



Department of Planning, Building and Code Enforcement
801 North First Street, Room 400
San José, California 95110-1795

Hearing Date/Agenda Number:
P.C. 05/25/05 Item:

File Number:
GP04-07-03

Council District and SNI Area:
7 – Tully/Senter

Quad Map Number:
100

Assessor's Parcel Number(s):
477-73-039, 041 and 042

Project Manager: Ying Smith

GENERAL PLAN REPORT

2005 Spring Hearing

PROJECT DESCRIPTION:

General Plan amendment request to change the Land Use/Transportation Diagram designation from Light Industrial to Combined Industrial/Commercial on a 3.86-acre site.

LOCATION: East side of Senter Road (2266 and 2276 Senter Road and 639 Quinn Avenue) approximately 200 feet northwesterly of Quinn Avenue.

ACREAGE: 3.86

APPLICANT/OWNER:

Victor J. LoBue, The LoBue Living Trust, Owner/Aaron Barger, Green Valley Corporation dba Barry Swenson Builder, Applicant

GENERAL PLAN LAND USE / TRANSPORTATION DIAGRAM DESIGNATION:

Existing Designation: Light Industrial

Proposed Designation: Combined Industrial/Commercial

EXISTING ZONING DISTRICT(S): Industrial Park

SURROUNDING LAND USES AND GENERAL PLAN DESIGNATION(S):

North: Light industrial (Linen Exchange Service) – Light Industrial

South: Retail and medical offices – General Commercial and Light Industrial

East: Light industrial (storage and warehouse) – Light Industrial

West: Costco/Large Format Retail – Heavy Industrial

ENVIRONMENTAL REVIEW STATUS:

Mitigated Negative Declaration adopted on May 11, 2005.

PLANNING STAFF RECOMMENDATION:

Combined Industrial/Commercial

Approved by:

Date:

PLANNING COMMISSION RECOMMENDATION:

CITY COUNCIL ACTION:

CITY DEPARTMENT AND PUBLIC AGENCY COMMENTS RECEIVED:

- Parks, Recreation and Neighborhood Services Department (PRNS) commented that the City's Parkland Dedication Ordinance and Park Impact Ordinance would not apply to future nonresidential development.
- Fire Department – The project should comply with comments from the Building and Fire Departments at the plan review stage.
- Department of Transportation (DOT) – The estimated number of new PM peak hour trips resulting from the proposed land use change is below the exemption threshold established for this area. Therefore, this General Plan amendment is exempt from a computer model (TRANPLAN) traffic impact analysis.
- Department of Public Works (DPW) indicated that the subject site is in a State Liquefaction Zone.
- Environmental Services Department (ESD) – Upon review of technical reports, ESD staff concluded that if future development requires soil excavation or removal of greater than 100 cubic yards, the construction project will be required to be monitored by a qualified environmental professional to assure that if elevated concentrations of remaining petroleum contamination in the soil are encountered, the soil will be properly segregated and disposed of in accordance with existing regulatory requirements.
- Santa Clara Valley Water District has no objections to the proposed amendment. The site is in the Coyote Creek watershed and floods a depth of less than 1 foot in the event of the 1 percent flood. The monitoring wells on site should be properly maintained or destroyed.

GENERAL CORRESPONDENCE:

Attendees at the Tully-Senter Strong Neighborhood Coalition meeting held on November 4, 2004 indicated that they had no objection to the proposal. The Public Outreach section of this staff report provides additional information on correspondence with the public.

ANALYSIS AND RECOMMENDATIONS:**PROJECT DESCRIPTION**

This is a privately initiated General Plan amendment request to change the General Plan Land Use/Transportation Diagram designation from Light Industrial to Combined Industrial/Commercial on a 3.86-acre site. The project site is located on the east side of Senter Road (2266 and 2276 Senter Road and 639 Quinn Avenue) approximately 200 feet northwesterly of Quinn Avenue.

