

RESOLUTION NO. _____

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF MILPITAS APPROVING AND ADOPTING THE REPORT TO THE CITY COUNCIL ON THE PROPOSED FIFTH AMENDMENT TO THE REDEVELOPMENT PLAN FOR THE GREAT MALL REDEVELOPMENT PROJECT, SUBMITTING SAID REPORT AND PROPOSED FIFTH AMENDMENT TO THE CITY COUNCIL, AND CONSENTING TO AND REQUESTING A JOINT REDEVELOPMENT AGENCY AND CITY COUNCIL PUBLIC HEARING ON SAID FIFTH AMENDMENT AND THE NEGATIVE DECLARATION PERTAINING THERETO

WHEREAS, the Redevelopment Agency of the City of Milpitas (the “Agency”) has prepared a proposed Fifth Amendment (the “Fifth Amendment”) to the Redevelopment Plan (the “Redevelopment Plan”) for the Great Mall Redevelopment Project (the “Project”); and

WHEREAS, the proposed Fifth Amendment would extend the time limit for effectiveness of the Redevelopment Plan; and

WHEREAS, the Redevelopment Plan does not contain tax increment authority and, therefore, extending the Redevelopment Plan’s effectiveness will not affect the allocation of property taxes to any taxing entity; and

WHEREAS, pursuant to Sections 33352 and 33457.1 of the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*; the “CRL”), the Agency has prepared a Report to the City Council on the proposed Fifth Amendment; and

WHEREAS, the Agency’s Report to the City Council contains a Negative Declaration (the “Negative Declaration”) pertaining to the proposed Fifth Amendment, prepared in accordance with the provisions of the California Environmental Quality Act (Public Resources Code Section 21000 *et seq.*; “CEQA”), the Guidelines for Implementation of the California Environmental Quality Act (14 Cal. Code Regs. Section 15000 *et seq.*; the “State CEQA Guidelines”) and the local procedures adopted by the Agency pursuant thereto (the “Agency’s CEQA Procedures”); and

WHEREAS, Section 33458 of the CRL authorizes a joint public hearing on the proposed Fifth Amendment with the consent of the Agency and the City Council; and

NOW, THEREFORE, the Board of the Redevelopment Agency of the City of Milpitas hereby finds, determines and resolves as follows:

1. The Agency hereby approves and adopts the Report to the City Council on the Fifth Amendment to the Redevelopment Plan for the Great Mall Redevelopment Project, and hereby submits said Report and the proposed Fifth Amendment to the City Council.
2. The Agency hereby consents to a joint public hearing on the proposed Fifth Amendment and Negative Declaration, and requests the City Council to call a joint public hearing of the Agency and the City Council on Tuesday, April 21, 2009, at 7:00 p.m., or such date and time as soon thereafter as is practicable, in the City Council Chambers, 455 E. Calaveras Boulevard, Milpitas, California, to consider and act upon the proposed Fifth Amendment, the Negative Declaration and all documents and evidence pertaining thereto.

3. The Secretary of the Agency shall, in cooperation with the City Clerk, prepare, publish, and mail such notices and documents and do all other acts as may be necessary to carry out the purposes of this Resolution.

PASSED AND ADOPTED this ____ day of _____, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Mary Lavelle, Agency Secretary

Robert Livengood, Chair

APPROVED AS TO FORM:

Michael J. Ogaz, Agency Counsel

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS
ACKNOWLEDGING RECEIPT OF DOCUMENTS FROM THE REDEVELOPMENT
AGENCY OF THE CITY OF MILPITAS AND CONSENTING TO AND CALLING A
JOINT REDEVELOPMENT AGENCY AND CITY COUNCIL PUBLIC HEARING ON
THE PROPOSED FIFTH AMENDMENT TO THE REDEVELOPMENT PLAN FOR
THE GREAT MALL REDEVELOPMENT PROJECT AND THE NEGATIVE
DECLARATION PERTAINING THERETO**

WHEREAS, the Redevelopment Agency of the City of Milpitas (the “Agency”) has prepared a proposed Fifth Amendment (the “Fifth Amendment”) to the Redevelopment Plan (the “Redevelopment Plan”) for the Great Mall Redevelopment Project (the “Project”); and

WHEREAS, the proposed Fifth Amendment would extend the time limit for effectiveness of the Redevelopment Plan; and

WHEREAS, the Redevelopment Plan does not contain tax increment authority and, therefore, extending the Redevelopment Plan’s effectiveness will not affect the allocation of property taxes to any taxing entity; and

WHEREAS, pursuant to Sections 33352 and 33457.1 of the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*; the “CRL”), the Agency has prepared a Report to the City Council on the proposed Fifth Amendment; and

WHEREAS, the Agency’s Report to the City Council contains a Negative Declaration (the “Negative Declaration”) pertaining to the proposed Fifth Amendment, prepared in accordance with the provisions of the California Environmental Quality Act (Public Resources Code Section 21000 *et seq.*; “CEQA”), the Guidelines for Implementation of the California Environmental Quality Act (14 Cal. Code Regs. Section 15000 *et seq.*; the “State CEQA Guidelines”) and the local procedures adopted by the Agency pursuant thereto (the “Agency’s CEQA Procedures”); and

WHEREAS, by Resolution No. _____, adopted on March 17, 2009, the Agency submitted to the City Council the proposed Fifth Amendment and the Agency’s Report, and consented to and requested that the City Council call a joint public hearing of the Agency and the City Council to consider and act upon the proposed Fifth Amendment and the Negative Declaration pertaining thereto; and

WHEREAS, Section 33458 of the CRL authorizes a joint public hearing on the proposed Fifth Amendment with the consent of the Agency and the City Council; and

NOW, THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

1. The City Council hereby acknowledges receipt of the proposed Fifth Amendment to the Redevelopment Plan for the Great Mall Redevelopment Project and the Agency’s Report to the City Council on the proposed Fifth Amendment.
2. The City Council hereby consents to a joint public hearing on the proposed Fifth Amendment and Negative Declaration, and, at the request of the Agency, calls a joint public hearing of the Agency and the City Council on Tuesday, April 21, 2009, at 7:00 p.m., or such date and time as soon thereafter as is practicable, in the City Council Chambers, 455 E.

Calaveras Boulevard, Milpitas, California, to consider and act upon the proposed Fifth Amendment, the Negative Declaration and all documents and evidence pertaining thereto.

3. The City Clerk shall, in cooperation with the Secretary of the Agency, prepare, publish, and mail such notices and documents and do all other acts as may be necessary to carry out the purposes of this Resolution.

PASSED AND ADOPTED this _____ day of _____, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Mary Lavelle, City Clerk

Robert Livengood, Mayor

APPROVED AS TO FORM:

Michael J. Ogaz, City Attorney

REPORT TO THE CITY COUNCIL
ON THE
PROPOSED FIFTH AMENDMENT TO THE REDEVELOPMENT PLAN
FOR THE GREAT MALL REDEVELOPMENT PROJECT
(EXTENSION OF REDEVELOPMENT PLAN EFFECTIVENESS)

Prepared by

THE REDEVELOPMENT AGENCY OF THE CITY OF MILPITAS

February 2009

REPORT TO THE CITY COUNCIL
ON THE
PROPOSED FIFTH AMENDMENT TO THE REDEVELOPMENT PLAN
FOR THE GREAT MALL REDEVELOPMENT PROJECT
(EXTENSION OF REDEVELOPMENT PLAN EFFECTIVENESS)

This Report to the City Council (“Report”) on the proposed Fifth Amendment (“Amendment”) to the Redevelopment Plan (“Redevelopment Plan”) for the Great Mall Redevelopment Project (“Project”) has been prepared by the Redevelopment Agency of the City of Milpitas (“Agency”) to fulfill the requirements of Sections 33352 and 33457.1 of the Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*; “CRL”). The proposed Amendment is being processed in accordance with the provisions of Section 33450 *et seq.* of the CRL. Section 33457.1 provides as follows:

“To the extent warranted by a proposed amendment to a redevelopment plan, (1) the ordinance adopting an amendment to a redevelopment plan shall contain the findings required by Section 33367 and (2) the reports and information required by Section 33352 shall be prepared and made available to the public prior to the hearing on such amendment.”

