

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Planning Commission

SUBJECT: SEE BELOW

DATE: March 1, 2012

COUNCIL DISTRICT: 9

SUBJECT: FILE NO. PDC10-006 (ALMADEN RANCH RETAIL CENTER), A PLANNED DEVELOPMENT REZONING FROM THE A(PD) PLANNED DEVELOPMENT ZONING DISTRICT TO THE A(PD) PLANNED DEVELOPMENT ZONING DISTRICT LOCATED AT THE SOUTHEAST CORNER OF ALMADEN EXPRESSWAY AND CHYNOWETH AVENUE TO ALLOW FOR THE DEVELOPMENT OF UP TO 400,000 SQUARE FEET OF COMMERCIAL USES ON A 43.5 GROSS ACRE SITE; AND COMPLIANCE WITH THE ASSOCIATED FINAL SUBSEQUENT ENVIRONMENTAL IMPACT REPORT (SEIR) PREPARED FOR THE PROJECT CONSISTENT WITH THE REQUIREMENTS OF CEQA.

RECOMMENDATION

The Planning Commission voted 6-0-1 (Commissioner Cahan absent) to recommend that the City Council find the project in conformance with the California Environmental Quality Act (CEQA) and certify the Subsequent Environmental Impact Report (SEIR). The Planning Commission voted 5-1-1 (Commissioner Platten opposed, Commissioner Cahan absent) to recommend that the City Council approve the proposed Planned Development Rezoning as recommended by staff.

OUTCOME

Should the City Council approve the Planned Development Rezoning as recommended by the Planning Commission and staff, the applicant would be able to move forward with a Planned Development Permit and subsequent building permits to allow for the construction of up to 400,000 square feet of commercial uses on the subject site. The conceptual site plan proposes a mix of commercial buildings including large box, medium box, small pads, and a drive-through use, as well as, a new public street that will connect and extend Cherry Avenue from Almaden Expressway to Sanchez Drive.

BACKGROUND

On February 22, 2012, the Planning Commission opened a public hearing to consider the proposed Planned Development Rezoning. The Director of Planning, Building and Code Enforcement recommended approval of the proposed Planned Development Rezoning.

Staff provided introductory comments by stressing that the subject site is not designated as an Urban Village in the San José 2040 General Plan, but is designated Regional Commercial. Given that, it is important to recognize the site's context as an auto dominated area adjacent to a freeway and an expressway. Nevertheless, it is the City's goal to create a development that is walkable, bikable, and provides place making elements. Towards that end, the site plan has changed significantly to incorporate these design aspects within the auto-dominated context. Significant pedestrian connections were provided throughout the site so people can walk, rather than drive, between uses. Additionally, dedicated bike lanes will be provided on the new Sanchez Drive right of way, an open space area for community gathering was incorporated into the site design, as were amenities adjacent to the riparian interface. Finally, all but one of the drive-through uses were removed and more building frontage were added at the street to provide a more urban character within the auto-dominated context.

In regards to the Subsequent Environmental Impact Report (SEIR) and the additional analysis for water supply, urban decay, and General Plan conformance required by the Planning Commission at the August 24, 2011 hearing staff made the following comments:

- Water Supply: San Jose Water Company provided a letter dated September 22, 2011, indicating that the proposed project has a minimal impact on the existing distribution system and noting that the Water Company should be able to adequately supply the project without any additional source or supply system operation changes.
- Urban Decay: The CEQA threshold that needs to be met is not an economic threshold where certain businesses may close as a result of the project. Rather, the project would need to result in physical deterioration of nearby properties that is prevalent, substantial, and lasting for a significant period of time such that it impairs the proper utilization of the properties and threatens the health, safety, and welfare of the surrounding community. A report prepared by ALH Urban & Regional Economics in November 2011 concluded that the proposed project would not cause or contribute to urban decay.

The current market conditions, including low vacancy rates throughout the market area, show no existing signs of urban decay. The study notes that there is a high percentage of retail leakage in San Jose, particularly in the market area, which depending on the tenant group, has an annual retail base of two to three billion dollars. The proposed project is projected to have a retail base range of approximately \$110 to \$140 million annually. Additionally, retail vacancies in the area have been successfully backfilled and existing City ordinances related to blight, weed abatement, and other related code enforcement activities are in place to address any physical deterioration that may occur, such as graffiti.

