



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Planning Commission

SUBJECT: SEE BELOW

DATE: May 6, 2010

COUNCIL DISTRICT: 3
SNI AREA: n/a

SUBJECT: PDC10-003. PLANNED DEVELOPMENT REZONING FROM A(PD) PLANNED DEVELOPMENT ZONING DISTRICT TO IP(PD) PLANNED DEVELOPMENT ZONING DISTRICT TO ALLOW FOR THE RELOCATION OF AN EXISTING CARDROOM AND ASSOCIATED USES, THE DEVELOPMENT OF A FULL-SERVICE HOTEL OF UP TO 600 ROOMS, AND AN ASSOCIATED OFF-STREET PARKING FACILITY ON A 6.08 GROSS ACRE SITE LOCATED ON THE SOUTHEAST CORNER OF AIRPORT PARKWAY AND OLD BAYSHORE HIGHWAY.

RECOMMENDATION

The Planning Commission voted 5-0-2 (Commissioners Kamkar and Platten absent) to recommend that the City Council approve the proposed Planned Development Rezoning from A(PD) Planned Development zoning district to IP (PD) Planned Development zoning district to allow for the relocation of an existing cardroom and associated uses, the development of a full-service hotel of up to 600 rooms, and an associated off-street parking facility 6.08 gross acre site located on the southeast corner of Airport Parkway and Old Bayshore Highway.

OUTCOME

Should the City Council approve the Planned Development Rezoning, upon approval of a Planned Development Permit, the applicant would be allowed to relocate an existing cardroom from the current location elsewhere in the City, and to redevelop the site with a full service hotel and associated off-street parking facility.

BACKGROUND

On May 5, 2010, 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 rezoning. Staff gave a brief overview of the proposal, including an explanation of the proposal's consistency with the North San Jose Policy. The applicant was present to respond to any questions from the Commission. There was no one from the public to speak on the project. Commissioner Zito asked staff to clarify the purpose of the PD Zoning. Staff responded by indicating, as stated in the staff report, that a PD Zoning is necessary to accommodate an independent restaurant, drinking establishment, and indoor theater not associated with the cardroom or hotel. All other uses proposed can currently be considered with a Conditional Use Permit in the IP Industrial Park zoning district. The Planning Commission closed the public hearing and voted 5-0-2 (Commissioners Kamkar and Platten absent) to recommend approval of the project as recommended by staff.

ANALYSIS

A complete analysis of the issues regarding this project, including General Plan conformance, is contained in the attached staff report.

EVALUATION AND FOLLOW-UP

A Planned Development Permit will be required to be filed to implement the proposed rezoning.

POLICY ALTERNATIVES

Not Applicable

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)**

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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 the area bounded by Highways 87, 101, 880, as well as properties that fall within 1,000 feet of the property. The hearing notice, and staff report have been posted on the City website. The rezoning was also published in a local newspaper, the Post Record. A Community meeting was also held and is discussed in the attached staff report to Planning Commission.

COORDINATION

This project was coordinated with the Department of Public Works, Fire Department, Police Department, Environmental Services Department and the City Attorney.

FISCAL/POLICY ALIGNMENT

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

COST SUMMARY/IMPLICATIONS

Not applicable.

BUDGET REFERENCE

Not applicable.

CEQA

Exempt


 JOSEPH HORWEDEL, SECRETARY
Planning Commission

For questions, please contact Jeannie Hamilton, Project Manager at 408-535-7850.

Attachments: Planning Commission Staff Report
Draft Development Standards

STAFF REPORT
PLANNING COMMISSION

FILE NO.: PDC10-003

Submitted: 03/01/10

PROJECT DESCRIPTION: Planned Development Rezoning from A(PD) Planned Development to IP(PD) Planned Development to support the relocation of an existing cardroom and associated uses, the development of a full-service hotel of up to 600 rooms, and an associated off-street parking facility on a 6.08 gross acre site.

