COUNCIL AGENDA: 01-25-11
ITEM:

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Hans F. Larsen
Joseph Horwedel
Jennifer A. Maguire

SUBJECT: DIRIDON STATION AREA PLAN

DATE: 01-10-11

Approved

Date 1/12/11

COUNCIL DISTRICT: 3 & 6
SNI: Burbank/Del Monte; Delmas Park

RECOMMENDATION

A. Accept staff report and presentation on the scope and status of the draft Diridon Station Area Master Plan.

B. Direct staff to prepare an Environmental Impact Report (EIR) for the recommended Preferred Land Use Master Plan for the Diridon Station Area and complete the Draft Plan. After completion of the EIR, the City Council will have the opportunity to decide on the final land use plan.

C. Provide staff direction to include the following elements in the Draft Diridon Station Area Master Plan:

1. Create a great place in the City of San José that is both a local and regional destination and expand the Diridon Transit Station into a center of functional and architectural significance.

2. Provide a variety of commercial and mixed-use development opportunities, with maximum densities in accordance with the goals of the City's current General Plan and future General Plan 2040. The recommended Preferred Land Use Plan proposes a maximum development scenario of 4,950,000 S.F of office/commercial; 420,000 S.F. of retail/restaurant; 2588 residential units; and 900 hotel rooms. By environmentally clearing the maximum development scenario Council would have flexibility to approve any project that falls within those maximums.

3. Develop a multi-modal transportation system with convenient access for all users and with a plan to improve pedestrian, bicycle, transit, and automobile connectivity between

the station and adjacent land uses in Downtown, surrounding neighborhoods, and the Airport.

4. Provide a long-range parking strategy to share use and reduce parking requirements as transportation options develop in the Diridon Station Plan Area, in accordance with the proposed polices and goals for Envision San Jose 2040 General Plan.

5. Provide a near-term phasing plan for transportation and parking (Phase I Transportation/Parking Plan) that addresses the next 10 years of development in the Plan Area.

D. Adopt a resolution authorizing the City Manager to negotiate and execute the following agreements:

1. A funding agreement with the California High Speed Rail Authority (CHSRA) to provide the City up to $200,000 to analyze station design and access and circulation relating to the High Speed Train project.

2. A First Amendment to the existing agreement between the City and Field Paoli Architects to increase the compensation by up to $159,000 from $950,000 to an amount not to exceed $1,109,000, expand the scope of services to include a phasing analysis for near-term development in the Diridon Station Area and amend the schedule of performance.

3. A First Amendment to the existing agreement between the City and ARUP to increase the compensation by up to $146,000 from $99,000 to an amount not to exceed $245,000, expand the scope of services to include station planning and an analysis of parking access and circulation relating to the High Speed Train project and amend the schedule of performance.

E. Adoption of the following Appropriation Ordinance and Funding Sources Resolution amendments in the Building and Structure Construction Tax Fund.

1. Increase the appropriation to the Department of Transportation for the High Speed Rail Project by $305,000;

2. Increase the estimate for Earned Revenue by $200,000; and

3. Decrease the Ending Fund Balance by $105,000.

OUTCOME

Following direction by the Council, staff and the consultant team will proceed with refinement of a Preferred Land Use Plan for the Diridon Station area, and begin preparation of an

Environmental Impact Report to allow Council consideration of the Diridon Station Area Master Plan in early 2012.

EXECUTIVE SUMMARY

The City of San José has a unique opportunity to build an internationally prominent transportation center and develop a world-class destination within the area around Diridon Station. The development of Diridon Station and surrounding areas is recognized as one of the 12 strategic goals as part of the City's "Economic Strategy 2010". Highlights from the Strategy regarding Diridon include the following excerpt:

> "The development project with high potential to fundamentally shape San José's future is the Diridon Station area. History demonstrates that regional transportation access can catapult a city's significance and determine its development prospects. High-speed rail, BART, Amtrak, commuter trains, light rail, and bus rapid transit will all converge in the Diridon area. In addition, significant development opportunities exist for new sports (including a major league baseball park), entertainment, shopping, office, and residential buildings. These assets can be integrated into a well-designed regional destination - including beautiful public spaces, world class architecture, landmark public art- that is thoroughly connected to the surrounding neighborhoods and Downtown Core. Planning for Diridon must be given the highest strategic attention over the next several years to ensure that this transformative opportunity is realized."

The master plan for the Diridon Station area ("Master Plan") is being developed to provide direction for future development, and many other critical aspects for the future success of the area. The draft Master Plan integrates land use, transportation, public art, and open space while respecting existing environments, and weaves new ideas and new development possibilities within existing city fabric and the surrounding neighborhoods. When completed, the Master Plan will include the following elements:

- Proposed land uses within a ½ mile radius of Diridon Station
- Urban design and place making
- Landscape and open space
- Diridon Station expansion plan concept and layout
- Access and circulation
- Transportation and parking demand management
- Parking demand and opportunities
- Infrastructure capacity and demand
- Affordable housing plan
- Public art master plan

The Draft Master Plan proposes ideas for the next thirty years and the Plan area will evolve as public infrastructure and private development projects are constructed. For any such plan to be relevant over a long period of time, it needs to provide a bold framework for new development, while also maintaining flexibility for change. It is impossible to predict the future with assurance, but the Master Plan proposes and outlines many of the physical and design concepts for the future of the Diridon Station area. San José is poised to create a model urban transportation hub and this Master Plan is a vital step on the way toward the creation of an exciting and innovative urban place.

After many months of collaborative work with the community, stakeholders in the area, and representatives of other transportation agencies such as BART, VTA, Caltrain, CHSRA and thorough review of alternatives, staff has prepared a recommended Preferred Land Use Plan for the Diridon Station Area for review by all stakeholders and to serve as the basis for preparation of an Environmental Impact Report on the Draft Master Plan. At this time, staff seeks direction from the City Council on the elements and concepts to be included in the Draft Master Plan as part of the environmental review process including the proposed land use types, land use densities, parking strategy, and phasing plan for the area.

BACKGROUND

The Diridon Station Area Master Plan was initiated in June 2009 upon the City Council's acceptance of a Metropolitan Transportation Commission (MTC) $750,000 Station Area Planning Grant. The Master Plan area consists of approximately 240 acres located near the historic center of Downtown San José, just west of State Highway 87 and the Guadalupe River, and centered north-to-south on the existing Diridon Station (Attachment 1). This area has been the subject of several previous planning efforts which serve as the foundation for the Diridon Station Area Master Plan. One of the recent planning efforts that reflects the importance of Diridon Station included an urban planning study for the area prepared by the Harvard University Graduate School of Design during the spring of 2009.