BACKGROUND:

The Great Mall Redevelopment Project (“Great Mall Project”) was adopted by the City Council in 1993 and consists of 150 acres. The Great Mall Project has been amended four times. The first amendment, adopted on December 6, 1994, by Ordinance No. 192.10, brought the Project Area into conformity with the CRL as amended by Assembly Bill 1290 (Stats. 1993, Chap. 942). The second amendment, adopted on October 16, 2001, by Ordinance No. 192.13, added 0.89 acres in two separate property is (located along Interstate 880 and Montague Expressway containing 0.75 acres and along Interstate 680 south of Calaveras Boulevard containing less than 0.02 acres) for the placement and maintenance of freeway signs for the Great Mall of the Bay Areas. The third amendment, adopted on October 3, 2006, by Ordinance No. 192.17, amended certain time limits consistent with Senate Bill 1096 (Stats. 2004, Chap. 211). The fourth amendment, adopted on November 29, 2006, by Ordinance No. 192.18, merged the Great Mall Project Area with Project Area No. 1.

The purpose of the Great Mall Project was for the rehabilitation and renovation of the existing improvements at the 1,200,000 square for Great Mall Shopping Center. The Agency assisted in the construction of necessary public infrastructure improvements to support this retail land use. Although the Agency does not receive tax increment revenue from the Great Mall Project, the City receives sales tax revenues from the Great Mall Project.

A Map of the Great Mall Redevelopment Project Area is attached as Exhibit A.

I. ORGANIZATION OF THE REPORT TO THE CITY COUNCIL

A. CRL Section 33352 (a): Reasons for the Amendment.

The purpose of the proposed Amendment is to extend the plan effectiveness date to continue the revitalization of the Great Mall Redevelopment Area through increased economic vitality of the area. The Great Mall Redevelopment Plan currently expires on November 2, 2010. The proposed Amendment would extend the time limit on the effectiveness of the Great Mall Redevelopment Plan to November 2, 2033, an additional 23 years.

The Great Mall Project Area was merged with Project Area No. 1 in November 2006 to facilitate and increase the economic viability of the Great Mall Shopping Center and other businesses in the area by, among other things, enabling construction of signs along freeway corridors in order to increase visibility of the Project Area's businesses.

The California Outdoor Advertising Act ("Act") applies to the placement of advertising displays within 660 feet from the edge of the right of way when the advertising copy is visible from interstate highways or primary highways (Cal. Bus. & Prof. Code 5271). Under the Act, signs advertising businesses and activities developed within the boundary limits of a redevelopment project area may, with the consent of the redevelopment agency, be located anywhere within the limits of the project area when all of the land in the project area. The signs may be in place for a period not to exceed 10 years or the termination of the redevelopment project, whichever occurs first, unless an arrangement is made for extension of the period between the redevelopment agency and CalTrans.

The City is in the process of selecting a freeway sign developer or developers to replace the two existing freeway signs in the Great Mall Project Area. Without the extension of plan effectiveness, the signs would not be allowed to continue beyond November 2, 2010.

B. CRL Section 33352 (b): Conditions of Blight.

A description of physical and economic conditions causing blight within the Great Mall Project Area is not warranted by the proposed Amendment. The CRL requires an analysis of blighting conditions only in connection with amendments to redevelopment plans that contain tax increment authority. The Redevelopment Plan for the Great Mall Redevelopment Project does not contain tax increment authority. The existence of blight in the Great Mall Project Area was conclusively established when the Redevelopment Plan was adopted in 1993.

C. CRL Section 33352 (c): Implementation Plan for the Merged Project Area.

The Agency approved the current Implementation Plan on August 1, 2006 and approved the mid-cycle update on October 7, 2008. The Implementation Plan is attached as Exhibit B.

D. CRL Section 33352 (d): Reasons for Using Tax Increment Financing.

The Redevelopment Plan does not contain tax increment financing authority.

E. CRL Section 33352 (e): Method of Financing.

The proposed Amendment is limited to extending the time limit on the effectiveness of the Redevelopment Plan and does not make changes to any of the activities authorized by the Redevelopment Plan to eliminate and prevent blighting conditions or the means of financing those activities. Under the Redevelopment Plan, the Agency is authorized to finance its activities with financial assistance from the City, State of California, federal government, donations, loans from private financial institutions or any other available source, public or private.

F. CRL Section 33352 (f): Relocation Method or Plan.

The proposed Amendment is limited to extending the time limit on the effectiveness of the Redevelopment Plan and does not make changes to any of the activities authorized by the Redevelopment Plan to eliminate and prevent blighting conditions. The Redevelopment Plan states that at the time of its adoption there were no occupants in the Great Mall Project Area and that no displacement was anticipated. The Redevelopment Plan further provides that if any displacement should be caused by the Agency, the Agency shall carry out relocation in accordance with state relocation laws and regulations.

G. CRL Section 33352 (g): Analysis of the Preliminary Plan.

The Preliminary Plan for the Great Mall Project Area describes the boundaries of the Project Area, contains a general statement of the land uses, building and population intensities and building standards proposed as the basis for redevelopment, shows how redevelopment purposes will be attained, shows that the proposed redevelopment is consistent with the City's General Plan, and generally describes the impact on Project Area residents and the surrounding neighborhoods. The proposed Amendment is limited to extending the time limit on the effectiveness of the Redevelopment Plan and does not make any changes inconsistent with the Preliminary Plan.

H. CRL Section 33352 (h): Report and Recommendations of the Planning Commission.

CRL Section 33453 requires a redevelopment plan amendment to be submitted to the community's planning commission for report and recommendation if the proposed amendment makes substantial changes that affect the community's general plan. The proposed Amendment is limited to extending the time limit on the effectiveness of the Redevelopment Plan and does not make any changes that affect the City's General Plan. Therefore, no report and recommendation by the City Planning Commission is required.

I. CRL Section 33352 (i): Project Area Committee.

A Project Area Committee must be formed if a proposed amendment will grant eminent domain authority or enlarge an existing project area. The proposed Amendment is limited to extending the time limit on the effectiveness of the Redevelopment Plan and therefore does not require the formation of a Project Area Committee.

J. CRL Section 33352 (j): Conformance with City's General Plan.

The proposed Amendment is limited to extending the time limit on the effectiveness of the Redevelopment Plan and does not make any changes that affect the City's General Plan.

K. CRL Section 33352 (k): Compliance with California Environmental Quality Act (CEQA)

Section 33352 (k) of the CRL requires that the Agency's Report to the City Council contain the report required by Section 21151 of the Public Resources Code (environmental compliance document). The proposed Amendment is intended to continue and improve the Agency's abilities to implement economic development objectives established in the previously adopted Redevelopment Plan. The growth-inducing (urban intensification) effects of the Redevelopment Plan for the Great Mall Project and subsequent amendments have been and will continue to be dictated by the City of Milpitas General Plan and associated zoning controls. The overall, growth-inducing effects and associated environmental impacts of the Redevelopment Plan and subsequent amendments have been adequately addressed in the previously Agency-certified Environmental Impact Reports, Agency-adopted Mitigated Negative Declarations and Agency-adopted Supplemental Environmental Impact Report (SEIR) prepared for the Merger Amendment.