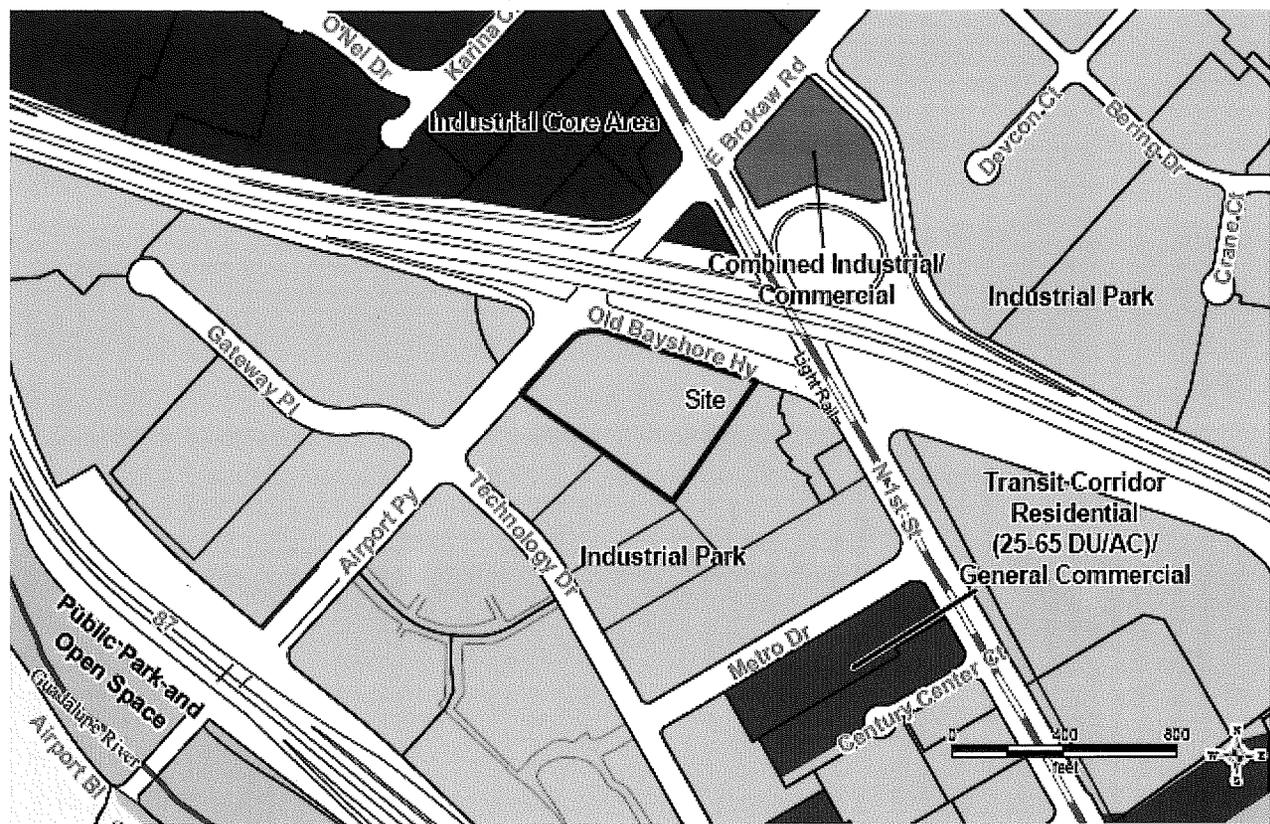
LOCATION: Southeast corner of Airport Parkway and Old Bayshore Highway.

Existing Zoning	A(PD) Planned Development
Proposed Zoning	IP(PD) Planned Development
General Plan	Industrial Park/Preferred Hotel Site
Council District	3
Annexation Date	May 1958
SNI	N/A
Historic Resource	No
Redevelopment Area	Rincon de Los Esteros
Specific Plan	Rincon South Planned Community and Specific Plan