Guiding Principles

The guiding principles and primary objectives of the Master Plan are to:

- Create a great place in the City of San José that is both a local and regional destination
- Establish a land use plan and policy framework to guide future development which supports transit ridership, fosters economic development, and creates a world-class destination
- Improve pedestrian, bicycle, transit, and automobile connectivity between the Station and adjacent land uses in Downtown and surrounding neighborhoods
- Create a highly active and lively pedestrian and bicycle-friendly environment
- Develop and implement urban design standards that promote a vibrant, well connected destination area

- Provide a variety of commercial and mixed-use development opportunities, including sites for large-scale corporate or institutional uses, and smaller infill development
- Expand Diridon Station to create a well-integrated center of architectural and functional significance
- Enhance the existing neighborhoods, and add high density residential and commercial mixed used development within the Plan area
- Prepare an Environmental Impact Report to facilitate future development

Envision San José 2040

The draft Master Plan furthers the community's aspirations expressed in the Draft Envision San José 2040 General Plan to make San José a vibrant city which thrives economically, achieves fiscal stability and health, and sustains its environment by focusing significant growth proximate to transit and existing commercial areas.

Conformance with Strategy 2000

In June 2005, the Council approved "Strategy 2000: San José Greater Downtown Strategy for Development." Strategy 2000, among other things, expanded boundaries of the Downtown to encompass the Diridon Plan Area and sets up a number of future growth goals within the traditional Downtown Core and the expanded Core. However, further analysis conducted in conjunction with the Envision San Jose 2040 General Plan Update and the Diridon Station Area Master Plan have led staff to propose to redistribute the growth potential to better account for physical limitations and to take advantage of proposed transit, pedestrian, and access improvements. If, upon consideration of the EIR, the Council chooses to adopt a Master Plan that incorporates these updated development assumptions, the Strategy 2000 will also need to be updated to reflect those changes. Approval of the Master Plan requires modification of the Strategy 2000 to incorporate the proposed land uses.

Major Public Investments: Regional Transit Hub and Ballpark

Diridon Station is poised to become the major regional transportation hub for Northern California, providing bus and rail services with local, State, and national connections. Planned increases in service for existing operators, as well as the future BART station and High Speed Train (HST) station, will increase considerably the number of commuters using the Station, and raise its significance and the stature of the surrounding area. This major investment in transportation infrastructure creates an unparalleled opportunity for iconic, world-class architecture and urban design of the HST Station and for buildings and public spaces surrounding Diridon Station to celebrate its role as a major gateway to the City of San José and to Silicon Valley. The City also continues to move forward with plans for a 36,000 seat major league ballpark in the southern portion of the Plan Area. The proposed ballpark would serve as a bookend to the existing HP Pavilion, home to the San Jose Sharks and a major regional event venue which would bracket a core area for urban office, restaurant, retail, and entertainment development.

Given their importance and potential positive impacts, the objectives of the Diridon Station Area Master Plan are intertwined with these parallel and mutually supportive efforts to: 1) plan for the proposed ballpark; 2) review and select alternatives for the future HST station; 3) review and determine the placement of the functional aspects of the Diridon Station relative to existing rail lines and future BART station and alignment; and 4) maintain compatibility with airport uses.

Community and Stakeholder Outreach

Since June of 2009, staff from multiple City departments including the Departments of Transportation, Planning, Building and Code Enforcement, Housing, the Office of Economic Development, and the Redevelopment Agency have been working closely with the community, representatives of Caltrain, and the Valley Transportation Authority (VTA) in the development of a Preferred Land Use Plan for the area.

As part of the Master Plan development process, three community workshops were held to obtain public input. The first workshop focused on developing a vision and a general direction for the area, the second on the development of three alternatives, and the third focusing on the development of a preferred alternative. The public input obtained at these workshops, held on March 12, 2009, March 27, 2010 and August 7, 2010 respectively, has played a significant role in shaping the direction of the Draft Master Plan and the recommended Preferred Land Use Plan.

Input on the Diridon Master Planning Process was also provided by the Diridon Station Area Good Neighborhood Committee (GNC). The GNC was appointed and directed by the Mayor and City Council to identify potential community concerns and develop recommendations to guide the development of proposed baseball stadium, the High Speed Rail project and related future public and private development in the Station Area. Meeting sixteen times for more than a year, the GNC worked collaboratively with staff to develop these recommendations collectively titled the *Diridon Station Area Good Neighbor Committee: Framework for Implementation* (Framework). The Framework for Implementation informed the direction of the Diridon Station Area Planning process, and the recommended Preferred Land Use Plan is generally consistent with the Framework.

In addition to holding public workshops and collaborating with the Good Neighbor Committee, staff held stakeholder meetings with representatives of the Alameda Business Association, the Hannah Gregory Neighborhood Association, the Shasta Hanchett Park Neighborhood Association, San Jose Downtown Association, the San Jose Arena Management Corporation, Greenbelt Alliance, Silicon Valley Leadership Group (SVLG), Silicon Valley Bicycle Coalition, and the South Bay Rail Historic Society. Most of these focused meetings were held in August of 2009 to gain an early understanding of the needs, goals and issues of the key stakeholders, both generally and specifically, as related to the Diridon Station Area, although dialogue with some groups, including the San Jose Arena Management Corporation, Greenbelt Alliance, and others, is ongoing.

ANALYSIS

Three Concept Alternatives

After reviewing existing conditions in the Diridon Plan Area and the initial input from stakeholders, community members, and representatives of the public transportation agencies, the consultant team and staff worked together to develop three concept alternatives which included all the early ideas and provided a range of options for further study. This analysis was included as part of the Diridon Station Area Plan Alternatives Analysis Report dated July 2010 (see http://www.sanjoseca.gov/planning/diridon/Alternatives%20Report%20Final.pdf).