The existing Light Industrial designation is typified by warehousing, wholesaling and light manufacturing. Uses with unmitigated hazardous or nuisance effects are excluded. The Combined Industrial/Commercial land use designation is intended for commercial, office, or industrial development or a compatible mixture of these uses. The uses of the Industrial Park, Light Industrial, General Commercial, and Neighborhood/Community Commercial land uses are consistent with this use category.

Approval of the proposed change to the General Plan would allow the City Council to consider the Planned Development zoning application, File No. PDC 04-111, for a rezoning from the IP Industrial Park zoning district to LI(PD) Light Industrial Planned Development zoning district to allow compatible Light Industrial uses and neighborhood-serving commercial uses on the subject site.

BACKGROUND

Site and Surrounding Uses

The subject property consists of three contiguous parcels located at the northern corner of Senter Road and Quinn Avenue, as shown on Figure 1.

Parcel A (APN 477-73-042), located at 2266 Senter Road, is approximately 1.22 acres in size. Three buildings are located on this parcel: a commercial retail/warehouse building occupied by Senter Auto Parts retail store; a storage building for Stakes and Panels; and a former residence that is currently used for offices by Kenko Utility Supply. Nella Oil Company (formerly Caldo Oil Company fueling station) is also located on Parcel A, which is a retail dispensing facility of gasoline, diesel, kerosene, and propane.

Parcel B (APN 477-73-041), located at 2276 Senter Road, is approximately 1.20 acres in size. A permanent building and a portable building are located on this parcel. The permanent building is currently occupied by Metro Tires and is used for the sales and installation of tires. The portable building is currently used for offices for the Olympian gas station.

Parcel C (APN 477-73-039), located at 639 Quinn Avenue, is approximately 1.44 acres in size. There are two portable buildings and one permanent building on the parcel, and they are used for storage by Kenko Utility Supply. The remainder of Parcel C consists of a mostly unpaved storage yard also used by Kenko Utility Supply.