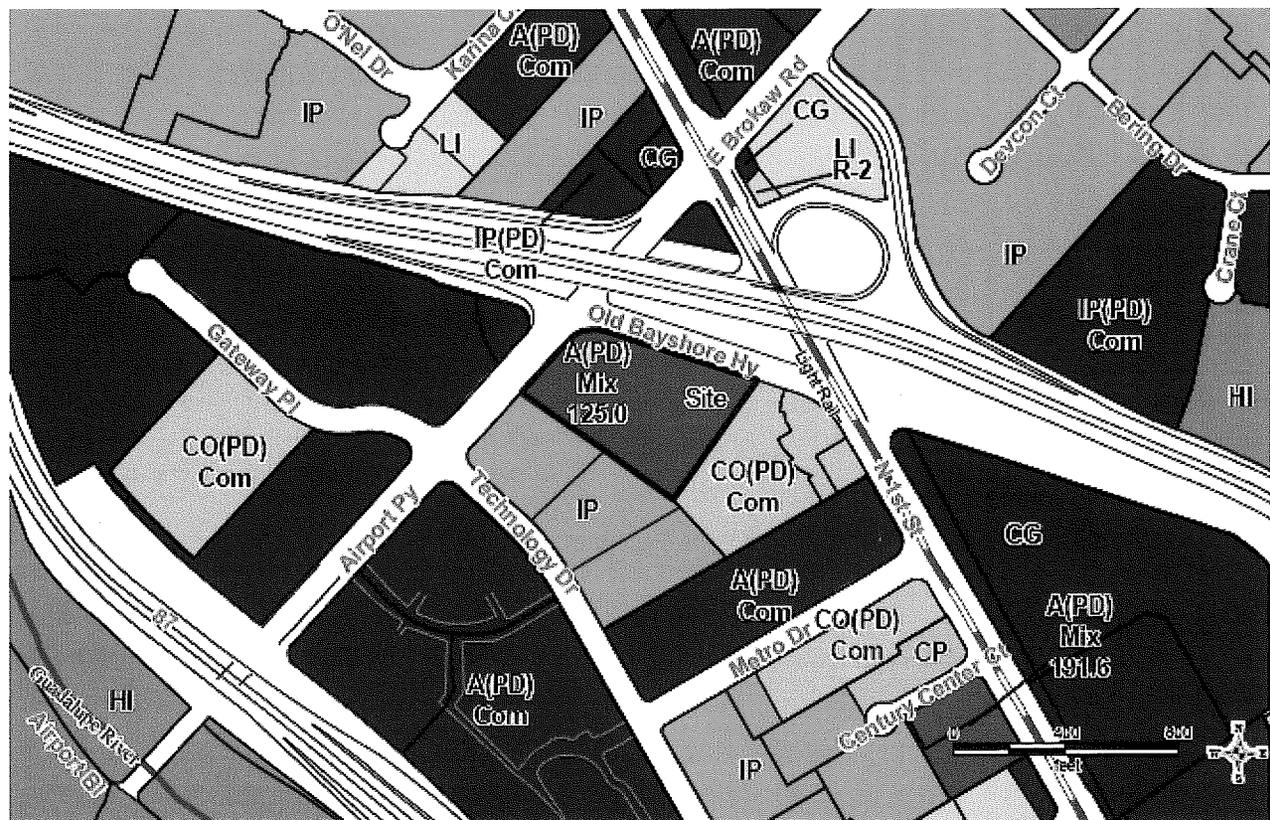
Aerial Map



GENERAL PLAN



ZONING



RECOMMENDATION

Planning staff recommends the Planning Commission forward a recommendation to the City Council to approve the proposed Planned Development Rezoning for the following reasons:

1. The proposed rezoning supports the land use policies of the Rincon South Specific Plan which is part of the San Jose 2020 General Plan.
2. The proposed rezoning is consistent with the standards set forth for the relocation of existing cardrooms as established in Title 20 (the Zoning Code) of the San Jose Municipal Code.

BACKGROUND

On March 10, 2010, an application for a rezoning of the subject site was submitted by Mr. Gerry DeYoung on behalf of Garden City Casino. The Garden City Casino currently operates a cardroom in the City at 360 S. Saratoga Avenue just south of Stevens Creek Boulevard. The cardroom has been in that location since the 1970's. The current operation is covered by a Conditional Use Permit that supports 40 gaming tables, a drinking establishment, and a public eating establishment. The 40 gaming tables make up about 360 total player seats. The existing Planned Development Zoning (PDC06-130) currently on the subject site was approved in 2008 and allows up to 600 residential units and up to 9,200 square feet of commercial space. Staff is of the understanding that the developer that secured the previous entitlements is no able to follow through on that project.