Common Themes

A first key step was the development of three land use and station concept alternatives. During this alternatives process, four "emerging themes" embodied the overall spirit and characteristics that the community, staff, and representatives of other agencies had expressed about the Master Plan for the Diridon Station Area. These themes are:

- Establish the Station and surrounding area as a local, citywide, and regional destination where residents and visitors alike can live, work, and play
- Foster a vibrant public realm throughout the station area that supports pedestrian and bicycling activity and connectivity with surrounding neighborhoods, and integrates public spaces into development with new plazas, parks, and public spaces
- Reflect the Silicon Valley spirit of innovation and San José's rich history of transformation and progress through iconic, world-class architecture and distinctive civic spaces
- Use art as a defining feature to create a strong sense of place for the Diridon area, and an identifier for San José as the center of Silicon Valley

These four themes were integrated into the direction of all three alternatives studied in the Alternatives Analysis, and subsequently included in the development of the Draft Preferred Plan.

HP Pavilion

The City and San Jose Arena Management share a common interest in supporting the long-term effectiveness of HP Pavilion. The City recognizes that HP Pavilion is a cornerstone for the existing and future success of the Diridon area. Over its 20 year history, HP Pavilion has been one of the most active entertainment venues in the United States. In this context, HP Pavilion has made major contributions to the image of San José and to the viability of downtown businesses. A principal reason for this success is the ease and convenience that customers experience in traveling to and from HP Pavilion and in finding nearby parking. The City recognizes that high quality access and parking service will be important in order for HP Pavilion to continue to thrive in the future. As part of the process of completing the Master Plan,

staff will continue to work with the San Jose Arena Management on parking and traffic related issues for HP Pavilion.

Ballpark and High Speed Train

Because the Diridon Station Area Master Plan process is proceeding in parallel with efforts to plan for a Ballpark and the alignment of the High Speed Train, the three alternatives addressed two likely variations regarding the proposed Ballpark and the alignment for the High Speed Train project. For the purpose of the Alternatives Analysis report, the following assumptions were made to facilitate moving forward with the Diridon Station Area planning process:

- Ballpark – Of the three alternatives analyzed in the Alternatives Analysis Report, two land use alternatives included the proposed ballpark, and one did not.
- High Speed Train Alignment – As the Alternatives Analysis was being conducted, the California High Speed Rail Authority was contemplating various alternative track alignments through the Diridon Area. As part of the alternatives development and analysis process, two high speed train tunnel options and one aerial alignment are included. A key assumption for the tunnel options is that development would be allowed over the station, although this assumption has not been verified in terms of costs or construction feasibility.

Common Objectives

While each of alternatives provides a slightly different mix of high density commercial and residential land uses, all three were crafted to achieve the following objectives:

- Urban Form and Structure – Create a high-energy urban district next to the Station
- Connectivity – Establish and strengthen connections to surrounding districts and within the planning area for pedestrians, bicyclists, and motorists
- Transportation – Prioritize pedestrian circulation and parking
- Compatibility with surrounding neighborhoods – Ensure sensitive transitions in scale and design to surrounding residential neighborhoods
- Land Use – Provide a range of commercial and residential uses
- Open Space – Enhance and expand recreational opportunities in the Plan Area, and establish an open space system
- Art – Activate the streets, parks, and Station with art that engages visitors and residents alike
- Parking – Disperse parking in different locations in the Plan Area and beyond

Key Land Use Assumptions and Differences

The land use structure of the three alternatives was defined by several key assumptions. These included the location of employment uses to the north in conformance with the City's Industrial Conversion Policy and extension of the Alameda mixed-use neighborhood character to Stockton Avenue. Land uses north of the Alameda/Santa Clara were similar in all proposed alternatives.

The land use plan for the area between Santa Clara Street and Park Avenue is driven by the proposed Ballpark. If a Ballpark is in place, that creates the opportunity to develop a commercial/restaurant/retail district. Without the Ballpark, the area would be focused as a business district.

The area south of Park Avenue is intended to be a neighborhood and commercial district, with the different alternatives providing different levels of development and density.

Consistency with Airport Land Use Regulations and Policies

The Plan Area is subject to Federal Aviation Administration (FAA) height constraints related to the Norman Y. Mineta International Airport (Airport). The heights of development proposed in the Master Plan are consistent with FAA height limits. On October 27, 2010, the Santa Clara County Airport Land Use Commission adopted a Comprehensive Land Use Plan (CLUP) for Santa Clara County Airports. The Master Plan regulates new development based on airport noise, building height and land uses on lands adjacent to and within the flight paths of Santa Clara County airports including Mineta San Jose International Airport. The majority of the Plan Area is outside of the Area of Influence defined by the CLUP and the land uses and intensity of land uses proposed in the Master Plan are consistent with the CLUP. Approximately 30 acres of the northern portion of the Plan area (north of the HP Pavilion and along the planned Autumn Parkway extension) are within the CLUP's Airport Safety Zone. While the CLUP restricts the intensity of uses on these 30 acres, the intensity of use proposed by the Master Plan on these 30 acres falls below the maximum population density threshold established by the CLUP. The open space requirements of the CLUP may affect this portion of the Diridon Plan. Further analysis will be conducted and this issue will be addressed as needed.

Consistency with the Good Neighbor Committee *Framework for Implementation*

The Diridon Station Area planning effort has been a parallel process to the Good Neighbor Committee's work during the past 18 months. The Good Neighbor Committee has completed its initial charge from the City Council and provided its *Framework for Implementation* to inform the ongoing Diridon Station Area planning process to be presented to the City Council in a separate report proposed for January 25, 2011. The key interest areas included in the Framework are: land use, neighborhood quality of life, parking and traffic, parks and trails, pedestrian and bicycle connections and connectivity, and public transportation systems. The Preferred Land Use Plan for the Diridon Station Area is generally consistent with the key themes outlined in the Framework, including:

- That Diridon Station is a central place and hub of public transit
- That people of all walks of life, both visitors and residents, name Diridon as an important place to work and play and for cultural activities
- That Diridon is surrounded by great neighborhoods which should be even better connected with the future uses in the Diridon Station area
- That trails and open spaces can be exciting amenities for Diridon
- That great community events can be accommodated in the areas near the Station

Paramount for the Diridon Station Area planning effort, as well as the Good Neighbor Committee work is that creation of an excellent place requires excellent community engagement and involvement throughout the process. This engagement is continuing, and many representatives who served on or worked with the Good Neighbor Committee are staying involved in the Diridon planning process.