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- General Plan Conformance: The subject site has a Regional Commercial land use designation on the Envision San Jose 2040 General Plan Land Use/Transportation Diagram. Several Major Strategies, including but not limited to: Community Based Planning, Innovation & Regional Employment Center, & Fiscally Strong City Major Strategies all support the project.

The analysis outlined above was assembled, along with some other minor text updates, into a Second Amendment to the Draft SEIR, which was circulated for a 45-day public review on December 7, 2011. A Third Amendment to the Draft SEIR was prepared responding to the comments received on the Second Amendment during the comment period. The Draft SEIR, together with the First, Second and Third Amendments, constitutes the Final SEIR that was considered by the Planning Commission.

Finally, staff noted that the mitigation measure related to energy conservation measures was revised. The SEIR previously stated that solar installations would be on all buildings and this was revised to state that they are only required on select buildings that are appropriate for solar installation.

Gerry DeYoung, representing the applicant, Arcadia Development Company, spoke on behalf of the project. He explained that the project has changed over the last five months during which community coordination has continued. Ultimately the project design has improved significantly. However, the applicant does not agree with the staff recommendation on the parking requirements and stated that, the site is not over parked, as the Zoning Ordinance provides for minimum parking standards and not what staff is recommending as parking maximum. Mr. DeYoung also clarified that the applicant does not desire to construct a pedestrian bridge across the Guadalupe River as a part of this project.

Following the applicant's presentation, approximately 12 members of the public spoke on the item. Representatives from the commercial properties on the north side of the Cherry Avenue extension (the shopping center with Safeway, Rotten Robbie gasoline station, Precision Tune Auto Care, and other tenants) expressed concerns about accessibility to their site with the new Chynoweth Avenue build-out and the installation of a median island in that road. These representatives also questioned whether adequate traffic analysis was done in relation to the ingress and egress to and from their shopping center site, and they expressed concern regarding the potential for urban decay on the Safeway site as a result of the proposed project. Other speakers expressed concerns related to traffic on Almaden Expressway and pedestrian access to the site. Two speakers expressed site design concerns, stating that the development should be more urban or that it should be redesigned to create a compelling place that would build community. A series of four speakers made a coordinated presentation noting primarily that a pedestrian bridge connecting Chynoweth Avenue on the east side of the Guadalupe River to the new public street should be built as part of this project to improve pedestrian and bicycle connectivity for a large number of residents in the area.

The applicant provided follow-up comments by noting that the total cost of the pedestrian bridge would be too expensive for the developer to cover. However, he expressed a willingness to provide some assistance with the feasibility studies for the pedestrian bridge that would be funded by a different source.

Staff responded to the applicant's request for modification of the proposed parking development standards by acknowledging that the current design is not over-parked. Staff noted if the site plan design were to change at the Planned Development Permit stage, the off-setting requirements (landscaping enhancements, solar carports, pedestrian/bicycle improvements, etc.) identified on the proposed development standards should be implemented to help to alleviate the impacts (stormwater, heat-island, and additional vehicles) of the increased on-site parking. Staff reiterated that the subject site is not designated as an Urban Village in the Envision San José 2040 General Plan. Thus while more intensive development could be accommodated on the site, the general plan does not envision mixed-use development with residential units on this site. Staff reiterated the high standard that is necessary to establish urban decay under the California Environmental Quality Act (CEQA), reiterating that the technical review concluded that the project will not cause or contribute to urban decay. Staff recognized the many benefits of the pedestrian bridge, but noted that the bridge is not a part of the project and cannot be required, as there is no appropriate nexus.

