

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Planning Commission

SUBJECT: SEE BELOW

DATE: November 19, 2009

COUNCIL DISTRICT: 4
SNI AREA: N/A

SUBJECT: GP09-04-02. GENERAL PLAN AMENDMENT REQUEST TO CHANGE THE LAND USE/TRANSPORTATION DIAGRAM, CONSISTING OF TWO PARTS:

- (A) REMOVAL OF TRANSIT/EMPLOYMENT RESIDENTIAL DISTRICT OVERLAY (55+ DU/AC) AND FLOATING PARK DESIGNATIONS ON A 33.6 GROSS ACRE SITE LOCATED ON CISCO WAY, NORTH OF RIVER OAKS PARKWAY, AND**
- (B) ADDITION OF TRANSIT/EMPLOYMENT RESIDENTIAL DISTRICT OVERLAY (55+ DU/AC) AND FLOATING PARK DESIGNATIONS ON A 33.6 GROSS ACRE SITE LOCATED ON THE SOUTH SIDE OF W. TASMAN DRIVE, APPROXIMATELY 900 FEET EASTERLY OF LICK MILL BLVD.**

RECOMMENDATION

The Planning Commission voted 6-0-1 (Kamkar absent) to recommend that the City Council consider the Addendum to North San Jose Development Policy Area Final EIR in accordance with CEQA; and recommend approval of a General Plan Amendment to:

- (A) Removal of Transit/Employment Residential District Overlay (55+ DU/AC) and Floating Park designations on a 33.6 gross acre site located on Cisco Way, north of River Oaks Parkway, and
- (B) Addition of Transit/Employment Residential District Overlay (55+ DU/AC) and Floating Park designations on a 33.6 gross acre site located on the south side of W. Tasman Drive, approximately 900 feet easterly of Lick Mill Blvd, as recommended by staff.

OUTCOME

The effective transfer of the Transit/Employment Residential District Overlay would continue to provide identical opportunity for residential development within the North San Jose Development Policy Area while supporting the retention and future expansion of one of the City's largest employment providers.

BACKGROUND

On November 18, 2009, the Planning Commission held a public hearing to consider the proposed General Plan Amendment. The project was on the consent calendar and there was no public testimony or Commission discussion of the item. A letter, dated November 16, 2009, was received from the Morley Brothers, Inc., representing Cisco Systems, and is attached to this memo. The Commission then voted 6-0-1 (Kamkar absent) to recommend approval of the General Plan Amendment as recommended by staff.

ANALYSIS

For complete analysis, please see original staff report.

EVALUATION AND FOLLOW-UP

The applicant would be required to file subsequent development permits with the Planning Division in order to implement the Transit/Employment Residential District Overlay on subject site "B".

POLICY ALTERNATIVES

Not applicable.

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 notice of the public hearing was distributed to the owners and tenants of all properties located within 500 feet of the project site and posted on the City website. The rezoning was also published in a local newspaper, the Post Record. 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 Department of Public Works, Department of Transportation, Environmental Services Department and the City Attorney.

FISCAL/POLICY ALIGNMENT

HONORABLE MAYOR AND CITY COUNCIL

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This project is consistent with applicable General Plan policies and City Council approved design guidelines as further discussed in attached staff report.

CEQA

CEQA: Use of a Final EIR entitled, "North San Jose Development Policies," Resolution No. 72768.

for 
JOSEPH HORWEDEL, SECRETARY
Planning Commission

For questions please contact Avril Baty at 408-535-7652



THE MORLEY BROS.

November 16, 2009

Thang Do, Chair
San Jose Planning Commission
City of San Jose
200 E. Santa Clara Street
San Jose, CA 95113

Dear Chair Do & members of the Commission:

On behalf of Cisco Systems, Inc. we are pleased to bring forward for your consideration General Plan Amendment: GP09-04-02. The purpose of this letter is to provide a summary of the key elements of the proposal and to request that you support staffs recommendation for approval for the General Plan Amendment application we have submitted.