Draft Preferred Land Use Plan

The Draft Preferred Plan that has been developed is not one of the three original alternatives put forth in the Alternatives Analysis Report. Instead, it is composed of elements of each to create a land use fabric and circulation plan that staff believes will best create a vibrant regional destination and gateway into San José. Public input obtained throughout the process, and particularly at the Community Workshop on August 7, 2010, helped guide the crafting of this recommended Preferred Land Use Plan.

For purposes of the land use discussion, the Diridon Station Area can be broken up into three areas: the Northern Zone, the Central Zone and the Southern Zone. The land uses in each zone are illustrated in the attached Draft Diridon Station Preferred Plan Diagram (Attachments 2 and 3). The future land use designations proposed for the Diridon Station Area are the same land use designations proposed for the Draft Envision San Jose 2040 General Plan. This approach creates a consistent land use policy framework for the Master Plan. The development potential proposed for the recommended Preferred Land Use Plan is described below for each of the three zones, and is summarized in Table 1.

Table 1: Proposed Maximum Development Potential

Zone	Commercial Industrial (S.F.)	Retail and/or Restaurant (S.F.)	Residential Units	Hotel Rooms
Northern	3,000,000	80,000	223	0
Central Core	1,150,000	140,000	0	250
Southern	800,000	200,000	2365	650
TOTALS	**4,950,000**	**420,000**	**2588**	**900**

Northern Zone – North of Santa Clara Street/The Alameda

The area north of Santa Clara Street and The Alameda, between Stockton Avenue and the Autumn Street extension is envisioned as an Innovation Business District to attract green and high technology "driving industry" office and research and development type uses. Given the height limit constraints resulting from the proximity of the Mineta San Jose International Airport, buildings will generally be limited to between 4 and 6 stories in this northern area. The properties within the northern area are within close, ½ a mile or less walking distance of the existing Diridon Station and the proposed High Speed Train and BART stations. Therefore, these properties are designated for Transit Employment Center which requires that new development orient buildings towards the public streets and include features to provide an enhanced pedestrian environment. In addition to the employment uses, the Northern Zone also includes high density residential mixed use development, but only between the west side of Stockton Avenue and The Alameda. This area is designated Urban Residential and is planned to accommodate up to about 223 residential units, with a ground floor retail focus along The Alameda street frontage.

Consideration of Residential Uses Along East Side of Stockton Avenue

In the Draft Plan, Stockton Avenue provides the western edge of the proposed Innovation Business District north of the HP Pavilion. West of Stockton, the Plan accommodates Urban Residential development with an anticipated range between 30 to 90 dwelling units per acre, although ground floor and second story commercial is encouraged. There is currently an approved zoning and an active development permit for a Whole Foods grocery store at the corner of Stockton Avenue and The Alameda. During the past year, much discussion has occurred regarding where the Diridon Area Plan should facilitate employment uses and where additional housing could be appropriate. Generally, staff, community members and other stakeholders, through the Alternatives Analysis process, determined that the focus for lands in the Northern and Central Zones (see Attachments 1-3) should be on employment and business innovation uses, as those would maintain the amount of industrially-designated lands in the City, and would likely benefit the most from the proximity of both the High Speed Rail station at Diridon and the BART stations along Santa Clara Street. This direction is reflective of and consistent with the Envision 2040 planning process which has focused significant employment growth at regional transit facilities such as BART stations, and focused urban residential growth along Light Rail and Bus Rapid Transit stations and corridors. This direction is also reflective of and consistent with the primary goal of Envision 2040 to increase the number of jobs in San Jose by 470,000 by 2040 to enhance the City's fiscal stability.

Following the October 19, 2010 Council direction on the Envision 2040 General Plan Update which confirmed a process and a November 15, 2010 deadline for applications to consider private proposals for alternative land use designations on the Envision 2040 Land Use/Transportation diagram, staff received a number of requests for consideration of alternative Envision land use designations on fourteen sites. Among those submitted was a Request for Urban Residential uses on approximately 1.68 acres on the east side of Stockton Avenue north of Santa Clara Street (Request No. ESJ2040-005), an area which the Draft Plan now identifies as a Transit Employment Center. Given the above analysis, and as also discussed in a separate

Council Memorandum for the proposed January 25, 2011 Council Hearing regarding the status of the Envision San Jose 2040 Draft Environmental Impact Report, staff recommends that this land be retained as employment lands to maximize the amount of jobs located adjacent to regional transit; however, if the Council would like further consideration of this Request for residential use on the east-side of Stockton Avenue, staff recommends that the option be considered as part of the Diridon Plan process.

Central Zone – "Core" Area between HP Pavilion and Proposed Ballpark

The Mixed Use Core area in front of the Diridon Station is the centerpiece of the proposed Draft Preferred Plan. This Core area is proposed as a sports-related entertainment destination, with 7 to 9 story office buildings with ground floor entertainment and retail uses, including restaurants, sports bars, and entertainment venues. This mixed use core ties the HP Pavilion, the Ballpark and the Diridon Station area together, and energizes Montgomery Street as a lively and constantly active entertainment-focused spine between the HP Pavilion and the Ballpark. While an exact location or size will not be determined in this Master Plan, a public plaza is proposed within the Core to provide a location for outdoor festivals and cinema, and small- to medium-sized concerts. Given the small proposed block sizes and desire to balance parking, building mass, and open spaces, the building heights in this area would be limited to between 7 and 9 stories, or roughly the height of the existing HP Pavilion.

The Central Zone also includes the proposed Ballpark. To provide flexibility if the planned Ballpark does not move forward, the Draft Environmental Impact Report (DEIR) for the Master Plan will include analysis of commercial office uses on the Ballpark site. Without the Ballpark, there would potentially be less demand for destination entertainment uses in the Central Zone; however, the DEIR will analyze the higher amount of retail in a scenario with a Ballpark as the likely "most intense" scenario.

Southern Zone – South of Park Avenue

The southern portion of the Diridon Station area is proposed to be planned for a new high density residential community with ground floor pedestrian-oriented and neighborhood-serving retail stores along West San Carlos. Densities would range from 40 to 150 dwelling units to the acre, and heights would range from 4 to 11 stories depending on adjacent uses, block sizes, and desirable urban form. The portion of the Plan area east of Bird Avenue overlaps with an area included in the community's Delmas Park Strong Neighborhood Initiative Neighborhood Improvement Plan, which the neighborhood submitted to the City Council in April of 2002. For informational purposes, the heights, land uses and density of development proposed for this area are consistent with what the neighborhood described as their desire for new development in their Neighborhood Improvement Plan.