Subject Site

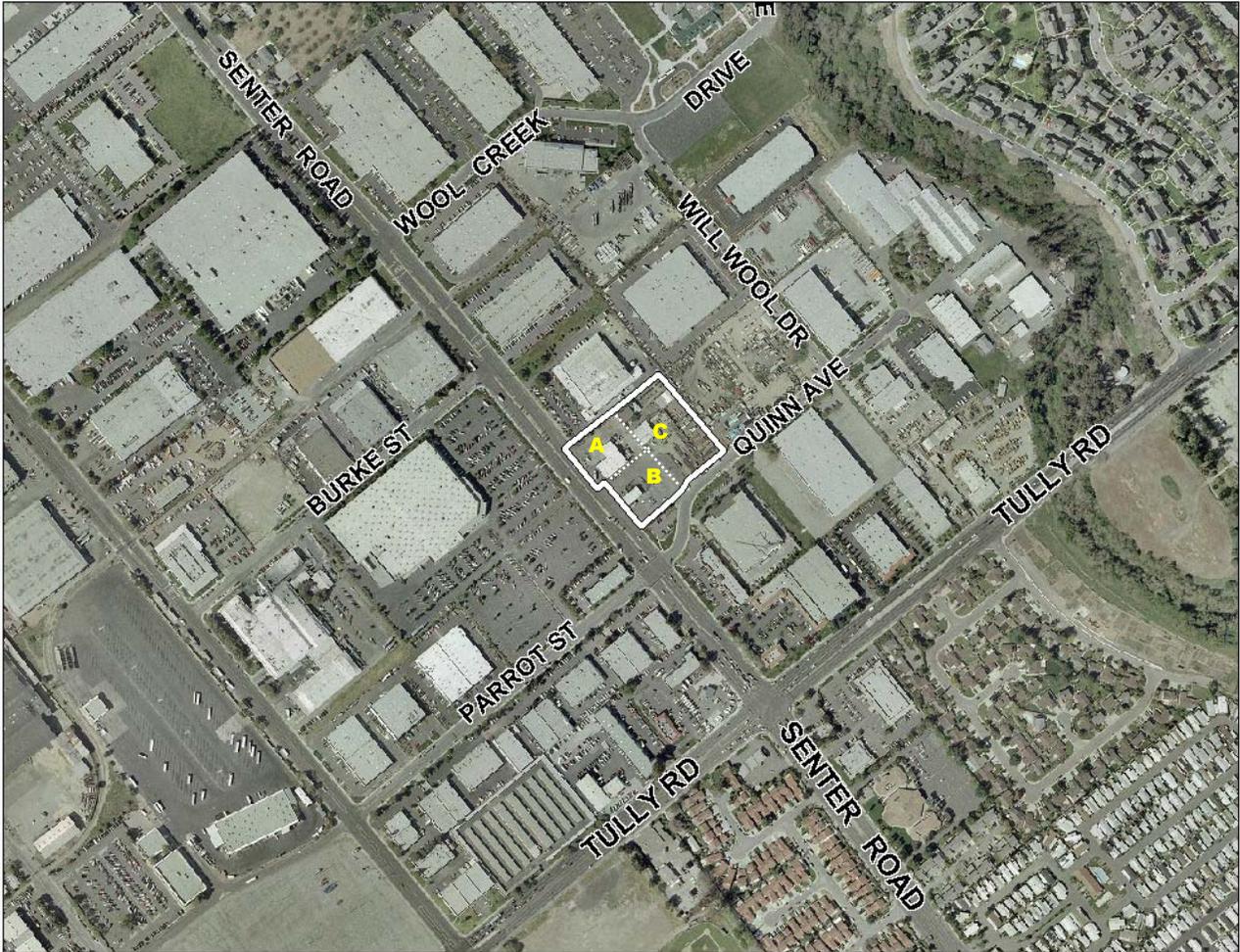


Figure 1. Aerial View of Amendment Site

The subject site is surrounded by light industrial uses to the north, light and heavy industrial uses to the east, neighborhood commercial and office uses to the south, and a large format (“big box”) retail shopping center to the west.



Large format (“big box”) retail shopping center to the west of the subject site



Light industrial business to the north



Neighborhood commercial center to the south

Less than 2,000 feet northerly of the subject site, on the easterly side of Senter Road between Phelan Avenue and Wool Creek Drive, two recently approved General Plan amendments changed sites with the land use designations of Public Park/Open Space and Industrial Park with Mixed Industrial Overlay to High Density Residential (25-50 DU/AC).

General Plan Amendment History

Two of the parcels fronting Senter Road (APN 477-73-041 and 477-73-042) were the subject of a staff-initiated General Plan amendment, File No. GP95-07-05e, approved by City Council in 1995, that added a Non-Industrial Overlay to a larger Industrial Park area consisting of 9.2 acres that included this site. Adding the Non-Industrial Overlay allowed non-industrial uses on the subject site. When the City Council approved the General Plan amendment in 1995, they provided clear direction regarding where non-industrial uses would be allowed to locate in the area.

In 2002, the City Council approved another staff-initiated General Plan amendment, File No. GP02-07-02a, on a larger 75.4-acre site that included all three parcels of the subject site. Staff's original recommendation was to change the General Plan land use designation from Industrial Park with a Non-Industrial Overlay to Combined Industrial/Commercial. Staff later revised the recommended designation to Light Industrial to reflect existing uses and further increase the amount of land designated for industrial uses.

ANALYSIS

The key issues identified in the policy analysis for the subject General Plan amendment are consistency with the *San José 2020 General Plan* Major Strategies, Goals, and Policies, and consistency with the *Framework, as a Guideline, to Evaluate Proposed Conversions of Employment Lands to Other Uses* (Framework). Because the site is located within the Tully-Senter Strong Neighborhoods Initiative (SNI) Area, consistency with the Neighborhood Improvement Plan is also analyzed.