BACKGROUND

As you know, Cisco is the worldwide leader in networking for the Internet. Through a variety of advanced technologies, Cisco enables people to make powerful connections-whether in business, education, philanthropy, or creativity. The company's hardware, software, and service offerings are used to create the Internet solutions that make networks possible-providing easy access to information anywhere, at any time. Today, Cisco has more than 68,000 employees worldwide. Cisco's home and headquarters is here in San Jose. As the City of San Jose's largest private sector employer, Cisco has been a strong and committed partner with the City from a business, education, community and cultural perspective for many years.

PROJECT OVERVIEW

As Cisco makes decisions on how and where to grow its business, whether it be San Jose, Milpitas or elsewhere in the Bay Area, US or world, both certainty and flexibility from a real estate development perspective are critical to that decision making process. In order to ensure Cisco's investment and presence in the City of San Jose, Cisco continuously evaluates its long term real estate strategies so that the company is prepared to add new development in the future to respond to business requirements as appropriate.

The proposed General Plan Amendment would result in an acre-per-acre exchange (33.59 acres) of the Transit/Employment Residential District Overlay and Floating Park designation from Cisco's properties located to the east and west of Cisco Way (hereinafter referred to as "Site 4") to the company's properties located south of W. Tasman Drive at the intersection of W. Tasman and the Guadalupe Creek Trail (hereinafter referred to as "Champion Station Site"). The exchange would help to secure Cisco's long term business objectives as they pertain to the company's headquarters in San Jose, including the potential for future intensification and/or redevelopment of Site 4.

Site 4, from where the company is requesting to relocate the Transit/Employment Residential Overlay and Floating Park Designation, is located in North San Jose and is situated on both sides of W. Tasman Drive east of Zanker Road (see Attachment "A"). The site is comprised of approximately One Hundred and Forty Two (142) total acres and houses nineteen (19) industrial office/R&D buildings. The southern portion of Site 4 includes the Transit/Employment Residential District Overlay and Floating Park Designation that covers approximately Thirty-Three and a half (33.59) acres of the campus.

In evaluating the Company's future re-development opportunities in San Jose its contemplated that intensification would occur on the Site 4 properties described above. The collective size of the site contains the capacity for additional growth over time. Furthermore, the buildings located on these properties are the most recent buildings to be constructed by Cisco in the North San Jose area and therefore are the Company's most modern and sophisticated structures in the area. To the degree there is future development, Cisco envisions this occurring in and around these buildings rather than in the vicinity of the Champion Station site. In addition, this site is bordered by similar established Office/R&D uses which would be compatible with future industrial intensification on the site.

Cisco's Champion Station site, where the Company is requesting the replacement of the Transit Employment Residential Overlay and Floating Park Designation, is comprised of approximately forty-six (46) total acres and is located south of West Tasman Drive and west of North First Street (see Attachment "A"). This site houses eight (8) industrial/R&D buildings. The site is bordered by high density residential and office/R&D uses. Unlike Site 4 along Cisco Way, this site has limited growth opportunity due to its size (46 acres) and its proximity to established residential uses. By relocating the Transit/Employment Residential Overlay District and Floating Park Designation from Cisco's Site 4 to the Champion Station site the City will continue to allow for high density residential uses within an established residential area in North San Jose while also encouraging the likely intensification of an established and appropriately located industrial area.

POLICY CONSIDERATIONS

The General Plan Amendment request is consistent with the vision, goals and policies described in the North San Jose Area Development Policy (NSJADP). Transfer of the Transit/Employment Residential Overlay District would help facilitate redevelopment of an existing industrial area within North San Jose, a key employment center for the City. Allowing the overlay transfer would encourage the retention and expansion of a key driving industry in an area close to housing and major transit facilities. The application also supports the NSJADP vision by continuing to provide for the conversion of existing industrial lands within the proposed Transit Employment Residential Overlay area.

The project is also consistent with the City's General Plan 2020 as it helps further the City's Industrial Land Use Goal by supporting the likely intensification of an established and appropriately located industrial area. In addition, the proposal supports and helps facilitate the City's Balanced Community Goal and the City's overall Economic Development Strategy by not negatively impacting the jobs/housing balance by proposing to maintain the current equitable distribution of job centers and residential areas within the locale through an acre per-acre exchange of the residential overlay district between properties located less than two miles from one another. The proposed General Plan Amendment would continue to provide identical opportunity for residential development within the neighborhood while also encouraging and supporting the retention and future expansion of one of the City's largest employment providers.