While the Southern Zone is predominately residential, hotels are planned adjacent to the intersection of Bird Avenue/Autumn Street and West San Carlos to accommodate visitors to the Diridon Area and the greater Downtown. Furthermore, most of the properties located south of West Carlos and east of Bird Avenue are proposed to be designated with a Combined

Industrial/Commercial land use designation allowing a wide variety of non-residential/employment uses. It is noted that the potential elevated high speed rail train would likely bisect this Combined Industrial/Commercial area.

Consistent with the existing San Jose 2020 General Plan and the City's Greenprint, the draft Preferred Land Use Plan identifies the Fire Training Center on Park Avenue and West San Carlos as a possible future park.

Proposed Diridon Station Expansion Plan

Another major element of the Master Plan process is developing general recommendations on how the Diridon station should function, how the many existing and planned transit services should be integrated, and where the major components of the station should be located. The Station Expansion Plan is intended to provide a framework for future planning and design efforts for the station itself and represents a general arrangement and master plan for the facility. It identifies an approximate building space program and locates the major building and transportation program elements. Overall, the Station Expansion Plan recommends the development of a landmark train station with iconic architecture that conveys an image of San José as a vital center of innovation and raises San José's profile as a leader investing in an environmentally sustainable future.

The Station Expansion Plan assumes that the HST line will be elevated with the HST station platforms located above the existing Caltrain platforms as is currently proposed by the California High Speed Rail Authority. Given this alignment, the HST station building is proposed to be located north of the existing Diridon Station, near the intersection of Cahill and Santa Clara Streets, with the front façade and main entrance facing Cahill Street. Respecting the character of the historic Diridon Station, the new terminal is proposed to be separated from the historic station by a public plaza. Nevertheless, the two terminals are proposed to be functionally integrated with direct connections provided between the two on the platform/track side of the facility. The station would also retain the existing Caltrain platforms and butterfly canopies, with a mezzanine level above providing passenger services and connections to the HST rail platforms on the top level. The HST rail station design would provide a direct connection to the below-grade BART Station.

Proposed Parking Plan

The amount and location of needed parking will play a significant role in determining the amount and character of new development that can occur in the Master Plan Area. Given that the Master Plan Area will: 1) become a significant regional transit hub, with some of the best transit access west of the Mississippi River; 2) become integrated with the traditional Downtown Core Area; and 3) have greatly enhanced on-street, and off-street pedestrian and bicycle access, the Master Plan proposes a total number of parking spaces for new development that is lower than what has been typically provided for the anticipated land uses in San José and less than would be required under the City's current Zoning Code. The proposal to reduce the amount of parking in the recommended Preferred Land Use Plan is consistent with the proposed Envision

San Jose 2040 General Plan goals and policies for citywide reductions in Vehicle Miles Traveled (VMT) and a shift in individual travel behavior away from driving alone to riding transit, walking, and bicycling.

The total number of parking spaces proposed in the Diridon Station Area is based on projections of future parking ratios (number of parking spaces per residential unit or per square feet of commercial space) to be achieved upon the complete implementation and development of the Master Plan. To achieve the Master Plan's proposed parking ratios, a parking strategy is being developed for the Diridon Area as part of the planning process. This strategy includes a number of recommendations to reduce the amount of parking provided, such as:

- Promoting "unbundling parking," in which the sale or rental price of housing units or commercial square footage does not include the cost or rent of parking spaces
- Providing shared parking facilities, in which uses that have different peak parking periods are encouraged to share the same parking facilities
- Promoting car share programs
- Reducing or eliminating minimum parking requirements for the Diridon Station Area land uses in the zoning code
- Providing satellite long-term parking facilities for High Speed Rail, and both reduced and shared parking for other transit providers
- Implementing Transportation Demand Management programs to promote use of transportation modes other than driving alone

The Draft Master Plan is not intended to propose maximum parking ratios for new development. Development could be built with more parking than identified in the Draft Master Plan, with the result that this additional parking would displace development and would likely result in less overall growth for the Diridon Area than proposed by this Master Plan. So if more parking is constructed, less square footage of development would ultimately be built. The proposed parking ratios will be used to estimate the maximum development capacity in the Diridon Station Area, which will then be analyzed in the DEIR.

HP Pavilion Parking

There is an existing Transportation Parking Management Plan for HP Pavilion, and an existing agreement between San Jose Arena Management ("SJAM") and the City that sets forth transportation, parking and circulation for the HP Pavilion in the Plan Area. After a cooperative effort by the City and SJAM, a very detailed Traffic Management and Parking Plan ("TPMP") was approved by the City in May 1991. This TPMP was incorporated in the Arena Management Agreement between the City and SJAM. The City and SJAM recognized that the area in the vicinity of the Arena would develop over time, and the TPMP called for periodic updates to accommodate change in the area.

The City recognizes that the draft Master Plan contains significant elements (specifically parking and transportation) that would affect current Arena operations. SJAM has expressed concerns regarding certain recommendations in the Master Plan as follows:

- "Aggressive" reduction goals in parking requirements
- Increases in development density around the HP Pavilion
- Buildout of existing surface parking lots without suitable replacements
- The ability of the existing street grid to accommodate peak demands

Consequently, the City has developed a workplan for the coordination with SJAM throughout preparation of the upcoming traffic and parking analysis. This will include a joint effort with SJAM as operator of the City's Arena and as a representative of the San Jose Arena Authority, to complete a phasing analysis for the development of the Master Plan that will ensure that the Arena will continue as a regional asset and a primary economic generator for the Downtown.

Other Plan Elements

Public Art

The draft Master Plan contains a Public Art element. The Art Master Plan recommends three thematic approaches to public art and design for the Diridon Station Area: "Crossroads of Innovation" in the north, "Crossroads of Engagement" in the central and southern areas, and "Crossroads of Environment" for the parks and open spaces. The Art Master Plan also lays out a series of recommendations for implementation including developing strategic partnerships between public agencies, private developers, educational institutions and non-profit arts organizations to bring the vision to fruition.

The Draft Art Master Plan was reviewed by the Arts Commission on October 10, 2010. The Commission recommended that the City Council adopt the Public Art Plan for the Diridon Station Area as an Appendix to the Diridon Station Area Preferred Land Use Plan. The City Council will consider this recommendation and the Draft Art Master Plan when the final Diridon Station Area Master Plan is completed next year.