Consistency with the San José 2020 General Plan Major Strategies, Goals, and Policies

The *San José 2020 General Plan* has seven Major Strategies that together provide the “vision” for San José, particularly related to its future growth and development. Two of the seven Major Strategies that are most relevant to this proposed amendment are Economic Development and Sustainable City.

The Economic Development Major Strategy is designed to maximize the economic potential of the City's land resources while providing employment opportunities for San José's residents. The Strategy encourages a balance of industrial, commercial, and residential uses in the City. The Combined Industrial/Commercial designation retains the property in the City's economic base, maintaining the opportunity for compatible industrial or commercial development in the future.

The Sustainable City Major Strategy encourages achieving a relative jobs/housing balance to reduce traffic congestion, pollution, wastefulness, and environmental degradation. The proposed General Plan amendment for a Combined Industrial/Commercial land use designation on the subject site would potentially preserve industrial uses and allow commercial uses that would meet the needs of the residents in the project vicinity. Consequently, the proposed General Plan amendment would further the intent of the Economic Development and Sustainable City Major Strategies.

The proposed General Plan amendment is consistent with the following General Plan goals and policies:

Commercial Land Use Goal: Provide a pattern of commercial development which best serves community needs through maximum efficiency and accessibility. Potential commercial development allowed under the Combined Industrial/Commercial land use designation would provide convenient retail and professional services for existing and future residents located within 2,000 feet of the subject site.

Economic Development Policy No. 7 states that the City encourages a mix of land uses in the appropriate locations that contribute to a balanced economic base, by allowing a variety of industrial and commercial support services as well as high tech manufacturing and other related industrial uses. The proposed General Plan amendment would support a healthy economy by encouraging more commercial or industrial growth to balance existing and future residential

development, providing employment opportunities, and providing a strong economic base for San José.

Economic Development Policy No. 4 states that the City should actively promote economic development by providing areas for exclusive and mixed industrial uses. The proposed General Plan land use designation change from Light Industrial to Combined/Industrial Commercial would facilitate a wider variety of economic development opportunities within the City and is consistent with these goals and policies. The City recognizes that there is a need to identify areas where mixed industrial uses are appropriate. The subject site is located within a larger area that already has a mix of uses, and the proposed General Plan amendment would provide a greater opportunity for compatible commercial uses, or a combination of both industrial and commercial uses.

The General Plan's Industrial Land Use Goal stresses the importance of maintaining a sufficient amount of land for a variety of industrial uses. Under the proposed General Plan land use designation of Combined Industrial/Commercial, the subject site could be developed entirely with commercial uses, which could potentially be inconsistent with the following General Plan policies:

Industrial Land Use Policy No. 3 states that the City should monitor the absorption and availability of industrial land to ensure a balanced supply of available land for all sectors. The conversion of the subject site to the Combined Industrial/Commercial land use designation would not necessarily result in a net change in the number of jobs on the site. However, it would result in a shift of jobs from Business Support Industries to Household-Serving businesses. Although the subject site is a relatively small area, this proposed General Plan amendment has the potential of further compromising an existing industrial area and adding to the cumulative impact of industrial land loss.

Industrial Land Use Policy No. 14 states that non-industrial uses which would result in the imposition of additional operational or mitigation requirements, or conditions on industrial users in neighboring exclusively industrial areas in order to achieve compatibility are discouraged.

The addition of commercial uses on the subject site could potentially create land use conflicts with the existing industrial uses to the east and north of the site. In order to minimize this possibility, Planning staff recommends that the Planned Development zoning district currently proposed under File No. PDC 04-111, include standards and conditions to address land use compatibility within the subject site and with the surrounding land uses.