The existing site consists of two single story office buildings, 40 and 50 Airport Parkway, with surface parking on approximately 6.08 acres. The site is located within close proximity to Mineta International Airport and across Airport Parkway from the existing Doubletree Hotel, a full-service hotel with over 500 rooms. The site has immediate access from Highway 101.

Project Description

The subject application proposes to rezone the property to reflect more directly the underlying General Plan land use designation of Industrial Park and a Preferred Hotel Site found in the Rincon South Specific Plan. The rezoning would include provisions to support uses of the IP Industrial Park zoning district, including the relocation of the existing Garden City Casino (cardroom) and ancillary office uses to the cardroom, the development of a full service hotel of up to 600 rooms, and an off-site parking facility that would support both uses as well as airport parking. In addition, the proposed rezoning would allow for the consideration of a stand alone public eating establishment, drinking establishment, and an indoor theater, all uses not currently allowed in the IP Industrial Park zoning district.

Community Interest

On Thursday, April 8, 2010, a noticed community meeting (over 600 notices mailed) was held for the proposed rezoning. There were approximately 21 members from the community in attendance, including residents from the Rosemary Gardens neighborhood, representatives of businesses in the area, as well as those with a general interest. There were a couple of residents who expressed concern over the potential increase in crime and traffic the cardroom could bring to the Rosemary Garden neighborhood. One resident expressed a concern with the impact that gambling in general has on the welfare of individuals and their families. Others present expressed support of the cardroom recognizing the benefits the cardroom brings to the City in the form of revenue.

ANALYSIS

Analysis of this project includes a discussion of the proposal and its conformance with the San Jose 2020 General Plan and more specifically the Rincon South Specific Plan, a review of the proposed development standards with respect to those recently set forth in the Zoning Ordinance, and the environmental impacts of the proposal.

General Plan/Specific Plan Conformance

The subject site is located within the Rincon South Specific Plan and has an underlying land use designation of Industrial Park with a Preferred Hotel Site designation. An objective of the Rincon South Planned Community and Specific Plan is to "promote economic development to improve the City's jobs-housing balance through the protection of existing industrial and commercial uses in certain areas and by the promotion of new office, industrial, research and development, and hotel uses where appropriate." The proposed rezoning returns the land use options to those supportive of industrial, commercial, and hotel development, and supports the relocation of an existing cardroom. This creates greater opportunities for job creation as well as revenue generating uses over the existing mixed-use zoning of residential with some commercial.

Additionally, the location of the subject site in close proximity to the airport, the Guadalupe Transit Oriented Development Corridor, and Highways 87 and 101 support to location of more destination uses such as a full-service hotel and a cardroom, and the location at the upper end of the Rincon South Planned Community minimizes the potential for transportation related impacts on the Rosemary Gardens residential neighborhood.

Relocated Cardroom Siting Criteria and Findings

On June 2, 2009, the City Council adopted an ordinance amending Title 20 (Zoning Code) of the San Jose Municipal Code to include provisions related to the relocation of cardrooms in the City of San Jose. The adopted ordinance included a definition of Relocated Cardroom as "a cardroom, as defined in Title 16 of this Code, that holds a valid Cardroom Permit issued pursuant to Title 16 and is relocated from and existing site in accordance with the provisions of Part 13.5 of Chapter 20.80 of this Title." The ordinance included the ability to approve the relocation of a cardroom through issuance of a Conditional Use Permit in the CG Commercial General zoning district as well as all Industrial zoning districts. The proposed Planned Development rezoning incorporates by reference these same zoning provisions consistent with Title 20. The ability to approve a relocated cardroom under the proposed zoning would occur through the issuance of a Planned Development Permit

The ordinance included specific criteria required to be met in order to issue a development permit. Those criteria include distance requirements as follows: (1) not closer than one hundred fifty (150) feet from any lot or parcel, within or outside the City, situate in a residential district or R-MH Mobilehome Park district, nor (2) closer than five hundred (500) feet from any school, college, university, or hospital location situate within or outside the City, nor (3) closer than five hundred (500) feet from another cardroom use, including without limitation another relocated cardroom, situate within or outside the City. Additionally the lot or parcel to which a relocated cardroom proposes to relocate meets all locational criteria applicable to that relocated cardroom that may be set forth in federal, state or local law, regulation, license or other approval. The proposed rezoning again, will require these same criteria to be met in order to issue a permit.