ENVIRONMENTAL CONSIDERATIONS

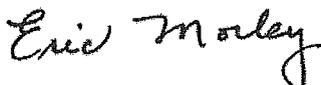
An Initial Study was prepared for the project to evaluate the environmental impacts of changing the land use designation on both properties. The initial Study found that the land use change proposed by the requested general plan amendment would not result in new or substantially more severe significant environmental impacts than identified in the 2005 North San Jose Final Program EIR. Accordingly, City staff has determined that this project qualifies for an addendum to the 2005 North San Jose Final Program EIR. The requested General Plan Amendment makes good sense from an environmental perspective and compliments the surrounding community.

COMMUNITY OUTREACH

In accordance with the City's Public Outreach Policy we have worked with staff to ensure proper means of engaging the surrounding property owners and residents regarding the application. In addition to appropriate posted signage at both locations, a City sponsored community meeting was held on October 6, 2009. More than 300 notices were mailed to all residents and property owners within a 1,000 foot radius of both sites. We have not heard of any opposition to the proposed General Plan Amendment from nearby residents or businesses to date.

The proposed application is a model opportunity to implement some of the City's most advanced goals and policies. We encourage the Planning Commission to support the proposed application. Should you have any questions about this letter or the General Plan Amendment Application, please feel free to call me at 408-458-4450.