The Notice of Preparation/Initial Study included with the Negative Declaration identified the following issues as having no impacts as a result of the adoption and implementation of the proposed Amendment; therefore, no additional analysis within the Negative Declaration was necessary in the following areas:

Aesthetics	Agricultural Resources	Air Quality
Biological Resources	Cultural Resources	Geology & Soils
Hazards & Hazardous Materials	Hydrology & Water Quality	Land Use & Planning
Mineral Resources	Noise	Population & Housing
Public Services	Recreation	Transportation & Traffic
Utilities & Service Systems	Mandatory Findings of Significance	

On February 13, 2009, the Negative Declaration was circulated to the responsible entities for a 20-day review period beginning on February 16, 2009, and ending on March 4, 2009. A Notice of Intent was posted at the Great Mall property on February 13, 2009. All comments received on the Negative Declaration and the Agency's responses will be provided under a separate cover as part of the Negative Declaration presented to the Agency and City Council prior to the adoption of the proposed Amendment. The Agency proposes to approve the Negative Declaration at the Joint Public Hearing on April 21, 2009.

The Notice of Preparation/Initial Study and Negative Declaration are attached hereto as Exhibit C.

L. CRL Section 33352 (l): Report of the County Fiscal Officer.

The Redevelopment Plan for the Great Mall Redevelopment Project does not contain tax increment authority and therefore does not affect the allocation of property taxes to any taxing entity. The proposed Amendment is limited to extending the time limit on the effectiveness of the Redevelopment Plan. Consequently, no report of the County Fiscal Officer was required in connection with the proposed Amendment.

M. CRL Section 33325 (m): Neighborhood Impact Report.

Section 33352 (m) of the CRL requires that the Agency's Report to the City Council contain a neighborhood impact report if the redevelopment Project Area contains low or moderate income housing. The purpose of the neighborhood impact report is to describe in detail the impact of the proposed actions upon residents of the Project Area and surrounding areas in terms of relocation, traffic circulation, environmental quality, availability of community facilities and service, effect on school population and quality of education, property assessments and taxes, and other matters affecting the physical and social quality of the neighborhood. The neighborhood impact report is also to include: (a) the number of dwelling units housing persons and families of low or moderate income expected to be destroyed or removed from the low and moderate housing market as part of the redevelopment project; (b) the number of persons and families (households) of low or moderate income expected to be displaced by the project; (c) the general location of housing to be rehabilitated, developed or construction pursuant to Section 33413 of the CRL; (d) the number of dwelling units housing person and families of low and moderate income planned for construction or rehabilitation, other than replacement housing; (e) the projected means of financing the proposed dwelling units for housing persons and families of low and moderate income planned for construction or rehabilitation; and (f) a projected timetable for meeting the relocation, rehabilitation and replacement housing objectives.

A neighborhood impact report was prepared for the Great Mall Redevelopment Plan when it was initially adopted. The proposed Amendment is limited to extending the time limit on the effectiveness of the Redevelopment Plan and does not make changes to any of the activities authorized by the Redevelopment Plan to eliminate and prevent blighting conditions or otherwise implement and carry out redevelopment goals.. Activities of the Agency to date have resulted in the construction of housing available to low and moderate income households, the improvement of infrastructure within the Project Area and the renovation of a major retail facility within the community, all having beneficial impacts upon residents of the community.

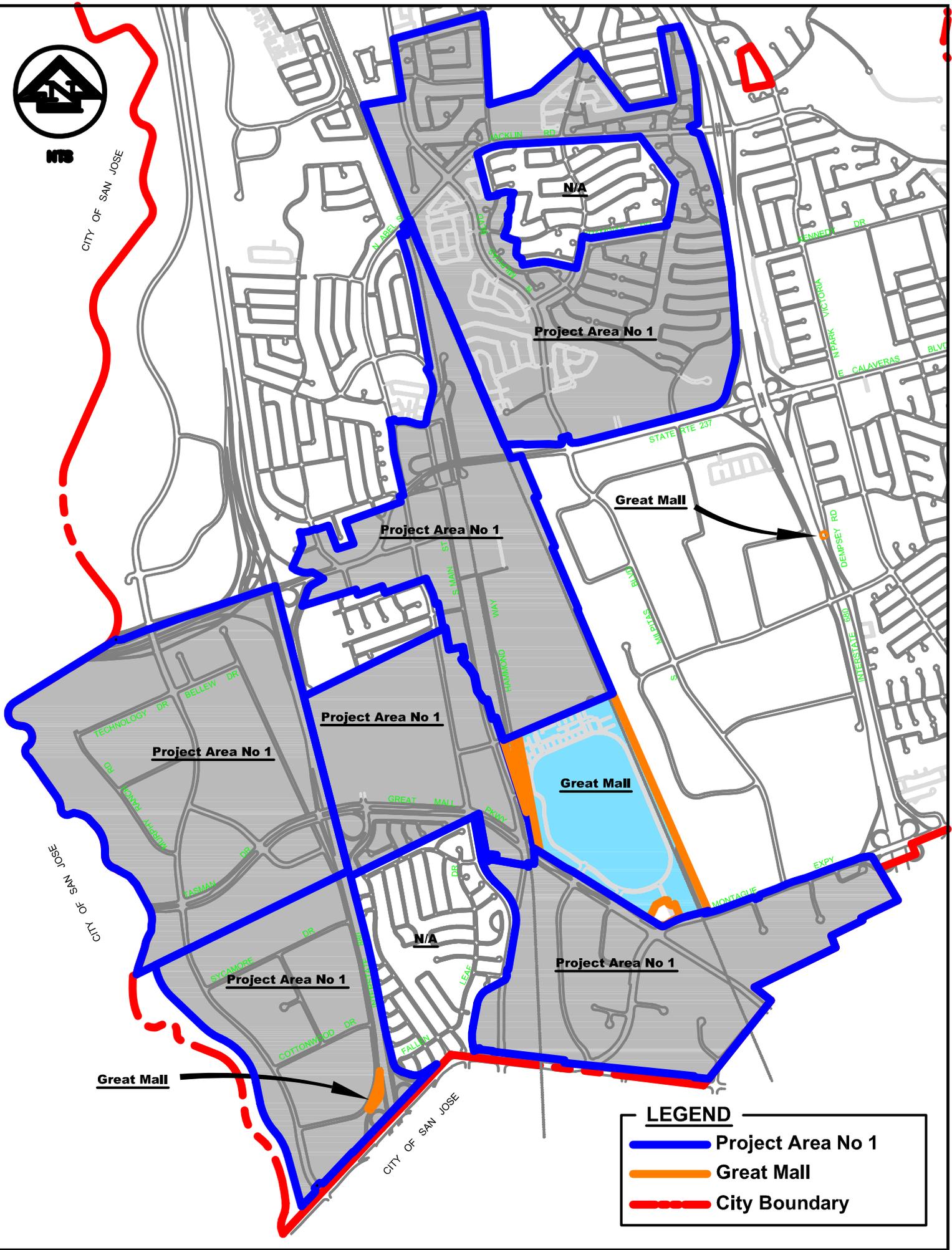
N. CRL Section 33352 (n): Summary of Consultations with Affected Taxing Agencies.

The Redevelopment Plan for the Great Mall Redevelopment Project does not contain tax increment authority and therefore does not affect the allocation of property taxes to any taxing entity. The proposed Amendment is limited to extending the time limit on the effectiveness of the Redevelopment Plan. Consequently, no consultations with taxing entities were required in connection with the proposed Amendment.



NS

CITY OF SAN JOSE



LEGEND

-  Project Area No 1
-  Great Mall
-  City Boundary

EXHIBIT B



2005 – 2010 IMPLEMENTATION PLAN

The Redevelopment Agency of the City of Milpitas

Adopted

August 1, 2006

Updated

October 7, 2008

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**City of Milpitas Redevelopment Agency
Proposed Five-Year Implementation Plan
July 2005 – June 2010
Mid Cycle Review
October 2008**

I. Introduction

A. Purpose and Requirements

California Community Redevelopment Law requires redevelopment agencies to adopt an Implementation Plan every five years. The purpose of the Implementation Plan is to set goals and objectives that will guide efforts to eliminate blight over the next five years. The Implementation Plan also contains an affordable housing section to help the Redevelopment Agency monitor progress in meeting the community's affordable housing needs. The Implementation Plan identifies various projects and activities targeted for implementation over the five-year period. At the same time, the Plan allows the Agency flexibility in choosing which projects it will implement from those outlined in the Plan. To facilitate planning, the Implementation Plan also estimates the revenues and expenditures the Agency will incur over the five-year Implementation Plan period.