Additionally, the adopted ordinance set forth findings required for the issuance of a development permit specific for a relocated cardroom, in addition to the standard finding required for a discretionary use approval. Again, the proposed rezoning will include by reference these same required findings consistent with the Zoning Ordinance.

Environmental Review

Pursuant to Section 15164 of the CEQA Guidelines, the City of San Jose has prepared an Addendum to an Environmental Impact Report (EIR) because minor changes made to the project that are described below do not raise important new issues about the significant impacts on the environment. The environmental impacts of this project were addressed by a Final EIR entitled, "North San Jose Development Policies Update EIR" and findings were adopted by City Council Resolution No. 72768 on June 21, 2005.

Project Design

The proposed Planned Development Rezoning focuses on the land use provisions for the site and does not include specific development plans. Specific development plans will be reviewed at the Planned Development Permit stage. Generally, the applicant has indicated that the development of the site would occur in two phases. Phase one would consist of a remodeling of the western building and demolishing of the eastern building to accommodate surface parking for the relocated cardroom. The western building would contain the cardroom and associated drinking and eating establishment, and most likely a full service independent restaurant (public eating establishment.) There is some thought in adding to the existing building to provide for office space for the cardroom, office space for third parties, a restaurant/lounge with views of the airport, and a theater for entertainment. Again, the specifics of the development proposal will be reviewed at a later time, and the community will be engaged in a discussion of design at that time. The proposed rezoning will contain development standards consistent with the Rincon South Specific Plan and underlying General Plan as appropriate.

CONCLUSION

The proposed rezoning replaces an existing zoning that is not longer viable. The mix of uses in the proposed rezoning supports the objectives of the Rincon South Planned Community and Specific Plan by bringing back uses that support the development of jobs and commercial uses, as well as supports the future development of a full service hotel consistent with the Specific Plan. The potential relocation of an existing cardroom provides for the retention of a significant revenue generating use within the City of San Jose and the location provides for expansion opportunities relative to supporting uses to the cardroom and future hotel, including independently operating eating, drinking and theater uses. The location of the zoning with its proximity to the airport, and access to freeways and transit make this an ideal destination site. It is a fair distance from the existing Rosemary Gardens residential neighborhood and as such, any potential for impacts to the neighborhood are minimized. For these reasons, staff is recommending that the Planning Commission forward a recommendation of approval to the City Council of this proposed rezoning.

PUBLIC OUTREACH

Community outreach followed City Council Policy 6-30: Public Outreach Policy. A sign was posted on the site to notify neighbors of the development proposal. In addition to the noticed community meeting discussed earlier, a notice of this Planning Commission public hearing and subsequent City Council hearing was mailed to the owners and tenants of all properties located within an area generally bounded by Highway 87, 101, and Interstate 880, and posted on the City website. The same notice was also published in a local newspaper. This staff report is also posted on the City's Website and staff has been available to respond to questions from the public.

Project Manager: Jeannie Hamilton

Approved by: Laurel Prevost

Date: 04-28-10

Owner/Applicant:	Attachments:
Airport Parkway Two, LLC 427 N. Tattall Street Wilmington, DE 19801 Attn: Martha Copra, VP Garden City Casino c/o Matt Love 205 De Anza Blvd., Suite 166 San Mateo, CA 94402 Gerry DeYoung Ruth and Going PO Box 26460 San Jose, CA 95159-6460	Draft Development Standards Plan Set

DRAFT DEVELOPMENT STANDARDS

PDC10-003

ALLOWED USES AND PERMIT REQUIREMENTS

All those uses “permitted”, “special”, “conditional”, and “administrative” in the IP Industrial Park Zoning District as per Title 20 of the San Jose Municipal Code, as amended.

“Special”, and “conditional” uses may be allowed with the issuance of a Planned Development Permit per Chapters 20.60 and 20.100 of the San Jose Municipal Code.

