



Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Mayor Chuck Reed,
Councilmember Sam
Liccardo, Councilmember
Pierluigi Oliverio

SUBJECT: DIRIDON STATION MASTER
PLAN

DATE: January 21, 2011

APPROVE

Sam Liccardo *Chuck Reed 1/21/11*
1-21-11

Recommendation:

Pierluigi Oliverio

Accept Staff's report and presentation of the Diridon Station Area Plan (the Plan) and approve the preparation of an EIR for the variety of commercial/mixed use development opportunities as described in Table 1 of the Staff Report, with the following direction:

1. Continue to maintain a collaborative approach with the San José Arena Management (SJAM) toward ensuring that the City's plan strengthens and does not impair the viability of the HP Arena as a world class sports and entertainment venue, by:
 - a. Re-emphasizing the City's commitment to honor its longstanding agreement with SJAM to make a reasonable effort to maintain a minimum of 3,175 and 6,350 parking spaces within a 1/3 mile and 1/2 mile radius of the Arena, respectively;
 - b. Providing that any reduction in the aggregate parking total beneath that number occur only with the concurrence of SJAM, and that it occur incrementally as transportation infrastructure develops;
 - c. Consult with SJAM in establishing the scope for the circulation and parking study performed for the purposes of the Environmental Impact Report;
 - d. Ensure that the "phasing analysis for near-term development," as described in staff recommendation D.4, preserves the adequacy of circulation and parking for the Arena as a key objective for at least the first decade of the Plan.
2. Reconsider the rigid segregation of land uses in the proposed plan in Central and Northern Diridon, with an eye toward enabling a master developer to have the requisite flexibility to implement a successful, vibrant, mixed-use development. Specifically, take a more flexible approach to land uses north of Santa Clara Street, but outside of the Airport's "Outer Safety Zone."
3. Direct staff to prepare an EIR which accounts for both an aerial and underground alignment for High Speed Rail.

4. Schedule a Council Study Session prior to the completion of the EIR and the Plan, so as to gain Council, and stakeholder input prior to the completion of the EIR and Plan.

Background:

A. The Arena

Since its opening some two decades ago as the home of the San José Sharks, the HP Arena has consistently ranked among the 10 busiest indoor facilities for non-sporting entertainment events. Preserving the extraordinary success of Downtown's "anchor tenant" appears paramount as we plan for the future.

Although densities will increase, and parking ratios will drop over time, we need to ensure that Diridon's development occurs in a coordinated fashion with its transportation infrastructure, so as to avoid choking the Arena with parking and traffic problems. We acknowledge staff's focus on alternative strategies that focus on demand and time management, shifting parking to secondary lots, and pricing. Nonetheless, we cannot ignore that inadequate parking supply can have severe consequences on the success of the venue, regardless of the strategy employed, until additional transit develops.

B. Flexibility In Central and North Diridon

Currently, the nearly exclusive focus is on employment uses in Northern and Central Diridon seems challenging to implement. For example, staff has indicated a preference for 440,000 square feet of retail in its tentative plan. The staff's consultants, however, articulated a host of reasons (see pp. 2-47 to 2-49) for concluding that "[t]here are simply too many competing market forces and policy interest for this limited area to become successful as a major retail destination for Central San José." (p. 2-50). Moreover, the contemplated 5.3 million square feet in office, research & development, and industrial space represents a nearly 70% increase in such space for a downtown that has long suffered from higher office vacancy rates than the rest of the region.

Many credible organizations, with no financial interest in the outcome—including the Urban Land Institute, Greenbelt Alliance, and the Silicon Valley Leadership Group—have urged staff to abandon an overly rigid approach to land use in the area. We agree; it appears likely that the best development in the Diridon area will occur under the guidance of a master developer, who will want to maximize flexibility to meet the uncertainties in the market, in transit infrastructure development, in stadium construction, and the like. The Study Session should be an opportunity at which the Council, neighborhood groups and other stakeholders can weigh in on the merits of the specific details on the Plan.

C. High Speed Rail

According to the Staff Report, the Station Expansion Plan "assumes that the HST line will be elevated." This is inconsistent with the direction given to staff by council on December 7, 2010; both the elevated and underground alignments remain viable. Until council and the California High Speed Rail Authority decide the matter, both alignments should undergo analysis in the EIR.