The City of Milpitas's Implementation Plan is for the years 2005-2006 thru 2009-2010. To meet Community Redevelopment Law, the Implementation Plan contains the following required information:

- The Agency's goals and objectives for the next five years;
- Program of activities, including potential projects, and estimated expenditures planned for the next five years;
- A description of how the activities, proposed projects, and expenditures will alleviate blight; and
- A description of the Agency's plans to implement its requirement to increase, improve and preserve affordable housing.

The Implementation Plan provides general guidance to the Agency, giving it flexibility to address specific issues of scope, timing, and expenditures. Given unpredictable market conditions, the implementation of the Agency's programs and activities to eliminate blight may vary over the five-year period.

B. Description of Project Areas

The Redevelopment Agency administers activities for the Milpitas Project Area No. 1 and the Great Mall Redevelopment Project Area.

Project Area No. 1: Project Area No. 1 Area (see attached Exhibit A) is approximately 2,230 acres. The original Redevelopment Plan for the Project was adopted by Ordinance No. 192 on September 21, 1976 and consisted of approximately 577 acres (the “Original Project Area”). The Redevelopment Plan has been amended eight (8) times since the Project’s adoption.

The first amendment adopted September 4, 1979 by Ordinance No. 192.1 added approximately 483 acres to the Original Project Area (the “Amendment Area No. 1”). The second amendment adopted May 4, 1982 by Ordinance No. 192.2 added approximately 479 acres to the Original Project Area (“Amendment Area No. 2”; collectively, the Original Project Area, Amendment Area No. 1 and Amendment Area No. 2 are referred to as the “Existing Project Area”). The third amendment, adopted on November 27, 1984 by Ordinance No. 192.3, made technical text changes and increased the tax increment limit. The fourth amendment, adopted on December 9, 1986 by Ordinance No. 192.4, amended the Agency’s tax increment limit.

The Fifth Amendment, adopted on April 16, 1991 by Ordinance No. 192.6A, amended the low income housing set-aside to include bond proceeds and restated and reorganized the provisions of the low income housing set-aside. The sixth amendment, adopted on December 9, 1994 by Ordinance No. 192.9, amended the time limits in accordance with Assembly Bill 1290. The seventh amendment, adopted on October 15, 1996 by Ordinance No. 192.11, increased the tax increment limit, increased the bond debt limit, and extended the debt establishment time limit. The eighth amendment, adopted June 17, 2003 by Ordinance No. 192.14, included the following: 1) added area to the Existing Project Area (“Mid Town Added Area”; 691 acres); 2) increased the tax increment limit; 3) increased the bonded indebtedness limit; 4) established eminent domain in the Midtown Added Area for non-residential land uses; and 5) revised and updated various text provisions to conform to the requirements of the CRL.

The eighth amendment enabled the Agency to improve its redevelopment activities and carry out its proposed projects so that it could eliminate the significant remaining blight within the existing and amended Project Areas. The current time and fiscal limits for Project Area No. 1 are outlined below and include the new tax increment and bonded indebtedness limit that were increased in 2003.

Project Area	Plan Expiration	Last Date To Incur New Debt	Last Date to Repay Debt With Tax Increment	Tax Increment Limit	Limit on Total Tax Increment Bonded Indebtedness
Project Area No. 1 (Original)	September 21, 2019	January 1, 2014	September 21, 2029	\$2.4 billion for all Project No. 1 Areas	\$498 million for all Project No. 1 Areas
Amendment No. 1	September 4, 2022	January 1, 2014	September 4, 2032		
Amendment No. 2	May 4, 2025	January 1, 2014	May 4, 2035		
Midtown	June 17, 2034	June 17, 2023	June 17, 2049		
Great Mall	November 2, 2010	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Updating the Redevelopment Plan enabled the Agency to more proactively participate in the revitalization of Project Area No. 1 in accordance with the Midtown Specific Plan and the Transit Study Area Concept Plan.

Project Area No. 1 was amended by Ordinance 192.16 on September 19, 2006 to increase the time limits as allowed by SB 1096. A major redevelopment plan amendment on November 21, 2006 merged Project Area No. 1 with the Great Mall Project Area by Ordinance 192.18. The most recent amendment was approved with Ordinance 192.20 on June 5, 2007 to conform to legal requirements regarding eminent domain as required by SB 53.

Great Mall Project Area:

The Great Mall Redevelopment Project Area (see attached Exhibit A) was adopted in 1993 and consists of 150 acres. The project area has been amended twice; the first amendment, adopted on December 6, 1994 by Ordinance No. 192.10, brought the Project Area into conformity with Community Redevelopment Law (CRL) amended by Assembly Bill 1290 (1993). The second amendment, adopted on October 16, 2001 by Ordinance No. 192.13, added 0.89 acres in two separate properties for the placement and maintenance of freeway signs for the Great Mall of the Bay Area.

During the Implementation Plan period, the Great Mall Project Area has also been amended several times: Ordinance 192.17 to increase time limits as allowed by SB 1096; Ordinance 192.19 to merger the Great Mall Project Area with Project Area No. 1; and, with Ordinance 192.21 to conform to legal requirements regarding the use of eminent domain as required by SB 53.

The Agency does not receive tax increment revenue the Great Mall project area, but the Agency received sales tax revenues from the Great Mall project area during the last five years. Under an Owner Participation Agreement with Ford Land Development, the developer of the Great Mall, the Agency shared one-half of the sales tax revenues generated by sales at the Great Mall to

reimburse Ford for the \$8.5 Million in public improvements that benefit the Milpitas community. After Ford sold the Great Mall to the Swerdlow Group, in May 2000 the Agency issued the Great Mall of the Bay Area Sales Tax Revenue Bonds at a more favorable interest rate to pay off the developer.

C. 1999/2000 - 2004/05 Milpitas Redevelopment Agency Accomplishments

Over the past several years the Agency successfully reduced blight in Project Area No. 1 (herein referred to as “Project Area” by undertaking various redevelopment activities. These activities included improvements to infrastructure, and public facilities in the Project Area. It also included efforts to improve the economic vitality of the Project Area and provide housing opportunities for low- and moderate-income residents.

Project Area No. 1 Accomplishments

The Agency successfully completed a wide array of projects and activities in Project Area No. 1 over the last five years. This section describes the Agency’s accomplishments in transportation, utilities and public infrastructure, open space and commercial rehabilitation.