ADDITIONAL ALLOWED USES

The following uses are allowed at the discretion of the Director of Planning with the issuance of a Planned Development Permit:

- Public Eating and Drinking Establishments
- Theatre; indoor
- Parking Establishment - Off Street

DEVELOPMENT STANDARDS

Setbacks:	All setbacks are per the IP Industrial Park district as amended.
Minimum Lot Area:	10,000 sq ft
Maximum Height:	220 feet
Hotel:	Maximum 600 rooms
Parking:	Per Title 20 as amended
Late Night Use:	Per Section 20.50.220 unless otherwise specified in a Development Permit.

ENVIRONMENTAL MITIGATION

The City of San Jose may take action on the proposed project as being within the scope of the North San Jose Area Development Policies Update Final EIR adequately addresses the environmental effects of the proposed project, and project would not result in significant environmental effects that are not already identified in the Final EIR. The project, therefore, meets the eligibility requirements for preparation of an addendum and does not require a supplemental EIR or ND. The mitigation measures included in the project shall be those applicable from the previously approved rezoning from the site (File No.PDC06-130).

PUBLIC IMPROVEMENTS

All public off-site improvements shall be implemented to the satisfaction of the Director of Public Works. Prior to the issuance of Building Permit(s), the applicant shall be required to obtain a Public Works Clearance. Said Clearance shall require execution of a construction agreement that guarantees the completion of the public improvements.

Planned Development Rezoning

RELOCATED CARDROOM AND NEW HOTEL

GENERAL DEVELOPMENT PLAN EXHIBIT - C

SITE DESCRIPTION

EXISTING ZONING: A(PD) (FILE # PDC 06-130)

EXISTING GP DESIGNATION: INDUSTRIAL PARK W/HOTEL
SITE OVERLAY (RINCON SOUTH
SPECIFIC PLAN)

PROPOSED ZONING: IP (PD)

EXISTING LAND USE: INDUSTRIAL BUILDING/ OFFICE

APN: 230-29-065

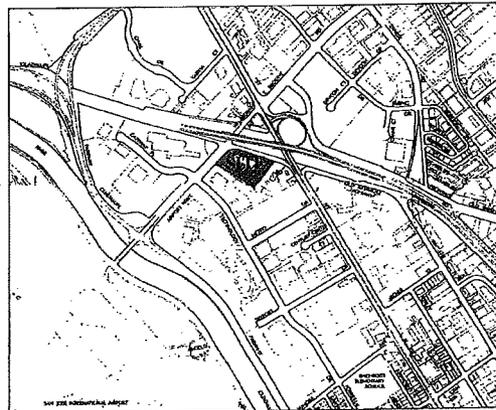
STATEMENTS & TABLES

GROSS & NET ACRES: 6.08 ACRES

OWNER / APPLICANT

OWNER: AIRPORT PARKWAY TWO, LLC
427 N. TAINALL STREET
WILMINGTON, DE. 19801

APPLICANT: GARDEN CITY, INC.
360 S. SARATOGA AVE
SAN JOSE, CA. 95129



LOCATION MAP
N7X

CONSULTANTS

PLANNING: RUTH & GOING, INC.
ENGINEERING: RUTH & GOING, INC.
ARCHITECT: BDE ARCHITECTS, INC.