In response to transportation comments, staff noted that they had met with the Safeway shopping center owners and business representatives. Staff noted that the proposed project meets the City's Transportation Level of Service Policy, and does not propose to close any existing driveways that provide ingress and egress to and from the Safeway shopping center on the north side of the existing Chynoweth Avenue (proposed Cherry Avenue extension). Staff noted that the reconstructed Chynoweth Avenue is a General Plan street that will provide signalized access to the rear of the Safeway shopping center. Alternatively, customers could make a U-turn at the signal and enter into the driveways leading to the front of the shopping center. Staff noted that the median island is proposed on the new Cherry Avenue extension primarily as a means to ensure vehicular safety, and they indicated that Department of Transportation staff had agreed to consider any safe design options proposed by a qualified engineer that is hired by the Safeway shopping center businesses or owners. Public Works staff also noted that vehicle counts were conducted on the existing Chynoweth Avenue driveways to the Safeway shopping center, and those driveways were used significantly more for egress than for ingress. Staff noted that this egress would not be impacted by the project, and the amount of inbound traffic into the Safeway shopping center site is so minimal that it would not rise to the level of a significant impact under CEQA. Staff reiterated that inbound access is still being provided to the site from eastbound travelers on the proposed Cherry Avenue extension, even if it now requires a U-turn.

The Commission then closed the public hearing and discussed the item. The Commission's comments focused on access to the adjacent Safeway shopping center. Staff clarified that the median island is not a CEQA impact and access to the site is still provided albeit in a new configuration. No driveways on the site would be closed as a result of the new street.

Commissioner Kline made a motion to find that the Subsequent Environmental Impact Report (SEIR) was complete and in compliance with CEQA. He commented on his motion by stating that with the water analysis, urban decay analysis, and San José 2040 General Plan conformance discussion, the SEIR is now complete and in compliant with CEQA. The Planning Commission then voted 6-0-1 (Commissioner Cahan absent).

Commissioner Kline then made a motion to recommend that the City Council approve the proposed Planned Development Rezoning as recommended by staff. He commented on his motion by stating that the project, as proposed, abides by the City's General Plan, Ordinances, and Guidelines and is significantly better than the last time the Commission saw it. He further added that Santana Row type development would be preferred, but noted that the developer is not proposing such a development and the proposal under consideration meets the City's requirements.

Commissioner Kamkar asked for clarification on the solar installations changes to which staff responded that solar was only one of a list of energy conservation measures that could be used for the project. He also stated that he supported the motion, but would also prefer a Santana Row type development at this site.

Commissioner Bit-Badal also stated that she supported the project, but never envisioned that it would be another shopping center. She went on to state that the developer has done a good job working with the community and there has been great improvement in the proposal. She wished that the pedestrian bridge could happen, but understands why it cannot be a part of this project. Finally, the green space in the center of the pad buildings should include a focal point, with more areas for bicycle parking in the center and employers should encourage employees to ride bicycles to work.

The Planning Commission then voted 5-1-1 (Commissioner Platten opposed, Commissioner Cahan absent) to recommend that the City Council approve the proposed Planned Development Rezoning as recommended by staff.

ANALYSIS

A complete analysis of the issues regarding this project, including General Plan conformance, is contained in the staff report and supplemental memorandum to the Planning Commission. This report and memorandum are attached for reference.

EVALUATION AND FOLLOW-UP

If the zoning is approved, the applicant would be required to file subsequent development permits with the Planning Division in order to implement the project on the subject site.

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 1,000 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.

On June 23, 2011, a community meeting was held for the subject Planned Development Rezoning at the Pearl Avenue Branch Library located at 4270 Pearl Ave, at which approximately 42 community members were in attendance. Many of the comments focused on the place making elements of the site plan. In addition, the applicant presented the project at the following area Neighborhood Association meetings:

- Erikson Neighborhood Association – January 26, 2011
- VEP Community Association – February 22, 2011
- Almaden Valley Community Association – March 14, 2011
- Pinehurst Neighborhood Association – June 15, 2011

COORDINATION

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

FISCAL/POLICY ALIGNMENT

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

CEQA

A Subsequent Environmental Impact Report (SEIR) including a 1st, 2nd, and 3rd Amendment was prepared by the Director of Planning, Building, and Code Enforcement for the subject Planned Development Rezoning. The initial document was circulated for public review between May 23, 2011 and July 6, 2011. The document was circulated again between December 7, 2011 and January 20, 2012, with the addition of an urban decay analysis, water supply assessment, and an updated General Plan discussion. The SEIR concludes that the proposed Planned Development Rezoning will not have a significant effect on the environment with mitigation with the exception of Air Quality and Green House Gas Emissions that have significant unavoidable impacts.

