



MILPITAS PLANNING COMMISSION AGENDA REPORT

PUBLIC HEARING

Meeting Date: May 28, 2008

APPLICATION: **TRANSIT AREA PROJECT (EA08-0001, GP08-0002, SP08-0001, ZA08-0002)**

APPLICATION SUMMARY: The Transit Area Plan Specific Plan, Environmental Impact Report, and related amendments to the General Plan and Zoning Ordinance are collectively referred to as the Transit Area Project.

LOCATION: The Transit Area encompasses 437 acres in the southern portion of the City bounded by South Milpitas Boulevard to the east, Lower Penitencia Creek to the west, and the Great Mall to the north.

RECOMMENDATION: **Staff recommends that the Planning Commission:**
1. Close the public hearing; and
2. Adopt Resolution No. 08-018 recommending the City Council approve the Transit Area Project.

ATTACHMENTS:

- A. Resolution No. 08-018 (with draft City Council Resolutions and Ordinance 38.777 as attachments)
- B. May 2008 Transit Area Specific Plan
- C. Correspondence received
- D. Final EIR (previously distributed)
- E. October 2007 Draft EIR (previously distributed)
- F. 4/17/08 Memo from City Attorney
- G. 5/5/08 PRCRC meeting minutes
- H. Past City Council & PC reports and minutes

PLANNER: James Lindsay, Planning & Neighborhood Services Director

PROJECT DESCRIPTION

The Transit Area Project consists of the following elements:

1. **Specific Plan (SP08-0001):** Contains the policy framework for development within the Transit Area, building standards and design guidelines, and implementation measures. The May 2008 Plan incorporates the changes referenced in the Final EIR and other corrections made to the October 2007 Draft Plan.
2. **Environmental Impact Report (EA08-0001):** Consists of (1) the Draft Environmental Impact Report (EIR) that was circulated for public review between November 7, 2007 and December 21, 2007; and (2) the Final EIR which contains the comments received during the review period and the responses to the comments with resulting changes to the Draft Specific Plan.
3. **General Plan Amendments (GP08-0002):** Proposed changes to the General Plan to obtain consistency between the General Plan and the Specific Plan.
4. **Zoning Ordinance Text and Map Amendments (ZA08-0002):** Changes to the Zoning Ordinance text and map to start the implementation of the Specific Plan.

The Planning Commission was provided copies of the October 2007 Draft Specific Plan and the Draft EIR in November 2007 and the Final EIR in the packet for the May 14th meeting. The May 2008 Specific Plan has been provided in the Commission's agenda packet for this meeting.

PROJECT BACKGROUND

The Transit Area Specific Plan began as an implementation effort of Midtown Specific Plan Policy 7.5 which identified the need to create a specific development plan for the parcels around the Capitol Avenue Light Rail station and the future Bay Area Rapid Transit station. By late 2004 the Valley Transportation Authority had created initial design concepts of the future Montague BART station and there was growing interest in re-developing the properties along Piper Drive and the north side of Montague Expressway. These events and the need to create a specific development plan for the area lead the City to retain the consulting firm Dyett & Bhatia Urban and Regional Planners to develop what would eventually become the Transit Area Specific Plan.

The TASP was created in two phases. Conceptual Visioning Plans were completed in Phase I after a series of interviews with property owners and developers (the stakeholders), a design workshop and charrette, and a community meeting. The Planning Commission reviewed the concepts at both meetings in March 2005 and recommended the City Council initiate Phase II to start work on the specific plan to further study two of the concepts. The Council approved those recommendations in April 2005.

The two concepts were further refined after another series of stakeholder interviews and detailed land use plans, fiscal impact analysis, and other background studies were prepared. The concepts had evolved into two alternatives that were presented to the City Council in May 2006:

1. Draft Preferred Plan which included 7,185 residential units, 813,343 square feet of office space, 520,026 square feet of retail space, and 175,500 square feet of hotel space.
2. Draft Preferred Plan – Reduced Residential Alternative which included 5,601 residential units, 762,732 square feet of office space, 470,795 square feet of retail space, and 175,500 square feet of hotel space.