TRANSPORTATION

Transportation efforts are focused on developing a transportation system integrated with the pattern of living, working and shopping areas to provide safe, convenient and efficient movement within the Project Area and to prevent the dispersal of employment and activities in the community. During the 1999/00 to 2004/05 timeframe, the Agency funded and implemented the following projects:

Redevelopment Agency Projects	RDA Funding	Private or Other Public \$
<ul style="list-style-type: none"> Street Projects – Reconstructed streets and medians within the Project Area for improved safety, provided analysis of lighting deficiencies and constructed trail and sidewalk safety upgrades. 	\$6,200,000	\$11,600,000
<ul style="list-style-type: none"> Interchange, Roadway Capacity and Widening Improvements 	\$9,300,000	\$12,600,000

UTILITIES AND PUBLIC INFRASTRUCTURE

The Agency has funded utility and public infrastructure projects in order to promote development of community facilities and utilities commensurate with the anticipated needs of the Project Area and to eliminate and prevent the spread of blighting influences including vacant and under-utilized land and deteriorating buildings, inadequate transportation, sewer, water and drainage and other physical and economic and environmental deficiencies. During the 1999/00 to 2004/05 timeframe, the Agency funded and implemented the following projects:

Redevelopment Agency Projects	RDA Funding	Leveraging
• Storm Drain System Improvements – Funded storm drain system improvements and for the Storm Drain Master Plan, the Midtown Specific Plan and the public safety technology.	\$1,000,000	\$2,900,000
• Sewer & Water Projects – Funded the San Jose Parallel Forcemain, Pump Station site improvements and water well upgrades.	\$8,600,000	\$15,000,000
• Midtown Improvements – street reconstructions, parking garage planning and other pre-development activities associated with the Midtown Specific Plan implementation	\$1,600,000	\$500,000
• Civic Center Improvements – project expenses with construction of the new Civic Center, garage and site improvements.	\$43,200,000	\$2,800,000
• Milpitas Sports Center (MSC) Upgrades and Site Renovations	\$7,100,000	\$350,000
• Senior Center Improvements	\$1,480,000	\$735,000
• City Gateway Identification Sign – construction of the entry sign at Tasman Drive.	\$565,000	0
• Telecommunications and Technology Improvements – creation of a fiber optic ring for public facilities and safety	\$4,300,000	\$1,500,000
• Milpitas Library – design of the new library and utility relocation	\$1,600,000	\$400,000
• Other Community Projects	\$3,200,000	\$4,500,000

OPEN SPACE

Open space programs support redevelopment in the Project Area by developing adequate civic, recreational and cultural centers in locations for the best service to Project Area residents and employees in ways that will promote community beauty and growth and focus development in the Project Area. During the 1999/00 to 2004/05 timeframe, the Agency funded and implemented the following projects:

Redevelopment Agency Projects	RDA Funding	Leveraging
• Parks Projects – most notably the Athletic Court reconstruction, path and picnic upgrades.	\$277,000	\$583,000
• Berryessa and Coyote Creeks Trail Improvements	\$409,000	\$450,000

2. Link Between Programs and Blight Elimination

This section outlines how the Agency's programs and projects have helped to alleviate blight in the Project Area. Goals met included: eliminating environmental deficiencies; improving vehicular and pedestrian circulation; planning, designing and redeveloping underutilized areas; strengthening commercial functions; strengthening the economic base; providing adequate parking and open space; and establishing and implementing design performance criteria. Table A below summarizes the direct relationship each of these programs has on alleviating blighting conditions.

Table A

Blighting Conditions Addressed by Completed Project

Project	Commercial and retail vacancies, business development	Incompatible building design	Graffiti, accumulated garbage, weeds and non-conforming uses and signs	Inadequate parking and traffic congestion	Deteriorating public improvements	Fractured land ownership and irregular parcelization	Environmental contamination	Inadequate open space
Project Area No. 1 Project Area								
• Street Projects	◆				◆			
• Interchange, Roadway Capacity and Widening Improvements	◆			◆	◆			
• Storm Drain System Improvements	◆				◆			
• Sewer and Water Projects	◆				◆			
• Midtown Improvements	◆	◆		◆	◆		◆	
• Civic Center Improvements					◆			
• Recreation Projects					◆			◆
• Senior Center Improvements					◆			
• City Gateway Identification Sign	◆							
• Telecommunications and Technology Improvements					◆			
• Milpitas Library					◆			
• Other Community Projects	◆				◆			
• Parks Projects					◆			◆
• Berryessa and Coyote Creeks Trail Improvements					◆			◆

The Great Mall Project Area Accomplishments

The Agency successfully completed activities in 2001 to improve the economic vitality of the Project Area and provide housing opportunities for low- and moderate-income residents including street improvements included in the City's Capital Improvement Program and originally identified in the Great Mall Redevelopment Plan. In addition, Park Metro and Park West residential neighborhoods were constructed providing hundreds of dwelling units for Milpitas residents.

The Agency amended the Great Mall Redevelopment Plan in 2001 to include two non-contiguous areas. These areas contain the freeway signs for the Great Mall and needed to be in the Project Area to be consistent with the California Outdoor Advertising Act.

II. Five-Year Redevelopment Plan

This section outlines the Redevelopment Agency's goals and objectives and its proposed projects and activities and expenditures for the next five years, from July 2005 to June 2010. The projects and activities, as well as the expenditures are estimates of future activity and costs and are subject to change pending market opportunities and constraints. This section is divided into four major parts:

- A. Five-Year Goals and Objectives –
Outlines the Agency's goals & objectives over the next five years for Project Area No. 1 and the Great Mall Project Area.
- B. Five-Year Implementation Plan Revenues –
Describes the amount of funding expected to be available to implement the Agency programs and activities.
- C. Five-Year Redevelopment Programs and Expenditures –
Describes the proposed programs and activities the Agency plans to undertake and the estimated cost of those activities.
- D. Link Between Programs and Blight Elimination –
Explains how the Agency's goals, programs and objectives over the next five years will help to eliminate blight in the Project Area.

A. Five-Year Goals and Objectives

The Five-Year Goals and Objectives establish a framework for the Redevelopment Agency's activities and programs from fiscal year 2005-06 thru 2009-10. The goals and objectives listed here are a continuation of those goals and objectives from the previous Implementation Plans, the adopted 2005-2010 Capital Improvement Program and include those additional goals and objectives adopted as part of the 2003 amendment. These goals and objectives will continue to serve as a guide to the Agency in its efforts to eliminate the physical and economic blighted conditions identified in the Project Area.

Project Area No. 1 Goals and Objectives

Transportation:

- Develop a transportation system integrated with the pattern of living, working and shopping areas to provide safe, convenient and efficient movement within the Project Area and connections to the City.
- Direct special consideration toward the circulation needs of a modern, convenient central business district, including adequate off-street parking.
- Promote a traffic pattern to encourage industrial development and further the potential of industrial land.
- Prevent the dispersal of employment and activities in the community over a larger area causing dependence on greater travel and inconvenience to the citizens of the City of Milpitas and the persons employed by industries within the Project Area.

Utilities and Public Infrastructure:

- Promote community facilities and utilities commensurate with the anticipated needs of the residents and employees of the Project Area.
- Eliminate and prevent the spread of blighting influences including vacant and under-utilized land and deteriorating buildings, inadequate transportation, sewer, water and drainage, and other physical and economic and environmental deficiencies.
- Provide the framework and infrastructure for restoring economic health to the Project Area.

Open Space:

- Develop adequate civic, recreational, and cultural centers in locations for the best service to the residents and employees of the Project Area and in ways that will promote community beauty and growth.
- Preserve and enhance natural areas, which act in providing for clean air, water, and an unspoiled environment.
- Acquire and maintain open space sufficient to provide for parks and recreational facilities.
- Prevent the unnecessary or premature conversion of open space lands to urban uses that would be considered potentially hazardous for customary urban development.

Commercial Rehabilitation:

- Stimulate commercial and industrial development and the creation of employment opportunities.
- Encourage economic pursuits to strengthen and promote development through stability and balance.
- Replan, redesign, rehabilitate and redevelop areas that are stagnant or improperly utilized.
- Provide opportunities for participation by owners in the revitalization of their properties.
- Publicize the position of the Project Area as a place to carry on compatible industrial and reliable commercial activity, with special emphasis directed toward the advantages of the City's location to both industrial and commercial use.

Affordable Housing:

- Provide a variety of residential types consistent with CRL to serve the varying needs of individuals and families while retaining existing structural standards.