HONORABLE MAYOR AND CITY COUNCIL

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/s/

JOSEPH HORWEDEL, SECRETARY

Planning Commission

For questions, please contact Lesley Xavier, Project Manager, at 408-535-7852

Attachments:

Revised Conceptual Site Plan

Original Plan Set

Planning Commission Supplemental Memos (2)

Original Staff Report

All Neighbor Correspondence

Revised Conceptual Site Plan

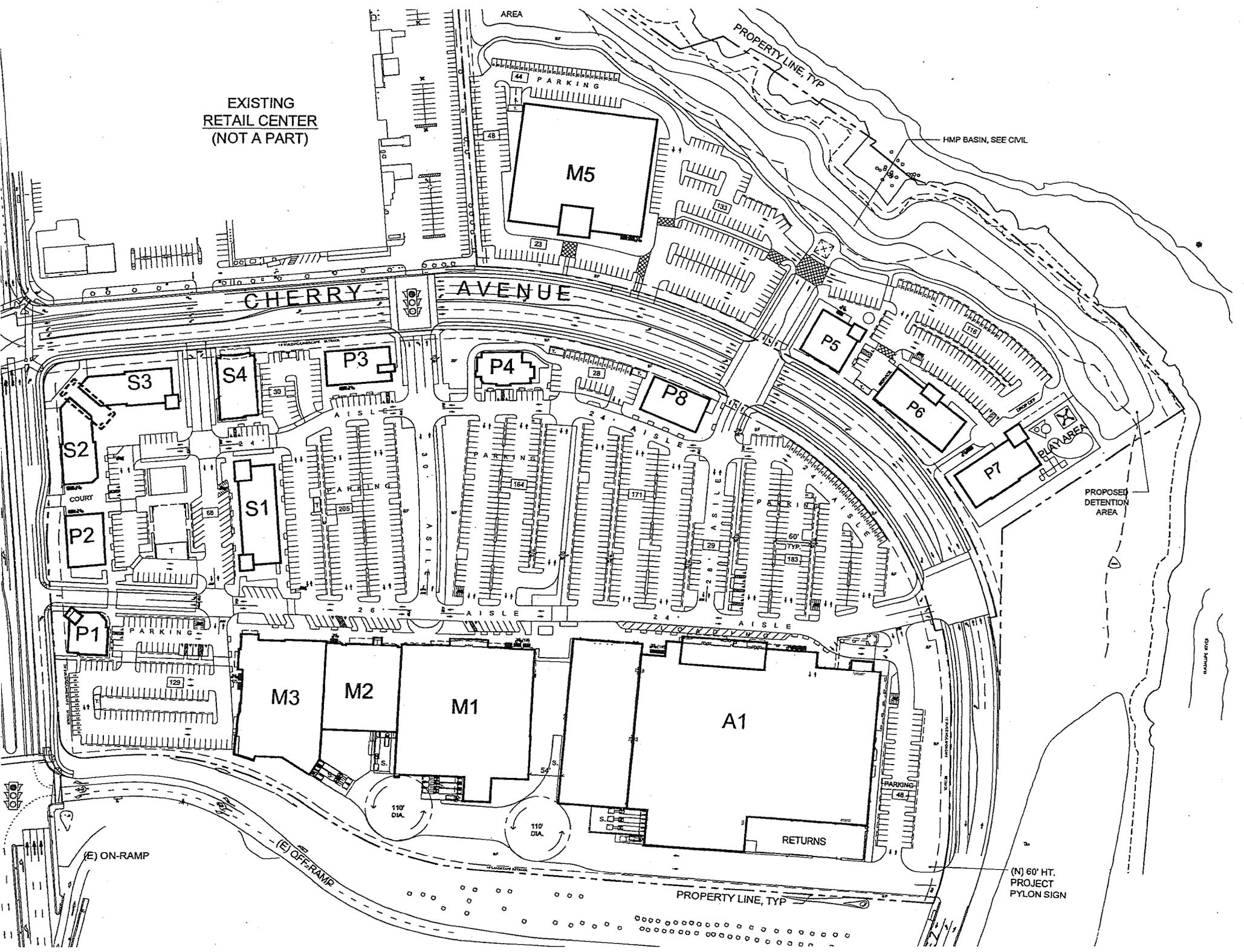
EXISTING
RETAIL CENTER
(NOT A PART)