The Council selected the Draft Preferred Plan with the higher density to support the existing and planned transit facilities in the area and to support further retail growth.

A number of issues surfaced after further economic analysis and additional feedback from the stakeholder group which lead to a reduction in the number of residential units from 7,185 to 7,109, a reduction in the amount of retail space from 520,026 to 287,075 square feet, and an increase in the amount of office space from 813,343 to 993,843 square feet. The City Council approved these changes at their December 19, 2006 meeting. The Draft Environmental Impact Report and draft Specific Plan were released for public review in November 2007. The Finance Plan was started in December 2007 and will be completed in August 2008 with anticipated adoption of the implementing ordinances and resolutions.

SPECIFIC PLAN

The Transit Area Specific Plan establishes an overall vision (restated below) for the area that would be implemented through the policies, development standards, design guidelines, and public improvements contained within the plan.

Vision Statement: *Create attractive high density neighborhoods with a mix of land uses around the light rail stations and future BART station in Milpitas. Create pedestrian connection so that residents, visitors, and workers will walk, bike, and take transit. Design streets and public spaces to create a lively and attractive street character, and a distinctive identity for each subdistrict.*

Land Use

The framework for land use intensity, circulation, and open space is illustrated in Figure 3-1 and is guided by the following land use principles:

- Develop the Transit Area with high intensity land uses that take advantage of the major public investment in transit.
- Locate the highest densities on the properties closest to the future BART station and existing Montague light rail station.
- Maintain commercial uses at and around the Great Mall.
- Locate a mix of uses including hotel, residential, and office, along Montague Expressway and Great Mall Parkway.
- Locate residential neighborhoods at the interior of the subdistricts.
- Locate parks within each subdistrict to be easily accessible for residents.
- Provide opportunities for hotels in locations where they can be successful.
- Retain light industrial/R&D uses located opposite similar uses in San Jose.

The Plan creates new land uses that are similar to existing ones created by the Midtown Plan but allow and in some instances require higher densities. A new density bonus has also been created

to allow even greater density for the properties closest to the future BART and existing light rail stations. The new land use categories are summarized below with further detail provided in Specific Plan Table 3-1.

Boulevard Very High Density Mixed Use: This classification is intended to provide high-density housing, retail, and employment along Montague Expressway with a landscaped boulevard character. Projects may include a wholly residential or non-residential concept or a project that integrates residential and non-residential uses vertically or horizontally. Permitted uses include residential, office, commercial, and medical uses. Sites developed with a mix of uses, or non-residential uses, must adhere to the FAR maximum which ranges from 1.5 to 2.25. Residential projects shall have a minimum average gross density of 41 units per acre and can be built up to between 60 to 90 units per acre. An FAR of 2.5 may be permitted on individual sites with approval of a conditional use permit by the Planning Commission.

Residential – Retail High Density Mixed Use: This district is intended to be a true mixed use area with retail, restaurants, and services on the ground floor, and residential or office uses on the floors above. The residential density is a minimum average gross density of 31 units per acre and a maximum of between 40 and 60 units per gross acre. In addition, 200 square feet of retail or restaurant space is required per unit, using the minimum density (i.e. the requirement is based on the number of units required to meet the minimum density). Sites may be developed for office and hotel uses without residential development, although ground floor retail or restaurant square footage will still be required. For nonresidential projects, the maximum FAR ranges from 1.5 to 2.25. However, there is no FAR limit for hotels. An FAR of 2.5 may be permitted on individual sites with approval of a conditional use permit by the Planning Commission.

Very High Density Transit Oriented Residential: Intended to create residential districts near BART and light rail stations, this designation requires housing to be built at an average density of at least 41 units per gross acre, up to a maximum between 60 and 90 units per gross acre. Small local-serving commercial uses are permitted at the ground floor level, including retail, restaurants, and personal services uses.