MIDTOWN GOALS

The goals and objectives for Midtown Area are based upon the goals outlined in the Midtown Specific Plan as follows:

Land Use

- Encourage a compatible mixture of residential, retail, office, service-oriented commercial, public facilities and industrial uses.
- Provide for a significant component of new housing within the area in order to: improve the vitality of the area, address local and regional housing needs, and reinforce the use of transit.
- Promote an intensity of development in the area that is appropriate to its central location.
- Provide for a land use mix that supports major transit facilities.
- Provide for the mitigation of hazardous materials and the productive reuse of brownfields.

Community Design

- Create an attractive district that is uniquely "Milpitas."
- Establish a pedestrian-oriented, mixed-use district that is focused along Main Street.
- Provide urban open spaces (i.e., plazas, squares) that serve multiple purposes and can be used for special events.

- Improve the character of streets and public views.

Circulation

- Improve the viability of the pedestrian, bicycle and transit systems.
- Balance the need for traffic with livability and a pedestrian focus.
- Develop mass transportation facilities.

Great Mall Project Area Goals and Objectives

The goals and objectives of the Great Mall Redevelopment Plan are as follows:

- The elimination of blighting influences and the correction of environmental deficiencies in the Project Area, including among others, faulty exterior spacing, obsolete and aged building types, building vacancies, uneconomic land uses and inadequate or deteriorated public improvements, facilities and utilities.
- The replanning, redesign, rehabilitation and development of areas which are stagnant or improperly utilized.
- The provision of opportunities for participation by owners in the revitalization of their properties.
- The strengthening of retail and other commercial functions in the Project Area.
- The strengthening of the economic base of the Project Area and the community by the installation of needed off-site improvements to stimulate new commercial expansion, employment and economic growth.
- The provision of adequate land for parking and open spaces.
- The establishment and implementation of performance criteria to assure high site design standards and environmental quality and other redesign elements that provide unity and integrity to the entire Project Area.

B. Five-Year Implementation Plan Revenues and Expenses

Total Agency Revenues:

The City of Milpitas Redevelopment Agency will undertake a variety of programs and projects to alleviate blighted conditions and advance the Implementation Plan's goals and objectives over the next five years. It is anticipated that the Agency will receive \$152 million in gross tax increment revenues over the five-year period. In addition to this, the Agency will receive interest income revenue for a total of \$11 million. Total Agency revenues over the five-year period will be approximately \$163 million.

As a result of actual and projected tax increment revenue, it is anticipated that the Agency will receive approximately \$167,720,027 in gross tax increment revenue between FY 05/06 and 09/10. In addition to the tax increment, the Agency also has other sources of revenue including bond

proceeds, one time payments and interest that result in total Agency revenues for the five year period to be slightly over \$203 million.

80% Program Revenues:

After deducting Affordable Housing Funds and housing fund interest income, other taxing agencies pass-through payments, the debt service on the 2003 tax allocation bonds, and County payments required as part of the Elmwood land purchase and Agency operation costs, the Agency will need to utilize its fund reserves to cover anticipated expenditures and to supplement the bond proceeds in order to fund the adopted 2005-2010 Capital Improvement Program. At the end of the five years, the Agency will show a negative fund balance of approximately \$1 million. *When the 2004-2010 Implementation Plan was approved, staff projected that Redevelopment Agency fund balance would be negative by FY 2009-10. The tax increment revenues were estimated to grow from 3% to 4% annually, anticipating the increased valuation in projects such as the Centria and Terra Serena housing developments. In reality the actual tax increments first decreased by 2% in FY 06-07 and then increased by 14% in FY 07-08. Based on information provided by the County Assessor, FY 08-09 tax increment revenue is projected to increase by another 11%. With these substantial increases in FY 07-08 and FY 08-09, the revised projection for the five-year period is a total increase of about \$16 million tax increment revenue. Other one-time revenue sources that contributed to the increase were the City Hall legal settlement for \$4.5 million and the sale of property to the County for \$1.8 million. The result is by the end of this five year period, the fund balance will be approximately \$34 million and consequently, the Agency has the ability to fund more capital improvement projects.*

The recently approved state budget includes a budget trailer bill, AB 1389, which implements a one-time take-away payment from statewide redevelopment agencies totaling \$350 million. This results in a local take-away of \$2.43 million from Milpitas Redevelopment Agency revenues to fund the Education Augmentation Revenue Fund (ERAF).

Table B describes the funds the Agency projects it will have available each year as well as the cumulative amount over the five-year Implementation Plan. The Agency will leverage these funds whenever possible with other resources from the City, state and federal government.

Table B
Projected Operating Revenues and Expenses for Redevelopment Programs
FY 2005-2006 to 2009-2010

	2005/06	2006/07	2007/08	2008/09	2009/10	5 YR Total
RDA Program (80%)						
Operating Revenues	\$25,119,886	\$ 25,581,860	\$26,181,953	\$26,535,631	\$27,153,456	\$130,572,785
Use of fund Balance	11,313,714	5,074,599	4,181,560	7,990,611	8,987,345	37,547,828
Use of bond proceeds	18,138,000	46,081,000	2,775,000	8,100,000	(300,000)	74,794,000
Total Agency Revenue & Fin. Sources	\$54,571,600	\$ 76,737,458	\$33,138,512	\$42,626,241	\$35,840,801	\$242,914,613
Operating Expenses (Includes Debt Svcs)	(35,132,903)	(31,948,444)	(32,253,512)	(32,541,241)	(33,734,801)	(165,610,902)
Cap Improvement Projects - 5 Yr Plan	(19,438,697)	(44,789,014)	(885,000)	(10,085,000)	(2,106,000)	(77,303,711)
Remaining Fund Bal & Bond Proceeds						
Unreserved Fund Bal	\$18,875,680	\$ 13,801,082	\$ 9,619,522	\$ 1,628,911	\$ (7,358,434)	(\$1,345,648)
Unallocated Bond Proceeds	\$62,668,786	\$ 16,587,786	\$13,812,786	\$ 5,712,786	\$ 6,012,786	
RDA 20% Housing						
Operating Revenues	\$ 6,037,522	\$ 6,461,265	\$ 6,535,283	\$ 6,899,953	\$ 7,354,409	\$ 33,288,431
Housing Expenses	(6,078,622)	(22,054,473)	(5,538,399)	(1,291,779)	(1,321,568)	(36,284,841)
Remaining Fund Bal	\$20,822,779	\$ 5,229,570	\$ 6,226,454	\$11,834,628	\$17,867,469	

See Revised Table B at end of Update.

C. Five-Year Redevelopment Programs and Expenditures

This section describes the programs and projects the Agency will undertake over the next five years and the expenditures expected for each of these activities. Programs and projects from 2005-06 through 2009-10 will include public infrastructure and utility projects, transportation improvements and public facility improvements. Available expenditures are based on present estimates of future tax-increment, 2003 Bond proceeds and other revenues over the five-year period.

To eliminate blighting conditions the Agency has identified the following programs and projects as part of the adopted 2005-2010 Capital Improvement Program. The programs and projects list includes an estimate of the cost to carry out the activity.