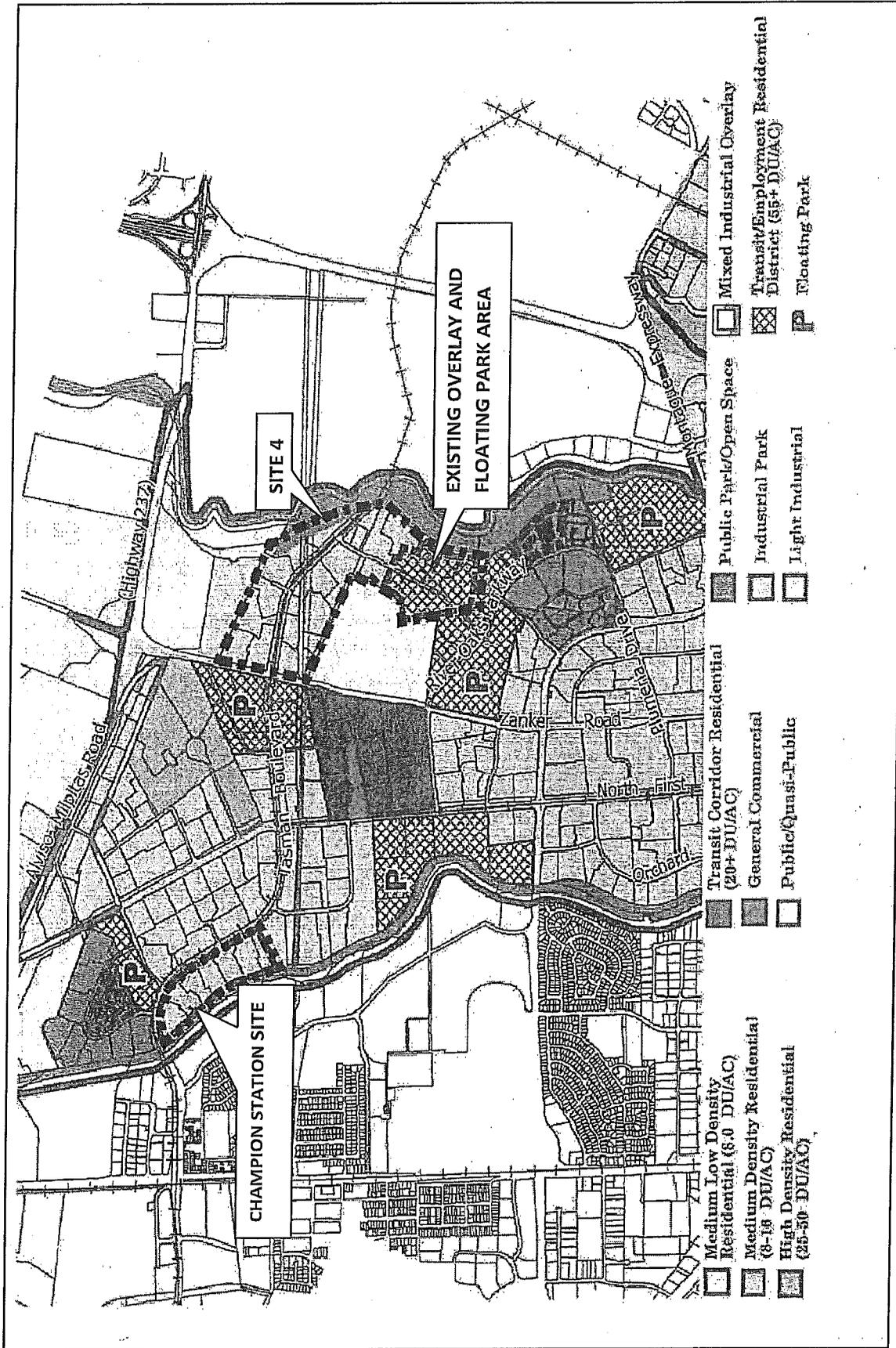
Sincerely,



Morley Bros., LLC

Eric Morley

ATTACHEMENT "A" SITE MAP



STAFF REPORT
PLANNING COMMISSION

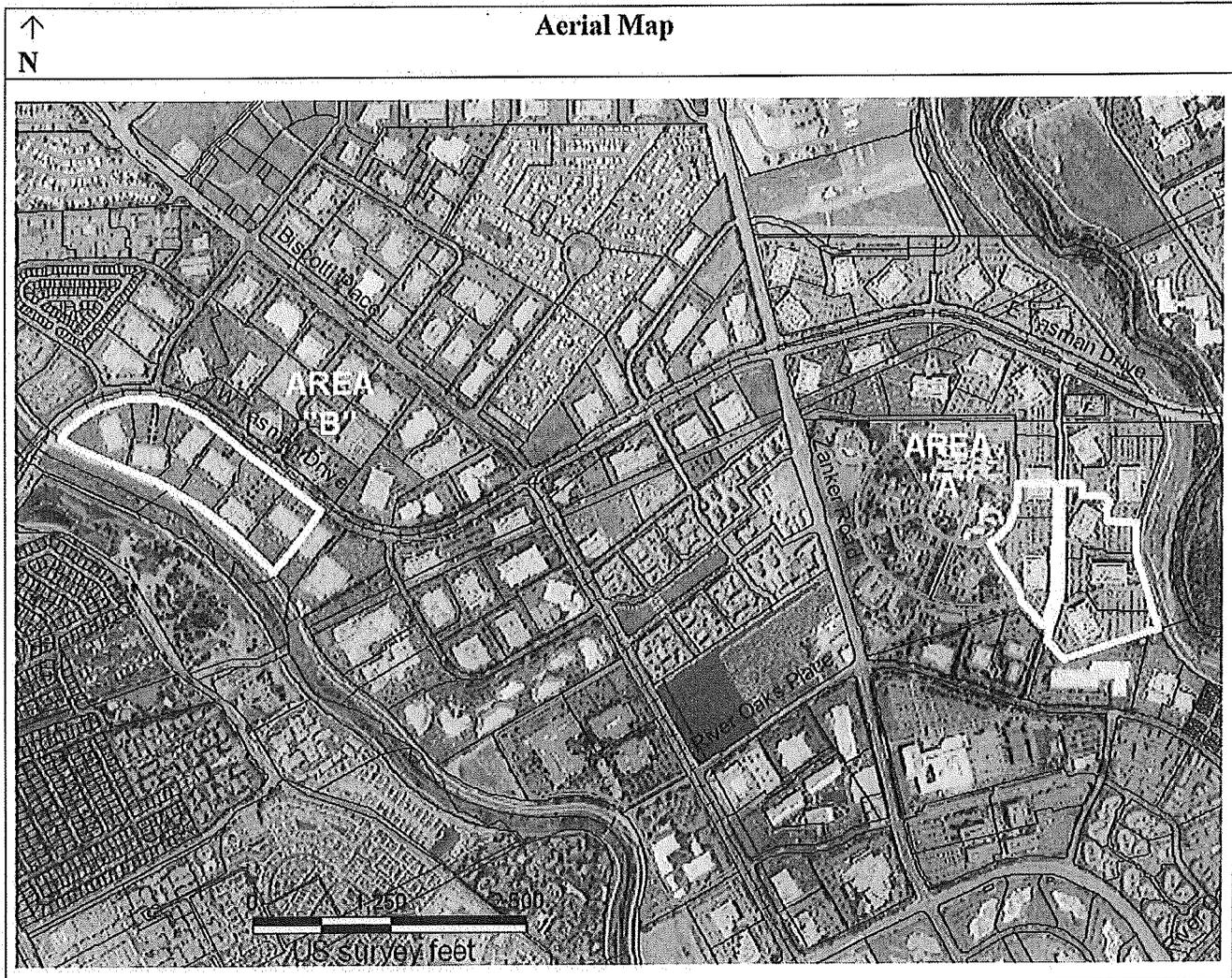
File No.: GP09-04-02

Submitted: July 23, 2009

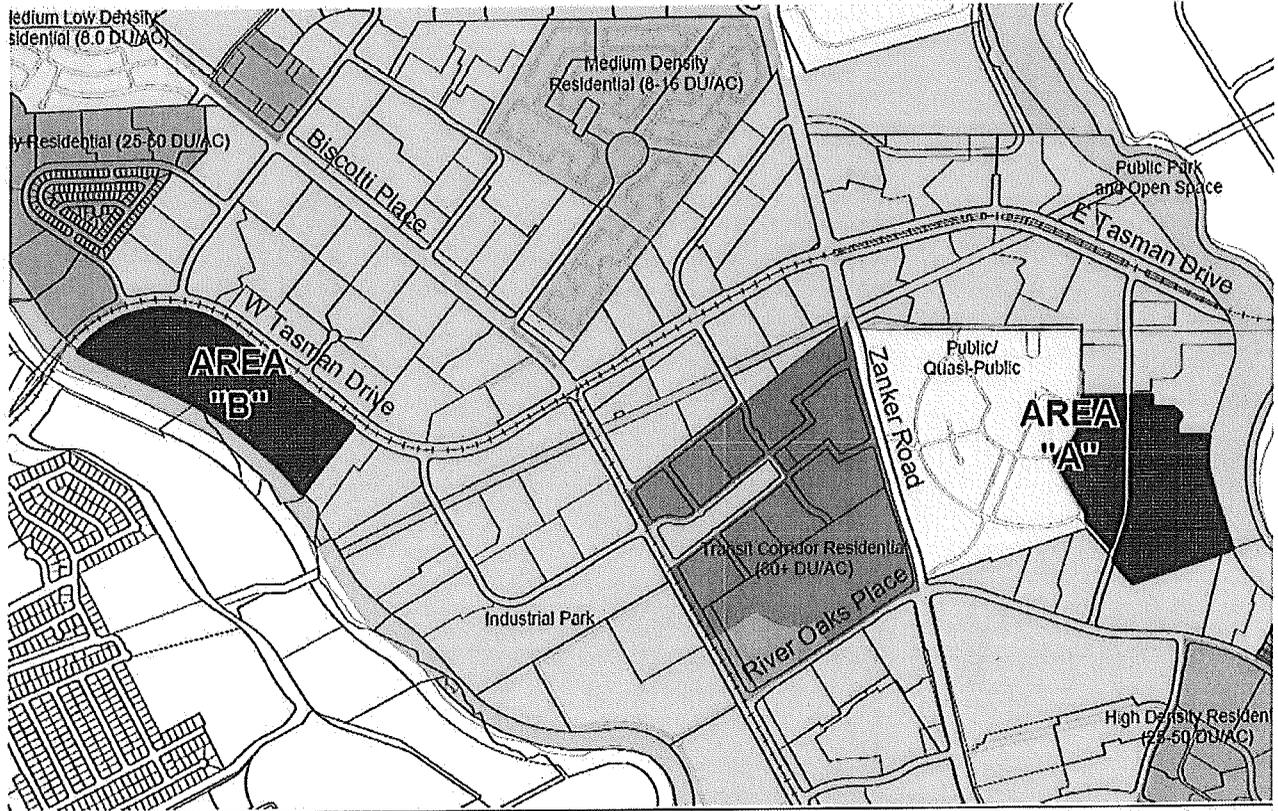
PROJECT DESCRIPTION: General Plan Amendment request to change the Land Use/Transportation Diagram, consisting of two parts:

- (A) Removal of Transit/Employment Residential District Overlay (55+ DU/AC) and Floating Park designations on a 33.6 gross acre site located on Cisco Way, north of River Oaks Parkway, and
- (B) Addition of Transit/Employment Residential District Overlay (55+ DU/AC) and Floating Park designations on a 33.6 gross acre site located on the south side of W. Tasman Drive, approximately 900 feet easterly of Lick Mill Blvd.