High Density Transit Oriented Residential: A classification similar to the Midtown Plan's Multifamily Very High Density designation, these properties are intended for medium-density residential neighborhoods further from BART, at the interior of subdistrict neighborhoods. A minimum average gross density of 21 units per acre is required, up to a maximum of 40 units per acre. Residential and related uses are allowed, but not commercial uses.

Retail Transit Oriented: This designation provides for retail, hotel, and office uses located immediately south of the Great Mall. Although active uses already exist in this area, infill or redevelopment would be permitted at up to a maximum gross FAR of 2.5.

Density Bonus: A Transit Oriented Development Overlay (TOD) density bonus is available to sites closest to the light rail stations and future BART station, which allows up to a 25% increase in maximum allowable density. An additional density bonus of up to 25% may be allowed on these sites with the approval of a conditional use permit (CUP). Both bonuses are reflected in the maximum densities stated in the land use categories above. The criteria for approval of a CUP granting the additional 25% density bonus is as follows:

- The project provides public benefits, which include but are not limited to: public improvements to create comfortable, attractive, and direct walking routes from the building entrances to the nearest transit station; mid-rise or high-rise buildings along the

arterials that enhance the visibility and identity of the Transit Area; and public open space which exceeds minimum requirements; and

- The development project sites are located within the density bonus area as shown on Figure 3-1 of the Transit Area Plan, which defines areas within reasonable walking distance to the BART and/or light rail stations; and
- The development projects are consistent with the policies of the Transit Area Specific Plan, and any exceptions requested meet the required findings under Chapter 57; and
- The additional density allowed will require additional CEQA review to ensure that the increase will not result in impacts beyond those indentified in the Transit Area Plan EIR.

Neighborhood Retail Locations (Active Ground Floor Commercial Uses Required): The purpose of this requirement for the specific locations identified in Specific Plan Figure 3-1 is to ensure that commercial uses are available within walking distance throughout the Transit Area. A minimum of 5,000 square feet of commercial uses is required at the ground floor of building(s) built on the property. Permitted uses include retail, restaurants, and personal service uses such as copy shops, hair salons, etc.

The table below illustrates the shift in land usage within the Transit Area at buildout.

Existing / Proposed Land Use Acreage (excerpts from DEIR Tables 3.1-1 & 2)

	Existing		Specific Plan	
	Acres	% of Total	Acres	% of Total
Residential	13	3%	143	33%
Mixed Use	0	0%	80	20%
Retail / Commercial / Office	126	29%	126	29%
Industrial / R&D	221	51%	8	2%

The Specific Plan sets a density (minimum & maximum) range for all the parcels within the Transit Area. To estimate the public facility and utility needs an assumption was made that 90% of the midpoint of these ranges would be built.

Specific Plan Table 3-4: Projected New Development in the Transit Area

	Existing	New Development	Total Development: New + Remaining
Dwelling Unit Projections	468		
Minimum		6,440	6,908
Maximum		9,358	9,826
<i>Planning Assumption</i>		7,109	7,577
Population Projections	1,179		
Minimum		16,229	17,408
Maximum		23,582	24,762
<i>Planning Assumption</i>		17,915	19,094
Total Office Area (square feet)	52,780		
Minimum		838,429	891,209
Maximum		1,370,111	1,422,891
<i>Planning Assumption</i>		993,843	1,046,623
Total Retail Area (square feet)	1,972,457		
Minimum		280,894	2,237,317
Maximum		357,050	2,313,473
<i>Planning Assumption</i>		287,075	2,243,498
Total Hotel Area (square feet)	177,289		
Minimum		175,000	352,289
Maximum		215,000	392,289
<i>Planning Assumption</i>		175,500 (350 Rooms)	352,789
Total Industrial Area (square feet)	3,129,166	(2,986,000)	143,143

Parks & Open Space

In 2002 the City of Milpitas established an open space standard for much of the Specific Plan area when it approved the Midtown Specific Plan. The Midtown Plan sets a requirement for all new development to provide 3.5 acres of parks and open space per 1,000 people. At least 2.0 acres per 1,000 people are to be publicly accessible parks. The Transit Area Specific Plan accepts this requirement, and provides additional details and guidelines for implementation within the Transit Area.