Transportation

Transportation efforts are focused on developing a transportation system integrated with the pattern of living, working and shopping areas to provide safe, convenient and efficient movement

within the Project Area and city and to prevent the dispersal of employment and activities in the community. For 2005-06 thru 2009-10, the Agency has identified the following projects:

Project	Rationale	RDA Funding
BART Extension	Planning and Coordination for the BART Extension that will serve residents and businesses within both project areas. <i>BART at 60% design - continue coordination with Milpitas TASP.</i>	\$290,000
Milpitas Boulevard Signal Interconnect	Provides more efficient traffic flow by connecting Milpitas Blvd traffic signals to the Calaveras/Milpitas Blvds traffic signal. <i>This project was successfully completed.</i>	\$175,000
Light Rail Median Landscaping	Completes the landscape of the median that was originally part of the Light Rail construction. <i>This project is under design; obtained matching grant from State. Construction planned for Summer 09.</i>	\$1,416,000
North Milpitas Blvd. Soundwall	Renovates the soundwall between Jacklin Road and Escuela Parkway. <i>Design and construction planned for Summer 09. Additional funds for increased scope of work.</i>	\$200,000
<i>Gateway Signs</i>	<i>Funding for minor gateway signs as part of Economic Strategic Master Plan</i>	<i>\$30,000</i>
<i>Interchange Projects</i>	<i>Completion of Dixon Landing/I-880 and 237/880 from prior bonds.</i>	<i>\$126,000</i>

Utilities and Public Infrastructure

Utilities and public infrastructure efforts promote community facilities and utilities commensurate with the anticipated needs of Project Area residents and employees and eliminate and prevent the spread of blighting influences including vacant and under-utilized land and deteriorating buildings, inadequate transportation, sewer, water and drainage and other physical and economic and environmental deficiencies. Elimination of these problems will continue to encourage private development and investment in the Project Area. For 2005-06 thru 2009-10, the Agency has identified the following projects:

Project	Rationale	RDA Funding
• Public Works Yard Improvements and Facility Studies	Expands the parking facility, updates the security system, makes improvements that bring the facility into compliance with the Storm Water Pollution Prevention Program and provides an emergency vulnerability assessment of facilities. <i>Design complete and currently under construction.</i>	\$510,000
• In-ground Water Clarifiers	Provides compliance at the Fire Stations with the urban runoff program. <i>This project was defunded due to higher priority Redevelopment needs.</i>	\$150,000
• Main Sewer Pump Station Site	This provides for the relocation of the Public Works Yard to accommodate the new Library on North Main Street. <i>Phase I construction is successfully completed.</i>	\$1,000,000

Improvements		
• Oakcreek Pump Station	This provides for the necessary replacement of aged equipment at the Oakcreek Station per the Storm Drain Master Plan. <i>25% of improvements are complete; remaining work to be done in FY 09/10.</i>	\$2,200,000
• Berryessa Pump Station Improvements	This provides for the necessary replacement of aged equipment at the Berryessa Station. This station serves neighborhoods within Project Area No. 1. <i>Project design & construction successfully completed in 2008.</i>	\$1,415,000 <i>Final Cost: \$1,300,000</i>
• Building & Facility Improvements	This provides for upgrades to a variety of public facilities to bring them into compliance with current code requirements. Aged equipment will also be replaced. <i>Approximately 75% of improvements complete; HVAC & other minor improvements will be completed in 2009.</i>	\$354,000 Increased RDA funding in Five Year CIP to \$924,000
• Range Lead Containment	Adds environmentally safe containments systems at Range. Additional cleanup required generated increase in project cost. <i>Project successfully completed.</i>	\$210,000 <i>Final Cost: \$250,000.</i>
• Singley Area Phase 4	Completes the reconstruction of street surface improvements in the Singley Area Study. <i>Project successfully completed.</i>	\$558,000

Open Space

Open space programs support redevelopment in the Project Area by developing adequate civic, recreational and cultural centers in locations for the best service to the residents and employees of the Project Area and in ways that will promote community beauty and growth and focus development in urbanized areas. For 2005-06 thru 2009-10, the Agency has identified the following projects:

Project	Rationale	RDA Funding
• Milpitas Sports Center (MSC) Master Plan Improvements – Phase I	Provides matching funds for facility upgrades to comply with FEMA requirements and reconfigures the parking lot and site for better traffic flow. <i>Project defunded for higher priority work.</i>	\$1,827,000
• Senior Center Relocation	Provides for the rehabilitation of the existing Library site to accommodate the new Senior Center. <i>Project at 95% design; construction to begin in 1st Quarter 2009.</i>	\$11,352,000
• Community Center Improvements	Improvements that bring the facility into compliance with current code requirements. <i>Project 90% complete.</i>	\$500,000

Commercial Rehabilitation: The adopted 2005-2010 Capital Improvement Program does not include activities for Commercial Rehabilitation. The Agency will work with business and property owners within Project Area No. 1 and the Great Mall Project Area for the implementation of a sign district to provide freeway and surface road signage consistent with the California Outdoor Advertising Act. *Freeway signage Request for Proposal was issued in July*

2008 with eight firms responding. The City Council Facilities Naming Subcommittee will consider options at its November 2008 meeting.

MIDTOWN ADDITIONAL GOALS

LAND USE

Land use programs and projects encourage a compatible mixture of residential, retail, office, service-oriented commercial, public facilities and industrial uses, provides for a land use mix that supports major transit facilities and provides for the mitigation and the productive reuse of brownfield properties. For 2005-06 thru 2009-10, the Agency has identified the following projects:

Project	Rationale	RDA Funding
<ul style="list-style-type: none"> • Milpitas Library 	Reuses the historic Milpitas Grammar School to accommodate a new 60,000 square foot public library. This project is critical to the revitalization of the Midtown historic commercial core. <i>Project is at 90% construction; grand opening scheduled for January 10, 2009. This project is on budget and schedule.</i>	\$35,000,000
<ul style="list-style-type: none"> • North Main Street Utility Improvements 	This provides for the design and construction of utility relocation work for the North Main Street development area. <i>Project is 94% complete, on budget and schedule. Original budget was for design; funding increase reflects construction budget.</i>	\$1,100,000 <i>Final Cost: \$6,024,910.</i>
<ul style="list-style-type: none"> • KB Home Infrastructure 	This is part of the Agency's commitment towards with construction of infrastructure for the KB Home project. <i>Project successfully completed on budget and schedule.</i>	\$5,531,000

COMMUNITY DESIGN

Community design programs and projects create an attractive district uniquely Milpitas, established pedestrian-oriented, mixed use district that is focused along Main Street and provides urban open spaces. For 2005-06 thru 2009-10, the Agency has identified the following projects:

Project	Rationale	RDA Funding
<ul style="list-style-type: none"> • North Main Streetscape 	This provides for the reconstruction of North Main Street consistent with the Midtown Specific Plan. <i>Project is 60% complete and on budget and schedule.</i>	\$5,150,000
<ul style="list-style-type: none"> • N. Main St. EIR Mitigations 	Provides for environmental mitigations required by the Main Street Development EIR. <i>Project is successfully completed.</i>	\$500,000
<ul style="list-style-type: none"> • Transit Area Plan 	This provides for planning service required for the Transit Area Specific Plan. <i>The Plan is complete and adopted by the City Council. The project budget was increased, but the final cost was less than projected.</i>	\$723,000 increased to \$1,373,000. <i>Final Cost: \$870,000.</i>

CIRCULATION

Circulation programs and projects improve the viability of pedestrian, bicycle and transit systems along with creating mass transportation facilities. For 2005-06 thru 2009-10, the Agency has identified the following projects:

Project	Rationale	RDA Funding
<ul style="list-style-type: none"> Abel Street Improvements 	This provides for the design of the Abel Street reconstruction consistent with the Midtown Specific Plan. <i>Project successfully completed.</i>	\$200,000
<ul style="list-style-type: none"> Midtown Parking Garage East 	Provides for land acquisition, site improvements and construction of a 300-space public parking garage to serve the North Main Street developments consistent with the Midtown Specific Plan. <i>Project successfully completed. Project increases reflect the higher concrete costs and were funded with Transient Occupancy Tax (TOT) revenues.</i>	\$9,765,000. <i>Budget increased to \$12,500,000 (TOT). Final Cost: \$11,900,000.</i>
<ul style="list-style-type: none"> Milpitas Communication Enhancements 	This project will deploy communication cables and equipment to Abel Street and Curtis Avenue and will support future development needs. <i>Project successfully completed.</i>	\$170,000
<ul style="list-style-type: none"> Calaveras RR Overcrossing 	This project provides for sidewalk safety improvements on the overpass. <i>Design is 60% complete; construction planned for Summer 09. Budget increase reflects cost of construction; original budget only for design and preliminary engineering.</i>	\$200,000. <i>Budget increased to \$600,000.</i>

Table C
Adopted Capital Improvement Program Expenditures by Year
See Revised Table C at end of the Update.