Parks and Open Space

The draft Master Plan proposes a number of other public open spaces throughout the project area which are intended to both complement and help knit together the existing network of public open spaces throughout the City. These are wide-ranging in character, from creek trails to neighborhood squares which strengthen local communities, and the completion of planned parks to support future development.

Access and Circulation

A set of guiding transportation policies support the Master Plan's overall vision of creating a vibrant Station Area that enhances community identity and sense of place. These include:

- Facilitate pedestrian access and safety through pedestrian enhancements, including the provision of crosswalks at all intersections, wider sidewalks, and high quality pedestrian amenities along transit corridors
- Promote easy pedestrian, bicycle, and transit access to the station
- Provide improved bicycle and trail connectivity and enhanced bicycle parking opportunities
- Ensure increased transit connectivity within and to the Station Area and provide for amenities to improve comfort and convenience
- Implement a number of Station area transportation strategies towards the goal of complete streets

Project Scope Additions

In the course of preparing the Master Plan, two additions to the study scope have been proposed. Each of them requires an increase in funding for the study as discussed below:

Phasing Plan

The Master Plan is envisioned as a 30 year plan and follows most of the goals and policies of the proposed General Plan 2040. In particular it has very aggressive goals related to transportation mode shift changes and parking. To address near-term development concerns, staff is proposing to develop a phasing plan that would analyze the possible near-term development of the area. The proposed 10-year Phase I plan would assume the following conditions:

- Redevelopment of the entire Core Area
- Construction of the Ballpark
- Construction of the BART box (although not BART itself)
- Redevelopment of the former San Jose Water Company (Adobe) site (although outside of the Diridon Plan area, it has parking implications for the Plan Area.)

The Phase I analysis would be focused on transportation and parking and would address issues regarding appropriate parking ratios for near-term redevelopment, access and circulation around the station area, possible interim parking needs and parking locations, and parking for HP Pavilion in conformance with the existing agreement between the City and SJAM.

High Speed Train

CHSRA will be providing the City up to $200,000 to perform additional studies as part of the Master Plan. The draft Master Plan currently includes most of the elements that are necessary

for the implementation of the HST project, however this additional funding will allow for the evaluation of access and parking needs for HST within a three mile radius, as requested by HST. Through a separate transportation study and in cooperation with HST, the City will be able to complete additional work regarding HST parking needs and locations, and traffic flow and connectivity options from future parking facilities that will serve the HST including possible connections to San Jose Mineta International Airport.

Funding and amended Scope of Consultant Agreements

The additional studies will require the modification of two current agreements. A modification to the agreement with Field Paoli Architects will expand the scope and funding for the addition of a phasing analysis and a modification to the current agreement with ARUP will expand the scope and funding to include additional parking, access and circulation analysis.

This work will be funded by a combination of funds from CHSRA and the City's Traffic Capital Improvement Program. As part of this Council action, staff is requesting a resolution authorizing the City Manager to enter into a funding agreement with CHSRA in the amount of $200,000, authority to negotiate and execute amendments to the existing consultant agreements with Field Paoli Architects and ARUP, and also requesting an $105,000 appropriation to the Traffic Capital Improvement Program from the ending fund balance of the Building and Structure Construction Tax Fund.

EVALUATION AND FOLLOW-UP

Following Council direction regarding the Draft Preferred Land Use Plan, staff will continue to engage the community and other stakeholders in the refinement of the Preferred Diridon Station Area Land Use Plan, and staff and the consultant team will begin to prepare the Environmental Impact Report to allow Council consideration of the Draft Diridon Station Area Plan in early 2012.

POLICY ALTERNATIVES

Alternative: Council may suggest other policy directions for the Diridon Station Area Plan and propose additional modifications prior to the Environmental Review process.

Pros: Allows Council flexibility to consider other policy choices and have staff provide additional information.

Cons: May delay progress on the Plan and modifications as this time could reduce opportunities or options as part of final approval.

Reason for not Recommending: The staff recommendations are believed to be reflective of a variety of community and stakeholder interests concerning the project, as well as the City's overall interests.

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)**

This report will be posted on the City's website before the Council meeting and emailed to study stakeholders. Additional community engagement will occur throughout the duration of this planning effort.

The Diridon Station Area planning process was also considered by the Council-appointed Good Neighbor Committee during the past year which resulted in a Framework for Implementation incorporating the Committee's recommendations.

COORDINATION

Preparation of this memorandum was coordinated with the Office of Economic Development and the City Attorney's Office. The proposed Preferred Land Use Master Plan was completed in coordination with The Redevelopment Agency, The Department of Housing, and The Department of Parks, Recreation, and Neighborhood Services.

FISCAL/POLICY ALIGNMENT

The Diridon Station Area Plan has been developed to support the City's Council Adopted Economic Development Strategy 2010, Strategic Goal #8 "Advance the Diridon Station Area as a Key Transportation Center for Northern California."

COST SUMMARY/IMPLICATIONS

The recommended action will increase the High Speed Rail appropriation by $305,000 in the Building and Structure Construction Tax Fund in the Traffic Capital Program for consultant services. Of this amount, $200,000 will be received from the California High Speed Rail Authority (CHSRA) and $105,000 from the Ending Fund Balance in the Building and Structure Construction Tax Fund.

BUDGET REFERENCE

The table below identifies the fund and appropriation proposed to establish the funding for the cost of the agreement.

Fund #	Appn #	Appn. Name	Total Appn.	Amt. for Agreement	2010-2011 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
Current Funding Available						
429	7064	High Speed Rail	$240,000	$200,000	V-859	12/07/2010, Ord. No. 28863
Additional Funding Recommended						
429	7064	High Speed Rail	$105,000	$105,000*	N/A	
Total Funding			**$345,000**	**$305,000**		

* The recommended actions in this memorandum will appropriate $105,000 to the High Speed Rail appropriation from the Building and Structure Construction Tax Fund's Ending Fund Balance, which currently has a balance of $1,610,497.

CEQA

Not a project. The proposed action will allow staff and the consultants to proceed with the completion of the Draft Diridon Station Area Master Plan and the analysis of potential environmental impacts of the Draft Master Plan as required under CEQA.

/s/

HANS F. LARSEN
Acting Director of Transportation

/s/

JOSEPH HORWEDEL
Director of Planning, Building, and Code Enforcement

JENNIFER A. MAGUIRE
Budget Director

I hereby certify that there will be available for appropriation in the Building and Structure Construction Tax Fund in the Fiscal Year 2010-2011 moneys in excess of those heretofore appropriated therefrom, said excess being at least $200,000.