HMP BASIN, SEE CIVIL

CHERRY AVENUE

PROPOSED
DETENTION
AREA

(N) 60' HT.
PROJECT
PYLON SIGN



Original Plan Set

Planned Development Rezoning

ALMADEN RANCH RETAIL CENTER

GENERAL DEVELOPMENT PLAN

DESCRIPTION

ZONING:	A(PD) (FILE # PDC 96-02-011)
DESIGNATION:	GENERAL COMMERCIAL/ VERY HIGH DENSITY RESIDENTIAL
DENOMINATION:	A (PD)
LAND USE:	AGRICULTURAL/VACANT
	458-17-006
	458-17-017
	458-17-018
	458-16-032

AREAS & TABLES

ACRES:	43.5 ACRES (GROSS)
	39.0 ACRES (NET)

APPLICANT

ARCADIA DEVELOPMENT CO.
P.O. BOX 5368
SAN JOSE CA 95150

THE ARCADIA COMPANIES
P.O. BOX 5368
SAN JOSE CA 95150



LOCATION MAP
N.T.S.

CONSULTANTS

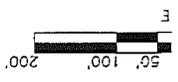
PLANNING:	R
ENGINEERING:	R
DEVELOPMENT:	H
ARCHITECT:	S

TABLE OF CONTENTS

SHEET	DESCRIPTION
1	COVER SHEET
2	LAND USE PLAN
3	DEVELOPMENT STANDARDS /GENERAL
4	CONCEPTUAL SITE PLAN
5	CONCEPTUAL HMP BASIN LAYOUT

PLAN SET REVISIONS

No.	Date	Description
1	04-07-2010	INITIAL SUBMITTAL
2	09-24-2010	REVISED SUBMITTAL
3	02-25-2011	REVISED SUBMITTAL
4	08-12-2011	REVISED SUBMITTAL