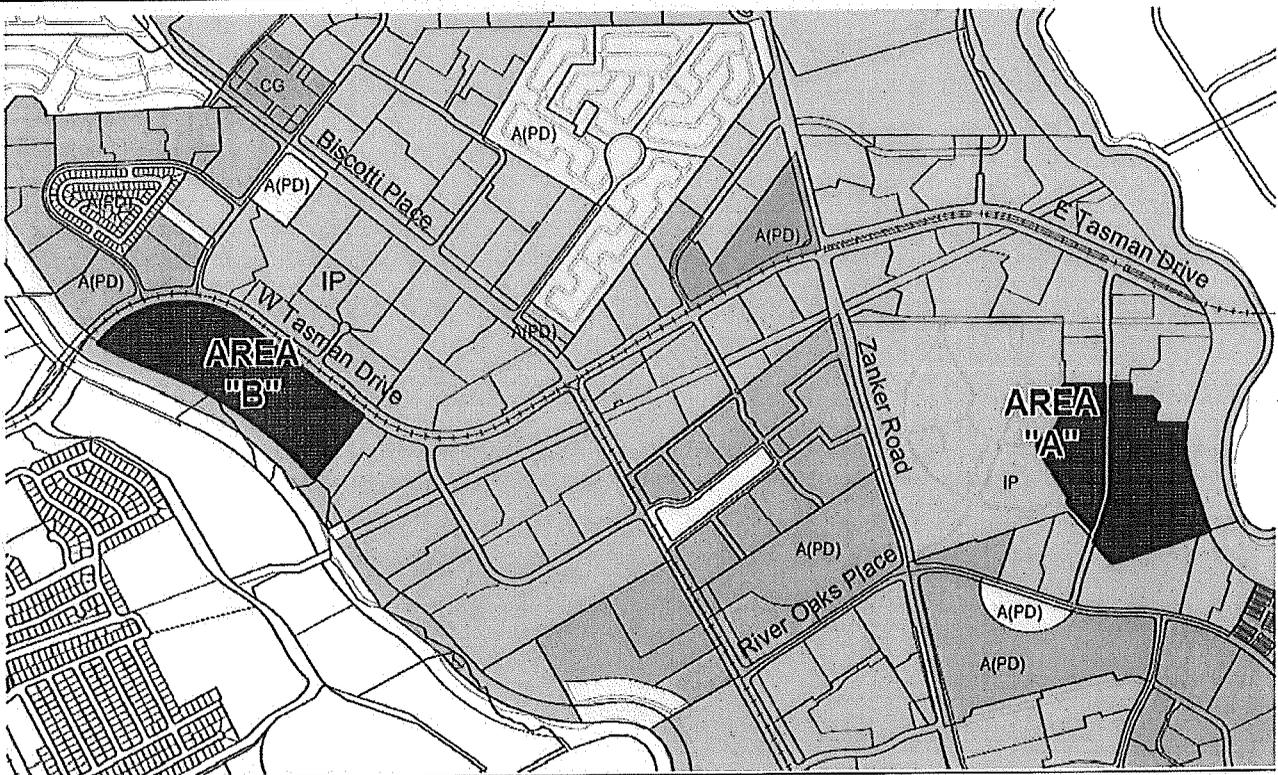
Existing Zoning	IP Industrial Park
Base General Plan (for both sites)	Industrial Park
Proposed General Plan	(see project description)
Council District	4
Annexation Dates	"A" – Nov. 14, 1958 "B" – Feb. 2, 1981
SNI	N/A
Redevelopment Area	Rincon de los Esteros



GENERAL PLAN



ZONING



RECOMMENDATION

Planning staff recommends the change to the San Jose 2020 General Plan General Plan Land Use/Transportation diagram for the following reasons:

1. The proposal supports the City's Economic Development Strategy by encouraging more industrial growth to balance existing residential development, by creating an equitable distribution of job centers and residential areas.
2. The proposal furthers Industrial Land Use Goals in that it would facilitate development of an older industrial area, encourage industrial supplier/service business retention and expansion in appropriate areas and encourage employee intensive uses located near transit facilities.
3. The proposal is consistent with the North San Jose Development Area Policy.