Industrial Land Use Policy No. 15 states that exclusively industrial areas should be reserved for industrial uses to the extent possible. Although the subject site is not located within an identified employment subarea, the site is located easterly and immediately adjacent to the Monterey Corridor 2 subarea, which the Framework indicates should be preserved for Driving and Business Support industries.

The area between Senter Road and Coyote Creek is currently designated for industrial uses. Although the parcels surrounding the subject site on the north, east, and south have Light Industrial General Plan land use designations, Planning staff has observed that the existing uses fronting along this portion of the easterly side of Senter Road already exhibit a mix of industrial and commercial elements. The change of the General Plan land use designation on the subject site to allow commercial as well as industrial uses would therefore be consistent with the pattern of uses established on parcels to the south of the subject site that front along the easterly side of Senter Road.

Framework to Evaluate Proposed Conversions of Employment Lands to Other Uses

The intent of the *Framework, as Guideline, to Evaluate Proposed Conversions of Employment Lands to Other Uses* (Framework) is to create more certainty and predictability in the review of employment land conversion proposals while retaining flexibility to respond to changing conditions, information, and policy considerations. The subject site abuts the Monterey Corridor 2 subarea, which is located to the west of the subject site across Senter Road (Figure 2). The Framework generally indicates that this subarea should be preserved for Driving and Business Support industries. Although the site is just outside of this subarea, it is a potential industrial conversion to commercial uses, and therefore staff has evaluated the proposal according to the criteria identified in the Framework. Staff concluded that the proposed amendment would meet some, but not all, of the criteria for conversion. The discussion on the Framework's overall criteria for evaluation of proposed conversions to commercial and other household-serving industries is included in Attachment A.

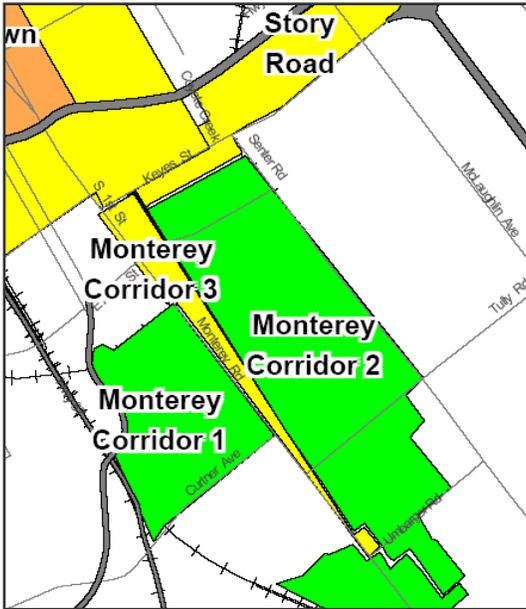


Figure 2. Monterey Corridor 2 Subarea

Consistency With the Tully-Senter Neighborhood Improvement Plan

The Tully-Senter Neighborhood Improvement Plan does not identify a specific land use plan for the immediate area surrounding the subject site. The proposed General Plan amendment would, however, help achieve the land use goal identified in the Neighborhood Improvement Plan to retain a wide variety of housing and commercial retail shopping opportunities.

Land Use Compatibility

The proposed Combined Industrial/Commercial land use designation on the site would allow a greater flexibility of uses because either commercial or industrial uses would conform to the designation. It is intended for areas that exhibit a mixed land use pattern. The uses of the Industrial Park, Light Industrial, General Commercial and Neighborhood/Community Commercial land use categories are all consistent with this designation.

The change to Combined Industrial/Commercial on the 3.86-acre site would be compatible with surrounding land uses given the context of the existing community. The subject site is surrounded by light industrial uses to the north and light and heavy industrial uses to the east. Areas to the west and south already contain a mix of industrial and commercial uses, including neighborhood commercial and office uses to the south and a big box retail shopping center to the west. Allowing commercial uses with the proposed designation would therefore be compatible with the existing mix of industrial and commercial uses to the west and south. A compatible mix of industrial and commercial uses on the subject site would

provide a transition between the existing commercial uses to the south of the site and the existing industrial uses to the west and north of the site.

