COUNCIL AGENDA: 12-06-05
ITEM: 4.5

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Stephen M. Haase

SUBJECT: **SAN JOSE MEDICAL CENTER LAND USE-HEALTHCARE STUDY**

DATE: December 6, 2005

Approved

Date 11/23/05

COUNCIL DISTRICT: 3
SNI AREA: 13th Street

RECOMMENDATION

That the Council accepts the proposed work plan and direct staff to begin implementation, returning at the conclusion of the Land Use-Healthcare Study with a consensus land use plan that includes associated general plan amendments and zoning changes required for the redevelopment of the former San José Medical Center site.

BACKGROUND

At the August 30, 2005 City Council meeting, the administration was directed to return within 45 days with a work plan for a stakeholder-based community planning process to evaluate the reuse of the former San José Medical Center (SJMC) site and surrounding properties on East Santa Clara Street. The Staff was also instructed to clarify the funding strategy for an open, public planning process and include specific implementation goals.

ANALYSIS

Given the highly sensitive nature and immense potential impact of this land use decision on the downtown San José community, the Staff believes that it is important to undertake a thorough, inclusive community planning process to determine the future of the former SJMC property. While this site is along the Santa Clara business corridor, it is also in the heart of a vital redevelopment and 13th Street Strong Neighborhoods Initiative area.

Attached is a draft work plan that incorporates extensive community participation in a land use study of the HCA property, which includes the adjoining properties on East Santa Clara Street. The work plan establishes the process for considering the work of consultants, participation of the community, and ultimate recommendations for land use changes to the General Plan and zoning pertaining to this property. The work plan is divided into four phases:
(1) Defining Consultant's Scope of Work, (2) Hiring and Working with the Consultant, (3) Evaluation of Choices, and (4) Defining a Recommendation to City Council. Please see the table for a breakdown of steps involved in these phases.

Two types of consultants are proposed to be utilized for this project; a land use planner to assist with creating alternative scenarios for redeveloping the SJMC site and a healthcare consultant to identify the medical uses in demand in the area. These two areas of expertise will provide a greater ability to accommodate various uses on the property and provide feasible alternatives that are developed in a financially prudent manner.

Although the work plan elements are proposed to be funded by the SJMC property owner, HCA, the consultant selection and definition of the study's scope would be by the City, who in turn would work in close conjunction with the broader community. Staff costs would be charged to HCA on a time and materials basis. Staff has estimated the costs for this work plan at approximately $100,000. To date, specific quotations have not been solicited by staff from consultants. If the work plan is accepted by the City Council, staff would prepare a short list of potential consultants, prepare a draft scope of work, and receive quotations for the desired work.

The first step of initiating the community process pertains to the consultant selection process. Staff will meet with the community to review the draft scope of work for the land use and healthcare consultants. Staff wants to ensure that they have the benefit of the community's input prior to the contracts being finalized. As with any project, staff will reserve the right to determine the final scope of each consultants work.

The consultants will produce work that will be shared with the community over a multi-month period to afford the community the ability to fully review proposed alternatives. The combination of land use and healthcare methods of analysis will include examining the potential of a comprehensive outpatient health services facility (i.e. Gardner Health Clinic) and the viability of future expansion into a full service hospital. The study will also investigate the opportunities of including a diverse range of housing, including a continuing care retirement community (i.e. Cornerstone Affiliates). These ideas will be considered, along with the other economic and social issues the wider community advocates, in the analysis of various land use options. These studies will clarify what the neighborhood most needs, identify the highest and best use of the former SJMC site under different scenarios and help the stakeholders discuss the merits of the different scenarios that will be considered.

The community will evaluate the various alternatives through a series of public meetings and staff will use their input to select a preferred option. At the conclusion, the anticipated outcome is a series of recommendations for the long term redevelopment of the HCA property that the

City would utilize in reviewing any proposal by HCA for reusing the property. Additionally, the study will explore the revitalization opportunities along the East Santa Clara Street corridor near the HCA property.

OUTCOMES

While each phase's outcome is listed in the attached table, the overall desired outcome is achieving a consensus-based land use plan, which reflects the highest and best use of the former SJMC property. This plan will be based on the findings from the community driven, dual land use and healthcare study.

PUBLIC OUTREACH

The Land Use-Healthcare Study will be conducted pursuant to the City Council policy on public outreach. A preliminary list of interested stakeholders is attached after the work plan.