The Specific Plan provides for a wide range of residential development potential. The land use designations of the Specific Plan provide for a minimum of 5,000 new housing units, but no more than 9,350 housing units. Within that potential development range is an expected development potential of 7,109 residential units, providing housing for approximately 17,914 people (at 2.52 people per unit).

- By applying the Public Park requirement of 2.0 acres per 1,000 people to the expected new population of 17,914 people within the Transit Area, the Specific Plan requires approximately 36 acres of Public Parks to be provided along with new residential development within the Transit Area.
- Additionally, there is a requirement for 1.5 acres of private open space per 1,000 people (to complete the full 3.5 acres per 1,000 people requirement). Applied to the expected population of 17,914 people, the Specific Plan also requires approximately 27 acres of private open space to be provided as part of new residential development within the Transit Area.

The Specific Plan provides for three main types of public parks within the Transit Area. These park types include:

Parks and Plazas: The parks and plazas are intended to be urban in form (i.e., not large expanses of open space). They are intended to be the focus of new development within the Transit Area, and thus tend to be located within the center of new residential neighborhoods. Typically, a Public Plaza is distinguished by hardscape, whereas a Public Park is distinguished by landscape vegetation. Public Parks and Plazas specifically designated under the Specific Plan (see Figure 3-6 of the Specific Plan) include a total of approximately 21.8 acres, divided among the following:

- Approximately 3.3 acres within the Piper-Montague subarea are designated for two smaller urban parks. These parks are anticipated to provide for passive recreational opportunities and include trees, paths, benches, and perhaps a tot lot.
- Approximately 1.7 acres of land south of Montague and along Berryessa Creek is designated as a trailhead park, anticipated to include benches, parking and picnic tables.
- Another approximately 3 acres of land within the Trade Zone/Montague subarea and along East Penetentia Creek is also designated as a trailhead park, anticipated to include benches, parking and picnic tables.
- An approximately 0.8 acre park is designated as a BART Station plaza, with benches, trees, public art, etc.
- Approximately 5.1 acres within the lower portion of the Trade Zone/Montague subarea are designated as a public park. This park is anticipated as a sports field with basketball and soccer facilities.

- The largest park within the Transit Area is the approximately 7.0 acre park which straddles both the McCandless/Centre Point subarea and the Montague Corridor subarea, immediately south of East Penitencia Creek. This park is envisioned to contain a community facility or school site, plus sports fields and passive recreation opportunities.

An urban plaza is designated in the upper portion of the McCandless/Centre Point subarea, in what is anticipated to be a mixed-use residential and retail area. This approximately 0.9 acre plaza is anticipated to include benches, trees, food kiosks, public art, etc. Public Parks/Plazas are counted 100% toward fulfillment of the public park requirement, accounting for a total of 21.8 acres.

Linear Parks: Linear parks and trails are designated along Berryessa Creek, East Penitencia Creek, Lower Penitencia Creek, and along the rail line. Linear parks can also be provided along public utility easements. The linear parks provide pedestrian and bike trails that connect the subdistricts of the Specific Plan together, and connect the Transit Area to the larger regional bike and pedestrian trail system. As indicated in Figure 3-7 of the Specific Plan, Linear Parks are to be a minimum of 25 feet wide, starting from the top of bank of the creek, or from the edge of any existing maintenance road. The Linear Parks include a 10-foot wide pedestrian/bike path. The total length of the linear park system within the Transit Area is approximately 13,240 feet, amounting to 7.6 acres. Additional trailhead parks and linear park connections provide an additional 1.6 acres of Linear Park acreage. Linear Parks are counted 100% toward fulfillment of the public park requirement, accounting for a total of 9.2 acres.

Landscaped Buffers: Each of the major streets within the Transit Area (Great Mall Parkway/Capitol Avenue, Montague Expressway, McCandless Drive, Milpitas Boulevard Extension, Piper Drive and Trade Zone Boulevard) are required to provide a landscaped front yard or buffer between the curb and the building face. These front yards and landscaped buffers vary in width depending upon the street and street segment, but are intended to create an attractive edge along these major roads and buffer the future residents and workers within the Transit Area from heavy traffic. Landscaped Buffers are counted 20% toward fulfillment of the public park requirement.