JENNIFER A. MAGUIRE
Budget Director

For more information, please contact Hans Larsen, Acting Director of Transportation at (408) 535-3835.

Attachments

FIGURE 2-2-1: PRIMARY ZONES

NORTHERN ZONE

CENTRAL ZONE

SOUTHERN ZONE

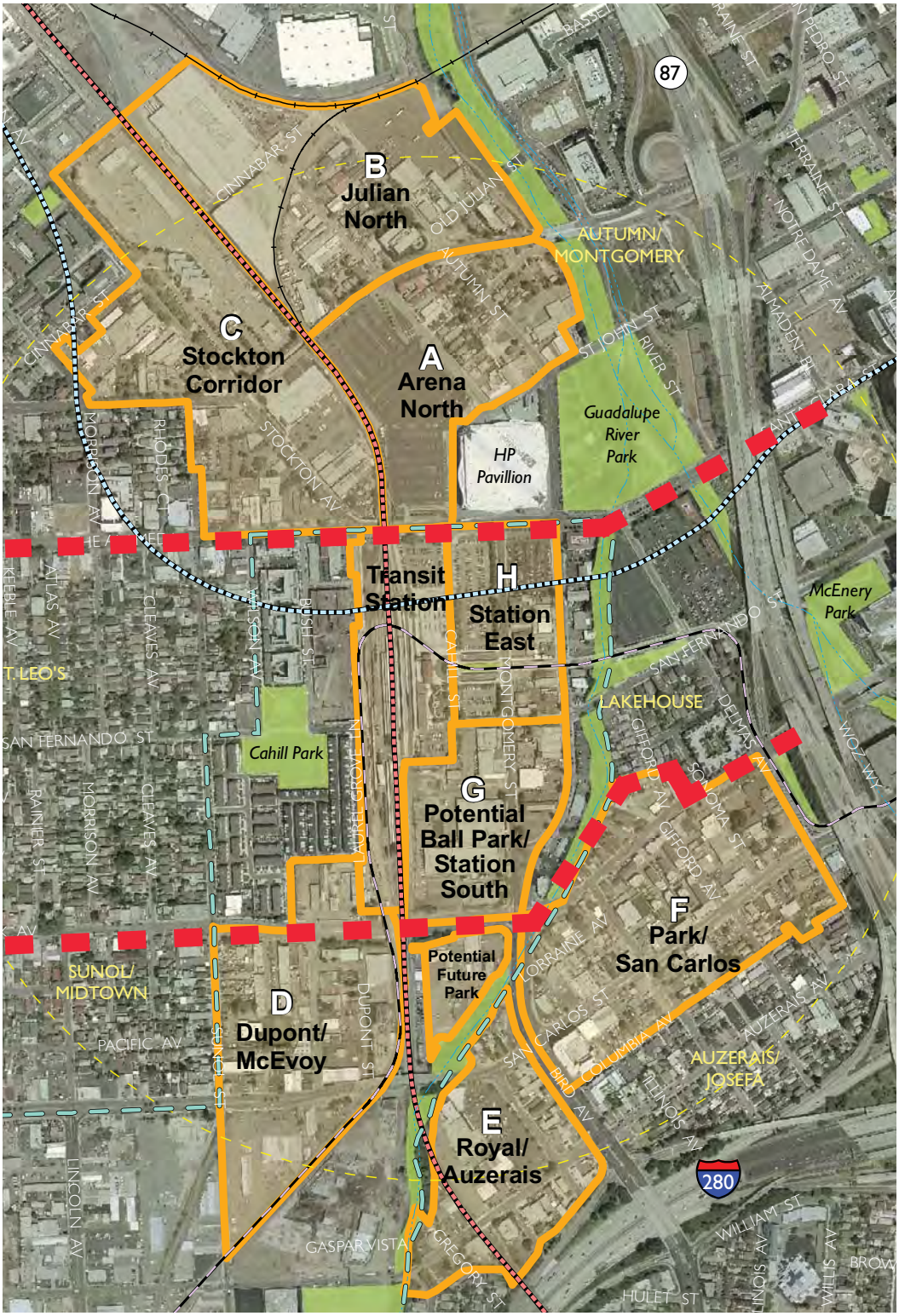
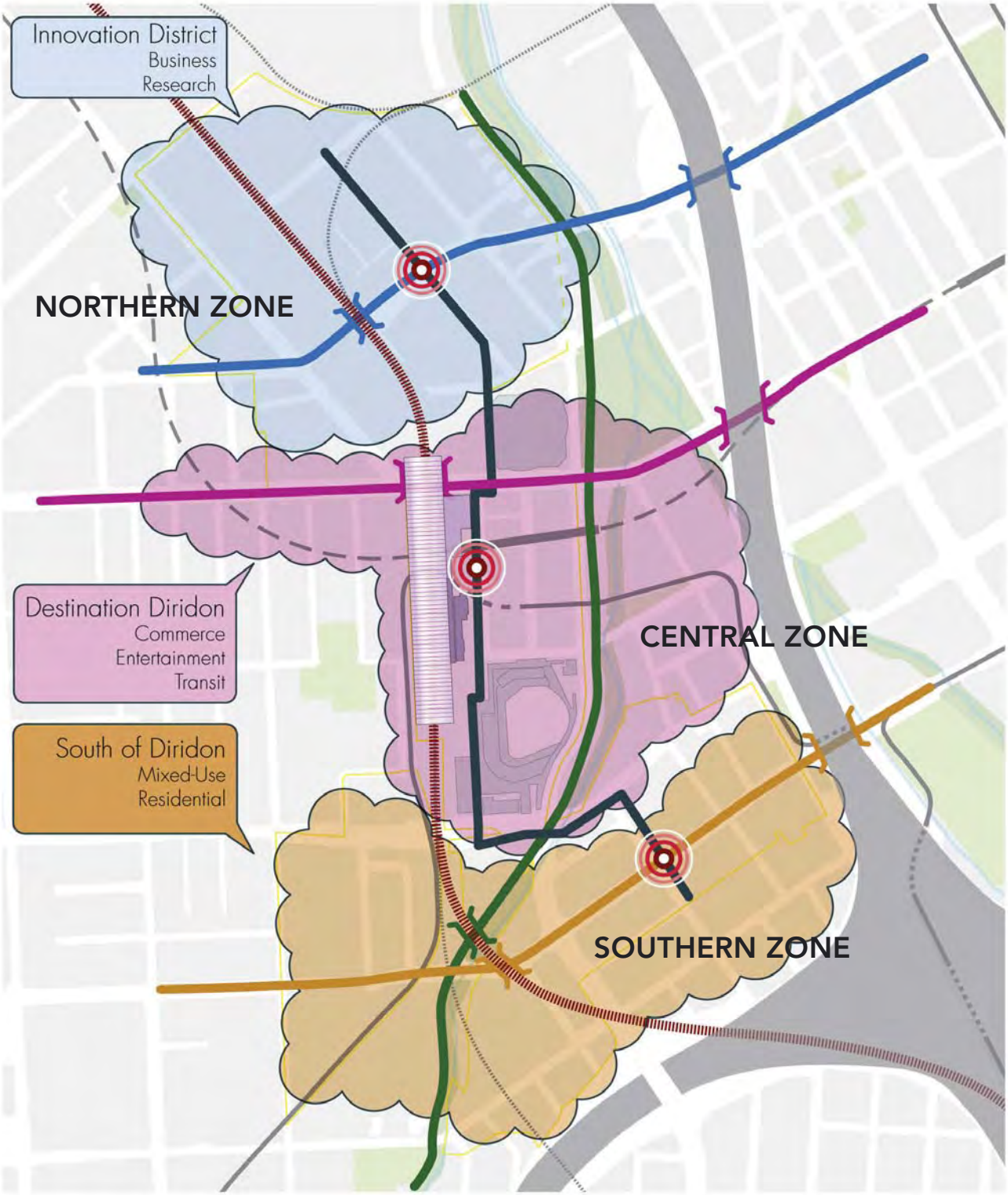
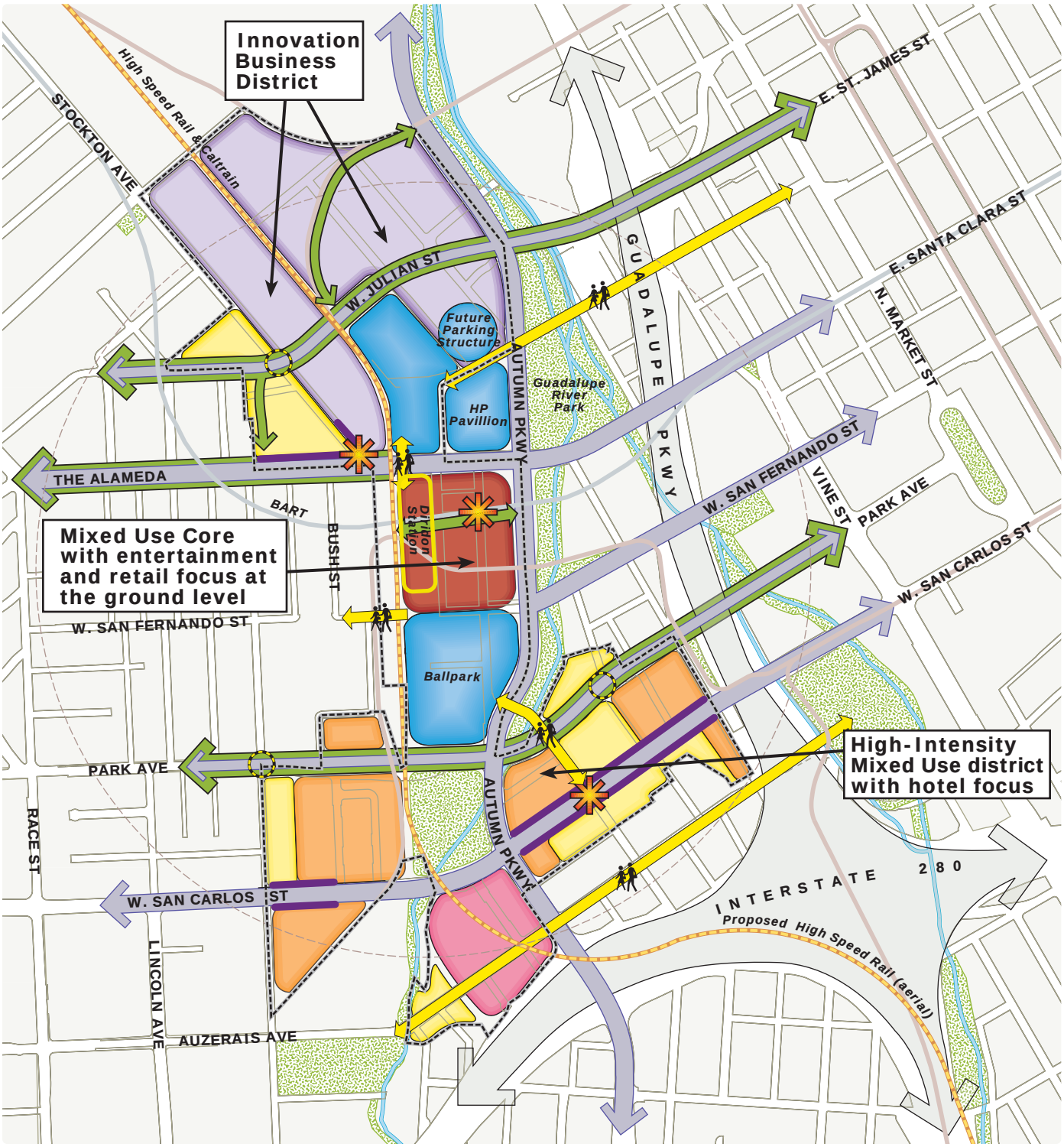


FIGURE 2-2-2: IDENTITY ZONES





- Downtown Commercial
- Transit Employment Center
- Combined Industrial/Commercial
- Transit Residential (65-175 du/ac)*
- Urban Residential (30-90 du/ac)
- Park/Open Space
- Public/Quasi Public

* Up to 250 du/ac is permitted under this classification.

- Retail Frontage
- Arterial Street
- Collector Street
- Green Street
- Green Connection
- Neighborhood/Activity Center
- Pedestrian Connection
- Station
- Traffic Circle

0 300 600 1200 2400
FEET

Diridon Station Preferred Plan

January 10, 2011