COORDINATION

This memo was coordinated with the Office of Economic Development, Redevelopment Agency, and Planning, Building and Code Enforcement Department.

CEQA

Not a project.

STEPHEN M. HAASE, DIRECTOR
Planning, Building & Code Enforcement

	Course of Action	Goal	Estimated Timeframe
Phase 1: Defining Consultant's Scope of Work	▪ Secure and enter a funding agreement with HCA that will provide payment for City staff and material costs associated with this land use-healthcare study ▪ Identify additional stakeholders ▪ Schedule and publicize a community meeting ▪ Conduct the meeting to solicit input on: ▫ the needs of the neighborhood ▫ potential consultants ▫ pinpointing key questions ▪ Include the participation of other departments that have an interest in this project: ▫ PRNS (to incorporate open space requirements) ▫ Fire (in relocating Fire Station #8) ▫ Housing (to help define the appropriate type of residential development in this area) ▪ Prepare draft scope of land use and health care studies	▪ Gather community input on defining the consultant's scope of work ▪ Include community's concerns from the very beginning of the planning process ▪ Ensure that the community's diverse array of needs are being considered in the study	December 2005 to February 2006
Phase 2: Hiring and Working with the Consultant	▪ Finalize scope of land use and health care study ▪ Facilitate the work contract between HCA and selected consultants ▪ Provide consultants with any background information (i.e. Zaretsky Study) ▪ Monitor and track consultants' progress ▪ Continue communicating with stakeholders	▪ Hire consultants that clearly understand our expectations and are capable of fulfilling our analysis needs ▪ Make certain that consultants deliver what we need in a timely manner	January 2006 to April 2006

Phase 3: Evaluation of Choices	▪ Schedule and publicize community meeting(s) ▪ Conduct the meeting(s) with various stakeholders to: ▫ review findings ▫ present four or five different land use options that incorporate both the results of the health care study and land use assessment ▪ Collaborate on identifying one or two acceptable land use plans for future development ▪ Continue to use consultants to create better options and evaluate the associated economic and social impacts	▪ Encourage community discussion and facilitate their input into the planning process ▪ Test feasibility of various land use options ▪ Come up with one or two viable options that are agreeable to parties involved	March 2006 to August 2006
Phase 4: Defining a Recommendation to City Council	▪ Fully analyze the feasibility of the final two options ▪ Ensure all components of analysis were conducted and we have necessary information to support suggestions ▪ Prepare the preferred alternatives with concrete general plan and zoning changes for final recommendation to the City Council	▪ Propose the highest and best use of the former SJMC site, as determined by the consensus-based course of action ▪ Identify and recommend the preferred land use plans	August 2006 to September 2006

Community Planning Process: Preliminary List of Interested Stakeholders*

Community-based Organizations/Foundations

- All downtown Neighborhood Advisory Committees, including the 13th Street NAC
- Campus Community Association
- City Center Ministry
- Community Foundation of Silicon Valley
- Community Health Partnership
- Community Homeless Alliance Ministry (CHAM)
- Horace Mann Neighborhood Association
- Julian St. James Neighborhood Association
- Mexican American Community Services Agency (MACSA)
- Save San José Medical Center Coalition (SSJMCC)
- The Northside Neighborhood Association
- Working Partnerships USA

Labor Community

- California Nurses Association
- SEIU United Healthcare Workers–West
- South Bay Labor Council

Business/Healthcare Community

- Cornerstone Affiliates (including Sunrise Senior Living, American Baptist Homes of the West (ABHOW), and Greystone Communities, Inc.)
- East Santa Clara Street Neighborhood Business District (NBD)
- Gardner Family Health Network
- Hospital Corporation of America (HCA)
- Planned Parenthood
- Local property and business owners, including over 130 medical businesses
- San José Downtown Association
- Santa Clara Valley Health & Hospital System (SCVHHS)
- South Bay Children's Medical Center/Urgent Care
- The Health Trust
- Volunteer healthcare experts

Public Sector Organizations

- City of San José
- Office of Statewide Health Planning and Development (OSPHD)
- San José State University
- Santa Clara County Health and Hospital System
- Valley Transportation Authority (VTA)

**Please note that this is an initial list of stakeholders and is not exhaustive of all those interested in the community planning process. In addition to the organizations listed, downtown neighborhood residents will be invited to participate and input their ideas.*