BACKGROUND

Cisco Systems, Inc. initiated the proposed General Plan Amendment to effectively transfer the Transit/Employment Residential District Overlay (55+ DU/AC) in order to secure Cisco's long term business objectives, including the intensification of the company's properties along Cisco Way, which supports residential development in North San Jose.

Site "A", located on Cisco Way was developed in 1998 with several three- and four-story office, laboratory and R&D buildings. Cisco has invested significantly in the development of this site. Site "B", located on W. Tasman Drive was developed in 1992 with two-story office and R&D buildings. This site is smaller and is located in close proximity to an established residential area.

ANALYSIS

The key issues in analyzing the proposed General Plan amendment are: 1) consistency with the *San José 2020 General Plan* Major Strategies, goals, and policies; and 2) consistency with North San Jose Development Area Policy.

Economic Development Major Strategy

The Economic Development Major Strategy is designed to maximize the economic potential of the City's land resources while providing employment opportunities for San José's residents. The Strategy calls for identifying opportunities for expanding the community's economic base, promoting a balance between "driving" industries and the service/supplier firms that support them, and actively marketing San José as a location for a wide range of businesses.

The project, with an acre-for-acre exchange of residential district overlay, would not negatively impact the jobs/housing balance in that it proposes to maintain the current distribution of job centers and residentially developable area. The effective transfer would continue to provide identical opportunity for residential development within the neighborhood while supporting the retention and future expansion of one of the City's largest employment providers.

Goals and Policies

General Plan Economic Development goals and policies encourage the development of industrial land to provide sufficient opportunities for job growth and for expansion of the City's industrial tax base. The proposed General Plan Amendment would facilitate one of Cisco's long term business objectives, to intensify the industrial properties along Cisco Way. The future growth of Cisco is preferred at these

properties (Site "A") because of the size of the collective area and the adjacent uses would accommodate for more intense industrial development.

The City's Balanced Community Goal strives to develop a balanced and complete community in terms of land use distribution and densities, housing types and styles, economic development and job opportunities and opportunities for social and cultural expression. The proposed project would promote the development of a balanced community by encouraging the development of housing resources in an established residential area near jobs and transit while aiding the City's ability to facilitate economic development and job opportunities by encouraging intensification of existing employment lands.

The City's Industrial Land Goal aims to provide sufficient land for a variety of industrial uses that are distributed to provide optimum commute access and to promote a balanced distribution of jobs and housing to reduce traffic congestion and air pollution.

The effective transfer of the residential overlay continues to allow for high density residential uses near existing residential areas, while optimizing an established industrial area. Both uses are in close proximity to one another and in walking distance to light rail, providing for optimum commute access and balanced distribution of jobs and housing. Therefore, allowing the effective transfer would encourage the retention and expansion of a key driving industry in an area close to housing and major transit.

North San Jose Development Area Policy

In order to support continued job growth in North San José, the North San Jose Area Development Policy (NSJADP) provides for the development of up to 32,000 new residential units, including at least 18,650 developed through the conversion of up to 285 acres of existing industrial lands within a proposed Transit/Employment Residential District Overlay area. The proposed General Plan Amendment conforms to this Policy in that it would provide housing in close proximity to jobs to allow employees the opportunity to reduce their commute travel times, make increased use of transit facilities and to reduce overall traffic congestion.

ENVIRONMENTAL REVIEW

The 2005 North San Jose Development Policies Final EIR analyzed the development of 26.7 million square feet of new industrial/office/R&D building space, 1.7 million square feet of new neighborhood serving commercial uses, and the addition of 32,000 new dwelling units in the Rincon area. The NSJADP has been updated slightly, and currently allows for the development of 24.7 million square feet of new industrial/office/R&D building space; 1.7 million square feet of new neighborhood serving commercial uses; one million square feet of large scale regional commercial uses and 300 hotel rooms outside the Core area; and 32,000 new dwelling units in the Rincon Area.