EXISTING COMMERCIAL

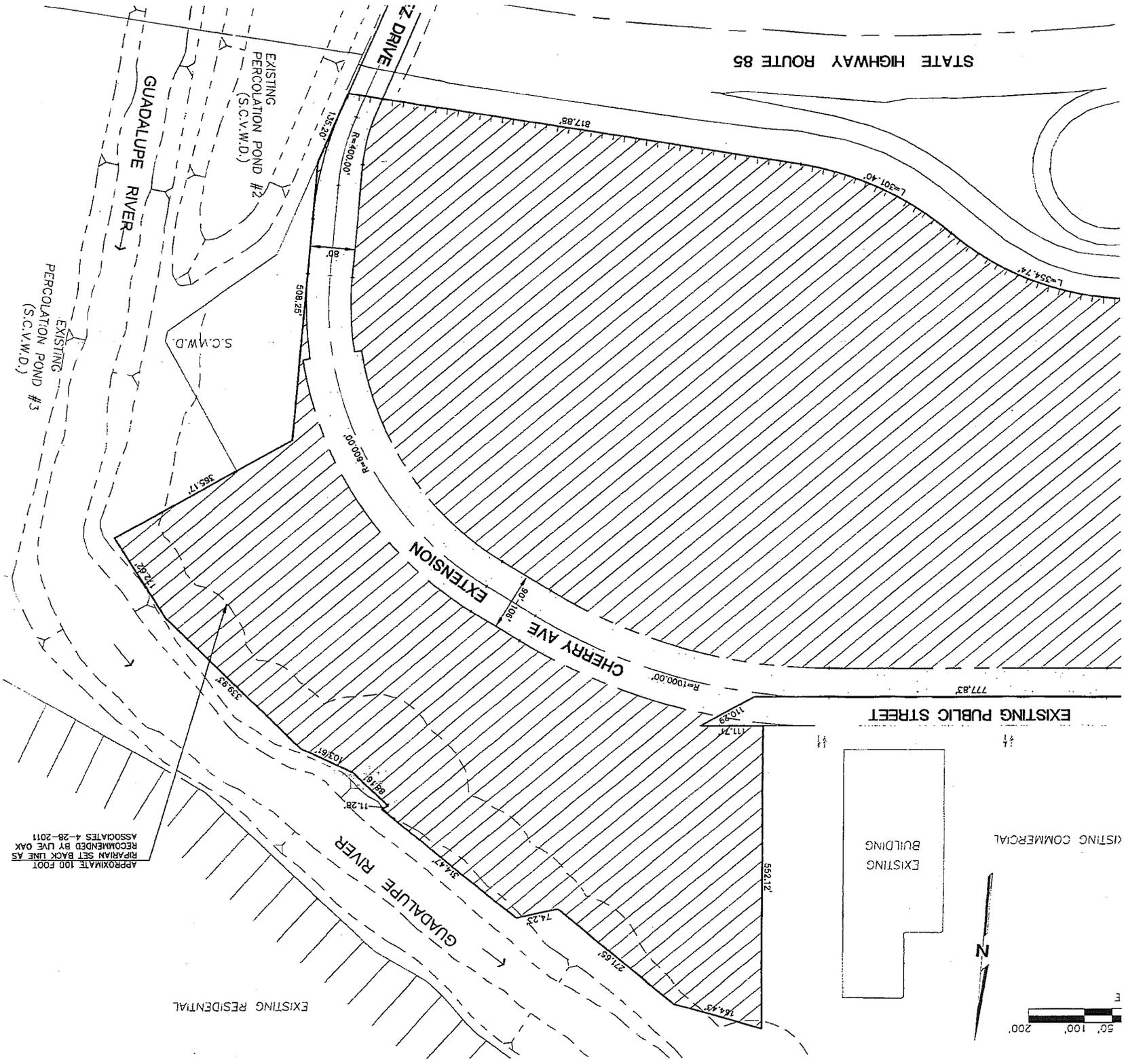


EXISTING BUILDING

EXISTING PUBLIC STREET

777.83

STATE HIGHWAY ROUTE 85



APPROXIMATE 100 FOOT
 RIPARIAN SET BACK LINE AS
 RECOMMENDED BY LIVE OAK
 ASSOCIATES 4-28-2011

NOTE

THE SPECIFIC CONFIGURATION
 CHERRY AVE EXTENSION WILL
 THE PD PERMIT STAGE

LEGEND



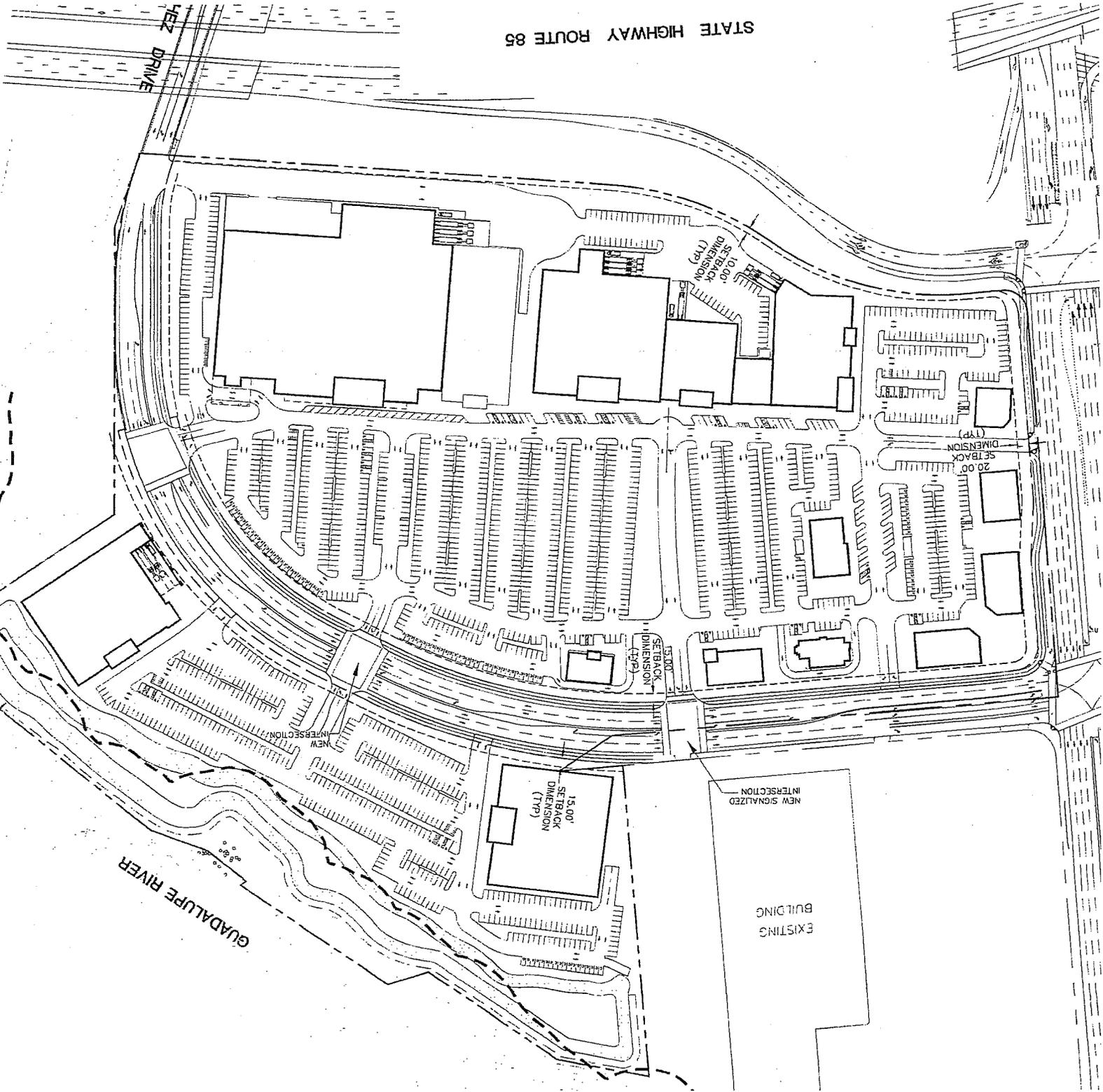