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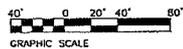
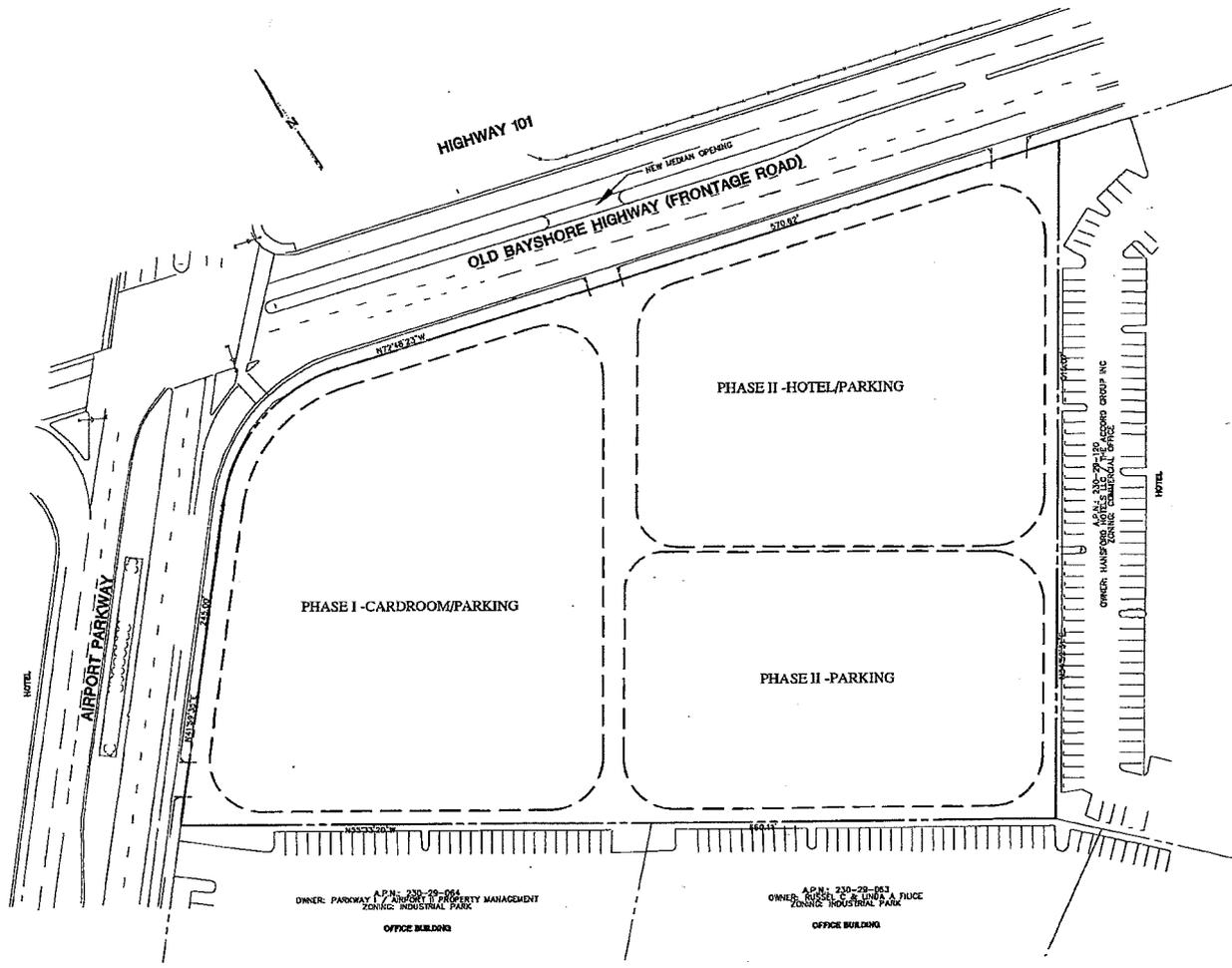
SHEET	DESCRIPTION
1	COVER SHEET
2	LAND USE PLAN/DEVELOPMENT STANDARDS
3	CONCEPTUAL USE LAYOUT

PLAN SET REVISIONS

No.	Date	Description
1	03-05-2010	Initial Submittal
2	03-11-2010	Revised Submittal

FILE NUMBER: PDC 10-003

DRAWN BY: M. VILLALBA/VALENTINO BIZONNA, PHD - INC - CONSULTING ENGINEERS
 DATE: 11/25/2010



GENERAL DEVELOPMENT PLAN EXHIBIT - C		CONCEPTUAL USE LAYOUT RELOCATED CARDROOM AND NEW HOTEL SAN JOSE CALIFORNIA	
R+G RUTH AND GOING, INC. 2200 HANFORD BLVD HANFORD, CA 93230 TEL: (559) 284-1007 FAX: (559) 282-7407		3	3
Prepared By: _____ Drawn By: _____ Checked By: _____	Description: _____ Mark: _____ Date: _____ By: _____	Date: _____	Date: _____