Altogether, the Public Parks designated in the Specific Plan include:

- 21.8 acres of parks and plazas, and
- 9.2 acres of Linear Parks, for a total designated public park program of 31 acres.
- The difference between the 31 acres of designated Public Parks and the anticipated requirement of approximately 36 acres of Public Parks will need to be provided with wide landscape buffers/trails and other additional publicly-accessible park land to be provided at the time of residential development.

The City's Parks Recreation and Cultural Resources Commission reviewed the Specific Plan at their meeting of May 8, 2008, and recommended the City Council enter into a joint use agreement with Milpitas Unified School District for a 30 acre community park in the Transit Area Specific Plan

GENERAL PLAN AMENDMENTS

Section 65359 of the Government Code requires that any Specific Plan of a city or a county that is applicable to the same areas affected by a General Plan should be consistent with the General Plan. The Transit Area Specific Plan is consistent with General Plan Policies relating to the following:

- The Transit Area Specific Plan furthers the General Plan's Land Use Guiding Principles by providing a mixture of land uses that recognize Milpitas' role as a transit hub, and a center of housing and employment in the Silicon Valley.
- The Transit Area Specific Plan diversifies Milpitas' housing stock by providing additional high-density housing options adjacent to transit stations.
- The Transit Area Specific Plan facilitates a compact urban form by supporting more intense infill development.
- The Transit Area Specific Plan extends the City's park-like setting by providing for parks, creek-side trails, landscaped buffer areas, and other open spaces throughout the Transit Area.
- The Transit Area Specific Plan supports the provision of adequate schools through the payment of developer fees.
- The Transit Area Specific Plan improves the viability of pedestrian, bicycle, and transit systems by including provisions such as wider sidewalks, streetscape improvements, pedestrian routes to transit stations and schools, and enhancements to the citywide trail network.
- The Transit Area Specific Plan facilitates the conversion of natural resources by providing "smart growth" through infill development, supporting alternative modes of transportation, increasing the use of recycled water, and improving parks and trails while serving the needs of the community.
- The Transit Area Specific Plan plans for community facilities and utilities commensurate with the present and anticipated needs of the Transit Area.

Proposed General Plan Changes

The proposed General Plan amendments are to provide consistency between the City's General Plan and the Transit Area Specific Plan. The specific text and map changes are provided as Exhibit A to draft City Council Resolution 7760 (Attachment B to Planning Commission Resolution No. 08-018). The most significant change was to the Land Use Element to add the land use designations for Boulevard Very High Density Mixed Use, Residential – Retail High Density Mixed Use, Very High Density Transit Oriented Residential, High Density Transit Oriented Residential, and Retail Transit Oriented to the Land Use map (Fig. 2-1) and text. Additional changes include minor text changes and table updates for population, land use, and density.

MIDTOWN SPECIFIC PLAN - FUTURE AMENDMENT

The majority of the Transit Area currently lies within the boundaries of the Midtown Specific Plan. The two largest areas that are not in Midtown are the Great Mall and the 40 acres between Piper Drive and Milpitas Boulevard. The Transit Area Specific Plan will independent of the

Midtown Specific Plan once adopted. Staff is currently working on the necessary amendments to the Midtown Plan and will bring those forward to the Planning Commission in July and the City Council in August.

ZONING ORDINANCE AMENDMENT

As part of this project, the current Zoning Ordinance text and map will be amended to incorporate the new zoning districts and development standards proposed by the Plan to ensure consistency with the General Plan and Specific Plan.

Text Amendments

The text amendments include the addition of new land use classifications (R5, MXD2 and MXD3), their associated development standards, the addition of a new section on Specific Plan areas, a change to the Non-conforming Building and Uses section, and ancillary changes to ensure consistency with the Specific Plan.