The project proposes a General Plan Amendment which would result in an acre-per-acre exchange of the Transit/Employment Residential District Overlay (55+ DU/AC) and Floating Park designation from properties located to the east and west of Cisco Way (part of Cisco Site 4) to properties located south of West Tasman Drive at the intersection of West Tasman Drive and the Guadalupe River Trail (part of Cisco Site 1). The proposed land use changes are consistent with the provisions of the NSJADP. The future development allowed under the proposed land use designation is within the amount of development analyzed in the 2005 North San Jose Final Program Environmental Impact Report (NSJ FPEIR). Therefore, the project would not result in new or more significant environmental impacts than those addressed in the certified 2005 NSJ FPEIR with the implementation of the standard, avoidance and mitigation measures included in the project. For these reasons, the Director of Planning has determined that this project qualifies for an addendum to the 2005 NSJ FPEIR.

Cumulative impacts, as defined by CEQA, refer to two or more individual effects, which when combined, are considered to increase environmental impacts. Cumulative impacts may result from individually minor, but collectively significant projects taking place over a period of time. The impacts which might result from approval of past, present and reasonably foreseeable future projects, in conjunction with the proposed project. The cumulative impacts likely to result from the development allowed by the NSJADP project were evaluated in the NSJ FPEIR (2005) and were identified as significant and unavoidable.

The proposed GPA would incrementally contribute to those cumulative air quality, traffic, noise and utilities and services impacts previously identified and evaluated in the 2005 NSJ FPEIR. While the proposed project would change the specific location of some of the residential and industrial uses under the NSJADP (to include the Champion Station site), the project would not change the overall amount of residential or industrial uses analyzed in the NSJ FPEIR and approved by the NSJADP update. Therefore, the project would not result in new significant cumulative impacts beyond those previously analyzed in the NSJ FPEIR.

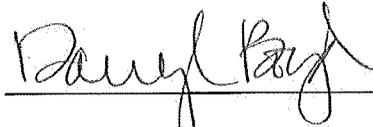
The General Plan Text Amendment was also presented to the Neighborhood Roundtable on August 18th, the Developers Roundtable on August 28th and the Parks Commission Meeting on November 4th, 2009. This staff report is also posted on the City's website. Staff has been available to respond to questions from the public. No correspondence from the general public has been received on this proposed General Plan Text Amendment since the most recent community meeting.

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)

Notice of the Fall 2009 hearings on the General Plan was published in the San José Post-Record. A notice of the public hearing was distributed to the owners and tenants of all properties located within 500 feet of the project site and posted on the City website. A community meeting was held on October 6, 2009. One member from public attended, who supports the application. Staff has been available to respond to questions from the public. No correspondence from the general public has been received on this proposed General Plan amendment.

Project Manager: Avril Baty

Approved by: 

Date: 11-11-09

Owner/Applicant: Larry Burnett, Global Portfolio Manager % Cisco Systems, Inc. 170 W. Tasman Dr. San Jose, CA 95124	Attachments: DOT Memo
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Memorandum

TO: Avril Baty
Planning, Building
and Code Enforcement

FROM: Manuel Pineda

SUBJECT: TRAFFIC IMPACT ANALYSIS
FOR GP09-04-02

DATE: 9-15-09

Approved

Date

File Number: GP09-04-02

Location: East and west sides of Cisco Way (site A) and northwest corner of Tasman Drive and Rio Robles Drive (site B)

Acreage: 67.2 ac.

Description: Removal of Transit/Employment Res. District Overlay and Floating Park designations on Site A and addition of Transit/Employment Res. District Overlay and Floating Park designations on Site B
(no net land use change)
Special Sub Area – North San Jose

We have reviewed the subject General Plan Amendment (GPA) and submit the following comments. We have completed the analysis for the subject GPA, and the results of the analysis indicate that the impact from the proposed land use change is less than significant based on established criteria.

Please contact Paul Ma at 975-3272 if you have any questions.

MANUEL PINEDA
Division Manager
Department of Transportation

MP:PM

cc: Jenny Nusbaum