In order to avoid further compromising the integrity of the nearby industrial uses, the proposed uses should be conditioned in the pending Planned Development zoning application and in future permits to avoid land use incompatibilities. All future development should also be required to conform to the City's Industrial and Commercial Design Guidelines.

Environmental Review

An Initial Study was prepared for the proposed General Plan amendment and the subsequent Rezoning from IP - Industrial Park to LI (PD) Planned Development zoning district and a Mitigated Negative Declaration was circulated for public review by the Director of Planning, Building and Code Enforcement on April 22, 2005 and adopted on May 11, 2005. The Mitigated Negative Declaration identified mitigation measures in the following categories: Air Quality, Cultural Resources, Hazards and Hazardous Materials, Hydrology and Water Quality, and Noise.

Conclusion

The proposed General Plan amendment would potentially increase commercial uses in the project vicinity, while resulting in a potential loss of Business Support industrial jobs. Approval of the proposed General Plan amendment would provide a balanced outcome of preserving industrial land while addressing the need for additional commercial uses for the residents and workers in the project vicinity. The Planning Development (PD) zoning application that is under concurrent review should include limitations on the type of uses allowed on the subject site to ensure compatibility with existing industrial uses in the neighboring area.

PUBLIC OUTREACH

Staff presented the proposed General Plan amendment to the Tully-Senter Strong Neighborhood Coalition on November 4, 2004. The attendees had no objection to the proposal. They expressed the need for additional commercial uses because there has been residential development approved within proximity of the subject site.

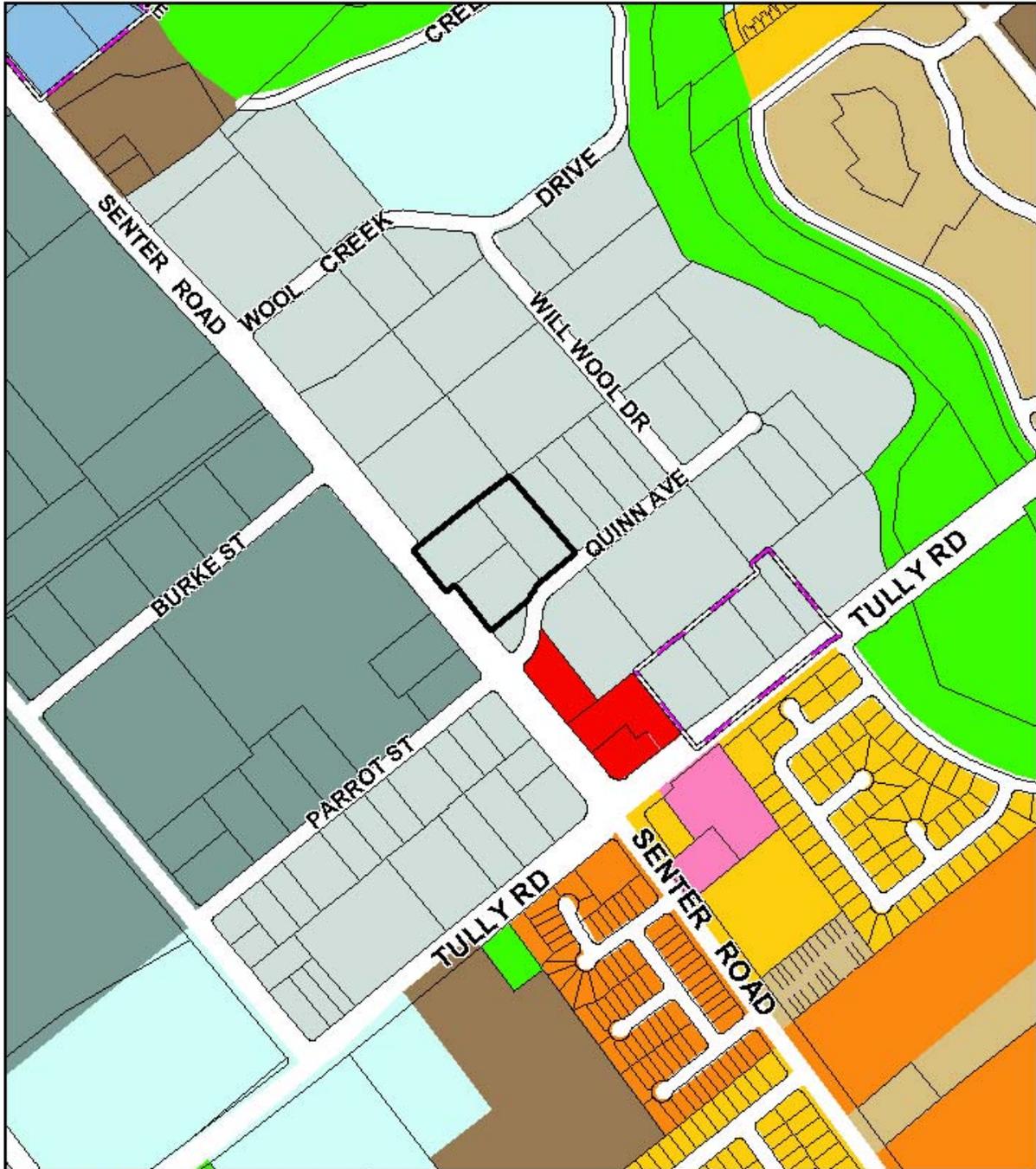
The property owners and occupants within a 1,000-foot radius were sent a newsletter regarding the two community meetings that were held on April 25 and 26, 2005. They also received a notice of the Mitigated Negative Declaration and a notice of the public hearings to be held on the subject General Plan amendment before the Planning Commission and City Council. Information regarding this General Plan amendment, the General Plan process, staff reports and hearing schedules have also been made available to the public on the Department's web site. Staff has also been available to answer questions from the public.