Proposed text amendments follow the initial efforts in streamlining and reformatting the Zoning Ordinance. Where opportunities exist, consolidation and the use of matrices are introduced. Specifically, each individual residential land use classification (R1 through R4 and including the new R5 classification) is consolidated into a single section with the use of matrices to simplify the organization of the regulations. An expanded Mixed Use section includes new land use classifications and standards using matrices to simplify the organization. A new section on Specific Plan areas is created to address the relationship between the Specific Plans and the Zoning Ordinance and explains the process to amend such document. For instance, while the Specific Plan contains consistent land use classifications and its own development standards, when a specific standard is not listed, the regulations within the Zoning Ordinance shall govern.

The non-conforming section is reorganized and simplified and includes a change that requires the Planning Commission to approve a Conditional Use Permit when a proposed use within a nonconforming building is of a more restrictive classification. For instance, if an automobile repair shop (that is a non-conforming use) proposes to include automobile sales, the Planning Commission could allow the change with the approval of a CUP.

ENVIRONMENTAL REVIEW

A Draft Environmental Impact Report (DEIR) was prepared for the Transit Area Project and circulated for public review from November 7, 2007 to December 21, 2007. City staff reviewed all comments received on the DEIR during the review period and prepared written responses on the environmental issues raised by the comments. The comments letters, written responses, and revisions to the DEIR and the October 2007 Draft Specific Plan that resulted from the responses are all contained in the Final Environmental Impact Report (FEIR). The DEIR and the FEIR together constitute the Environmental Impact Report (EIR) for the Transit Area Project.

The EIR identifies the potential for significant effects on the environment from the development of the Project, most but not all of which can be substantially reduced through implementation of policies included in the Specific Plan. The Specific Plan is structured to be a self-mitigating Plan. Any required mitigating actions have been incorporated into the Plan as policies therefore no separate mitigation measures are necessary.

The potential significant environmental impacts that could not be reduced to a less-than-significant level are listed below:

Impacts 3.3-2, 3.3-4 through 3.3-15 and 3.3-18: Implementation of the Project would result in unacceptable operations at the following intersections (DEIR pages 3.3-79 to 3.3-87):

- McCarthy Boulevard / Alder Drive
- Tasman Drive / Alder Drive
- Tasman Drive / I-880 South Bound Ramps
- Great Mall Parkway / I-880 North Bound Ramps
- Tasman Drive / North First Street
- Montague Expressway / McCarthy Boulevard-O'Toole Avenue
- North Capitol Avenue / Trade Zone Boulevard-Cropley Avenue
- Great Mall Parkway-East. Capitol Avenue / Montague Expressway
- Montague Expressway / Milpitas Boulevard
- Montague Expressway / First Street
- Montague Expressway / Zanker Road
- Montague Expressway / South Main Street-Oakland Road
- Montague Expressway / McCandless Drive-Trade Zone

Impact 3.3-16: Implementation of the Project would exacerbate unacceptable operations for four freeway segments (DEIR pages. 3.3-87 to 3.3-88):

- Southbound I-680 between Capitol Avenue and Hostetter Road,
- Southbound I-880 between Montague Expressway and Brokaw Road,
- Westbound SR 237 between I-880 and McCarthy Boulevard, and
- Westbound SR 237 between McCarthy Boulevard and Zanker Road

Impact 3.3-17: Implementation of the Project would contribute on a cumulative basis toward the degradation and exacerbation of unacceptable operations for 31 roadway segments during the a.m. peak period, and 49 roadway segments during the p.m. peak hour (DEIR pages 3.3-88 and 3.3-89).

Impacts 3.6.1 and 3.6.5 -Population-Based and Cumulative Emission Impacts: New development under the proposed Plan would increase population and would increase vehicle miles traveled at a rate greater than assumed in the Clean Air Plan. These increases will therefore conflict with implementation of the Bay Area Ozone Strategy, and contribute to the exceedance of regional air quality standards (DEIR pp. 3.6-14 to 3.6-21 and 3.6-26).

RECOMMENDATION: Adopt Resolution No. 08-018 recommending the City Council approve the Transit Area Project.