on the City website. The notice of the proposed Development Agreement Amendment was also published in the local newspaper, the Post Record, and the San José Mercury News. This staff report is also posted on the City's website. Staff has been available to respond to questions from the public.

COORDINATION

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

FISCAL/POLICY ALIGNMENT

This project is consistent with applicable General Plan policies as further discussed in attached staff report.

COST SUMMARY/IMPLICATIONS

Not applicable.

BUDGET REFERENCE

Not applicable.

CEQA

CEQA: Environmental Impact Report, Resolution No. 69636.


JOSEPH HORWEDEL, SECRETARY
Planning Commission

For questions, please contact Nanci Klein at 535-8184.

Attachments:
Sketch Map