RECOMMENDATION

Planning staff recommends approval of the proposed change to the General Plan Land Use/Transportation Diagram designation from Light Industrial to Combined Industrial/Commercial on 3.86 acres.

Attachments

GP04-07-03




CITY OF
SAN JOSE
SAPPHIRE OF SILICON VALLEY
Department of Planning, Building
and Code Enforcement
Planning Services Division

-  SITE
-  Mixed Industrial Overlay


N
Scale 1" = 500'
Quad: 100

Attachment A

Discussion of Framework Criteria for Evaluation of Proposed Conversion to Commercial And Other Household-Serving Industries

A. Economic contribution of the Subarea: What is the economic contribution of the subarea to the San José and Silicon Valley economy and job base? How would this economic contribution be enhanced or reduced by the proposed conversion?

The subject site is adjacent to the Monterey Corridor 2 subarea, which is identified in the *Fiscal Impact Study* as one of the employment areas where Business Support industrial employment predominates. These subareas have over 60 percent of their employment in Business Support Industries. Each one includes a significant proportion of jobs in Building, Construction, and Real Estate; Industrial Services and Supplies; and Transportation and Distribution. While nearly all of these uses tend to be lower density and pay lower rents than the Driving Industries, they are all critical to the efficient functioning of both the Driving Industries and the Household-Serving Industries. If uses like these were to be displaced from San José, operating costs for Driving Industries and Household-Serving Industries could increase, and the City would lose critical suppliers of mid-wage jobs.

The Monterey Corridor 2 subarea supports approximately 9,200 jobs, 92% of which belong to the Business Support industries. The largest employers in this subarea are Transportation/Distribution (25% of employment), Building/Construction/Real Estate (14% of employment), Retail/Consumer services (14%), Business Service (12%), and Industrial Supplies and Services (11%).