AREA TO BE RE

CONCEPT SITE PLAN

NOTE:
SEE SHEET 5 FOR MORE
THE GUADALUPE RIVER
AND RIPARIAN VEGETATI

APPROXIMATE 100 FOOT
RIPARIAN SET BACK LINE AS
RECOMMENDED BY LIVE OAK
ASSOCIATES

HMP
BASIN



STATE HIGHWAY ROUTE 85

HEZ DRIVE

GUADALUPE RIVER

EXISTING
BUILDING

NEW SIGNALIZED
INTERSECTION

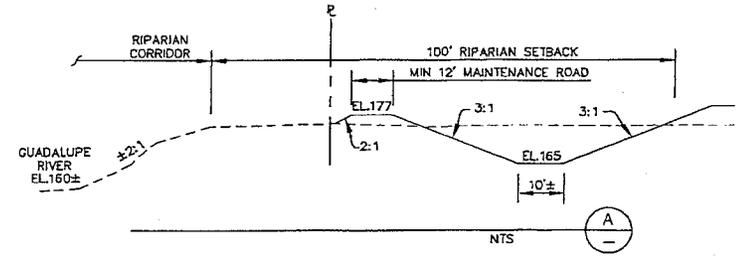
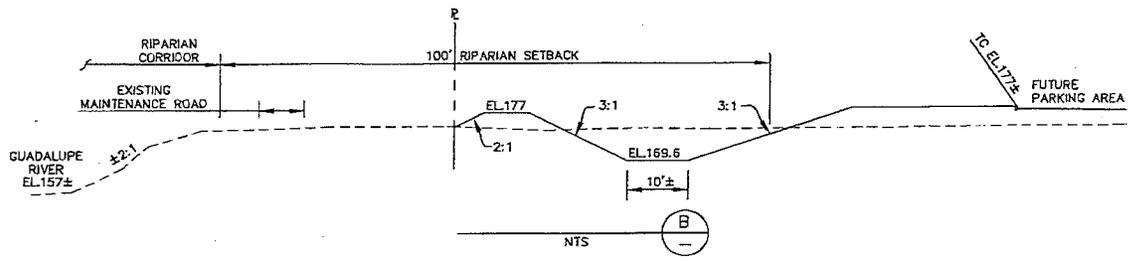
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SETBACK
DIMENSION
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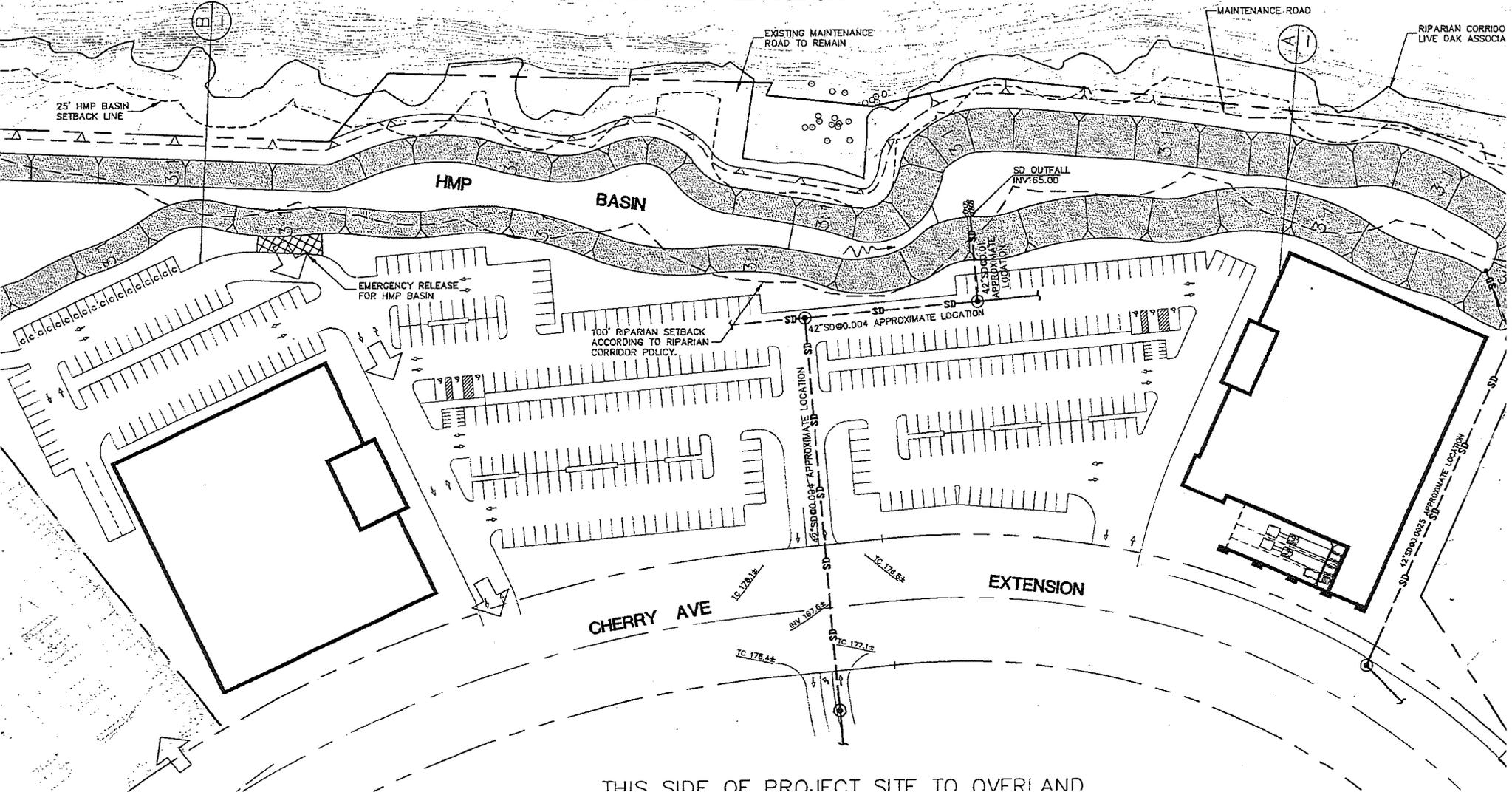
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(TYP)

NEW
INTERSECTION



GUADALUPE RIVER



THIS SIDE OF PROJECT SITE TO OVERLAND