The conversion of the amendment site to the Combined Industrial/Commercial designation would not necessarily result in a net change in the potential number of jobs on the site. However, the proposed land use designation would allow the site to be developed entirely with commercial uses and would result in a shift of jobs from Business Support Industries to Household-Serving businesses. Although the subject site is a relatively small area, this General Plan amendment could potentially further compromise an existing industrial area and add to the cumulative impact of industrial land loss.

B. Consistency with City Policies and Strategies: How do the proposed conversion and specific proposed use(s) and intensities advance the City's policies and strategies as contained in the General Plan, Specific Plans, and other strategic documents?

As discussed previously in this staff report, the proposed General Plan amendment is consistent with two of the seven Major Strategies in the General Plan and several Goals and Policies. However, it is potentially inconsistent with two Industrial Land Use policies.

C. Fulfilling the City's retail needs: How does the proposed commercial retail meet the City's need for community-serving and/or neighborhood-serving retail?

Under a pending Planned Development zoning application, the applicant is proposing a neighborhood commercial center that would help meet the needs of residents and workers in the project vicinity.

D. Adequacy of major street access: What streets directly serve the proposed site?

The subject site is directly served by Senter Road, an arterial, and Quinn Avenue, a local street. As a condition of approval of the pending Planned Development zoning application, future development would dedicate right-of-way along Senter Road frontage for street widening.

E. Potential to influence/encourage conversion of adjoining properties: How might the proposed commercial use induce or pressure adjacent or nearby properties to convert to commercial use? How might the proposed conversion create a transition, thereby protecting existing industrial lands from additional conversions?

There is a possibility that the proposed change would be a catalyst to induce future conversions of surrounding industrial properties, especially those along the Senter Road frontage. The proposed General Plan amendment could further erode the integrity of the larger industrial area. Placing a new commercial project adjacent to the existing industrial uses could negatively affect the viability of the existing industrial operations and pressure them to convert to commercial uses. In order to minimize the pressure for conversion, the proposed Planned Development zoning district should include standards and conditions to ensure compatibility both within the subject site and with the surrounding land uses.

F. Potential negative impact to other planned commercial development areas (e.g., Downtown): How would the proposed commercial development affect other planned commercial areas?

Due to the relatively small area of the subject site, future proposed commercial development would likely serve only the immediate neighboring area, and would not have a negative impact on other planned commercial development areas.

G. Adequacy of transit, bicycle, pedestrian facilities: Where are the nearest existing and planned transit, bicycle and pedestrian facilities? How does the proposed commercial use support transit or hinder its use? How does the introduction of proposed commercial uses promote pedestrian activity and minimize vehicle trips?

The subject site is less than 2,000 feet from the nearest residential development, which is within walking distance. Potentially the project would encourage pedestrian activity. By locating retail services closer to residential development, the project would help reduce the length of vehicle trips for shopping purposes.

H. Incorporation of mixed use development: How does the proposed development incorporate a mix of compatible uses?

The LI(PD) zoning district would allow both light industrial uses and select commercial uses that conform with the Combined Industrial/Commercial General Plan designation. The Planned Development zoning district should include standards and conditions to create compatibility both within the subject site and with the surrounding land uses.

I. Potential environmental impacts and mitigation measures: What are the potential environmental impacts and are mitigation measures included in the proposal?

Environmental impacts of the proposed General Plan amendment are discussed in detail in the section of this staff report entitled "Environmental Review."

J. Net fiscal impact on the City of using this parcel for retail instead of the current use: What is the potential fiscal impact on City revenue and service costs?

The change of the site's General Plan land use designation from Light Industrial to Combined Industrial/Commercial would not necessarily result in a net change in the potential number of jobs on the subject site. However, it may result in a shift of jobs from Business Support Industries to Household-Serving businesses. The proposed change in land use from Light Industrial to Combined Industrial/Commercial would likely have a minimal fiscal impact on City revenue and would not substantially increase service costs.