Utilities and Public Infrastructure	2005-06	2006-07	2007-08	2008-09	2009-10	TOTAL
Public Works Yard Improvements & Studies	\$60,000	\$0	\$450,000	\$0	\$0	\$510,000
Building & Facility Improvements	\$354,000	\$0	\$0	\$0	\$0	\$354,000
In-ground Water Clarifiers	\$0	\$0	\$150,000	\$0	\$0	\$150,000
Main Sewer Pump Station Site Impts.	\$1,000,000	\$0	\$0	\$0	\$0	\$1,000,000
Oakcreek Pump Station	\$0	\$0	\$0	\$800,000	\$0	\$800,000
Berryessa Pump Station Improvements	\$1,415,000	\$0	\$0	\$0	\$0	\$1,415,000
Range Lead Containment System	\$210,000	\$0	\$0	\$0	\$0	\$210,000
Singley Area Phase 4	\$0	\$18,014	\$0	\$0	\$540,000	\$558,014
	\$3,039,000	\$18,014	\$600,000	\$800,000	\$540,000	\$4,997,014
Open Space						
MSC Facility Improvements	\$577,000	\$1,250,000	\$0	\$0	\$0	\$1,827,000
Senior Center Improvements	\$2,375,000	\$0	\$0	\$8,700,000	\$0	\$11,075,000
Community Center Improvements	\$0	\$0	\$0	\$500,000	\$0	\$500,000
	\$2,952,000	\$1,250,000	\$0	\$9,200,000	\$0	\$13,402,000
Transportation						
Bart Extension Coordination and Planning	\$35,000	\$85,000	\$85,000	\$85,000	\$0	\$290,000
Milpitas Boulevard Signal Interconnect	\$25,000	\$0	\$0	\$0	\$0	\$25,000
Light Rail Median Landscaping	\$0	\$0	\$0	\$0	\$1,416,000	\$1,416,000
North Milpitas Blvd. Soundwall	\$0	\$0	\$0	\$0	\$150,000	\$150,000
	\$60,000	\$85,000	\$85,000	\$85,000	\$1,566,000	\$1,881,000
Midtown Land Use						
North Main St. Utility Improvements	\$1,100,000	\$0	\$0	\$0	\$0	\$1,100,000
Library	\$1,300,000	\$33,700,000	\$0	\$0	\$0	\$35,000,000
KB Home Infrastructure	\$0	\$5,531,000	\$0	\$0	\$0	\$5,531,000
Transit Area Specific Plan	\$723,000	\$0	\$0	\$0	\$0	\$723,000
	\$2,400,000	\$39,231,000	\$0	\$0	\$0	\$42,354,000
Midtown Community Design						
North Main St. Midtown Streetscape	\$800,000	\$4,350,000	\$0	\$0	\$0	\$5,150,000
North Main St. Development EIR Mitigations	\$500,000	\$0	\$0	\$0	\$0	\$500,000
	\$1,300,000	\$4,350,000	\$0	\$0	\$0	\$5,650,000
Midtown Circulation						
Abel Street Midtown Improvements	\$200,000	\$0	\$0	\$0	\$0	\$200,000
Midtown Parking Garage East	\$5,600,000	\$0	\$0	\$0	\$0	\$5,600,000
East Garage Land Acquisition & Site Prep	\$4,165,000	\$0	\$0	\$0	\$0	\$4,165,000
Calaveras Overcrossing	\$0	\$0	\$200,000	\$0	\$0	\$200,000
Milpitas Communication Enhancements	\$0	\$170,000	\$0	\$0	\$0	\$170,000
	\$9,965,000	\$170,000	\$200,000	\$0	\$0	\$10,335,000
Deleted Capital Projects						
West Garage (County to build)	(\$1,000,000)	\$0	\$0	\$0	\$0	(\$1,000,000)
Ball Park Fence & Main/Great Mall Sewer Interceptor	\$0	(\$315,000)	\$0	\$0	\$0	(\$315,000)
	(\$1,000,000)	(\$315,000)	\$0	\$0	\$0	(\$1,315,000)
TOTALS BY YEAR	\$19,438,697	\$44,789,014	\$885,000	\$10,085,000	\$2,106,000	\$77,303,711

D. Link Between Programs and Blight Elimination

This section of the Implementation Plan outlines how the proposed programs and projects will help to alleviate blight in the Project Areas. The goals of the Redevelopment Plans include: eliminating environmental deficiencies; improving vehicular and pedestrian circulation; planning, designing and redeveloping underutilized areas; strengthening commercial functions; strengthening the economic base; providing adequate parking and open space; and establishing and implementing design performance criteria.

Despite the successful efforts of the Redevelopment Agency, blighted conditions remain in the Area. Following is a list of blighted conditions in the Project Area that need further redevelopment assistance:

- Commercial and retail vacancies
- Incompatible building design
- Graffiti, accumulated garbage, weeds, and non-conforming uses and signs
- Inadequate parking and traffic congestion
- Deteriorating public improvements and inadequate lighting
- Fractured land ownership and irregular land parcelization
- Environmental contamination
- Inadequate open space
- Residential overcrowding
- Deteriorating affordable housing stock

The proposed programs and projects in Section C above will advance the Agency's goals to eliminate blighting conditions in the Project Area as defined by CRL. Public infrastructure projects will improve the condition of deteriorating public infrastructure. Traffic and transportation improvements will help ameliorate circulation problems and increase economic activity. Investment in public facilities will make the facilities more attractive and safer and improve services to residents and businesses in the Project Area. Table D below summarizes the direct relationship each of these programs has on eliminating blighting conditions as defined by CRL.

**Table D
Blighting Conditions Addressed by Proposed Projects**

Project	Commercial and retail vacancies, business development	Incompatible building design	Graffiti, accumulated garbage, weeds, and non-conforming uses and signs	Inadequate parking and traffic congestion	Deteriorated public improvements	Fractured land ownership and irregular land parcelization	Environmental contamination	Inadequate open space
PW Yard Improvements & Facility Studies					◆			
Building & Facility Improvements					◆		◆	
In-Ground Water Clarifiers					◆			
Main Sewer Pump Station Site Improvements					◆			
Berryessa Pump Station Improvements					◆			
Range Lead Containment System							◆	
MSC Facility Imprts					◆			◆
Senior Center					◆			◆
Community Center					◆			◆
BART Extension Planning	◆			◆				
Milpitas Blvd Signal				◆				
Light Rail Median Landscaping				◆				
North Milpitas Blvd. Soundwall					◆			
North Main Street Utility Improvements	◆				◆			
Library					◆			◆
N. Main St. Streetscape	◆				◆			
N. Main St. EIR Mitigations							◆	
Able Street Improvements	◆			◆	◆			
Midtown Parking Garage East	◆			◆				
KB Home Infrastructure					◆			
Calaveras O/C					◆			
Singley Phase 4					◆			
Freeway Signs	◆							

III. Affordable Housing Plan

A. 1999-2005 Housing Accomplishments

The Agency successfully assisted several affordable housing projects and activities in the Project Areas as well as outside the Project Areas as allowed by Redevelopment Law. The housing accomplishments listed in this section describe the completion of several housing developments that provide affordable housing in accordance with CRL.

The next section separately describes housing projects the Agency is involved in that will be completed during the 2005-10 timeframe.

Redevelopment Agency Projects	RDA Funding	Leveraging
<ul style="list-style-type: none"> • Construction completed at Montevista Apartments. • Total units in project: 306. Total affordable: 266 units. Project opened in 2000 – 01. • Very Low Income (VL): 57 units; Low Income (L): 56 units; Moderate Income (Mod): 153 units. 	\$3,000,000	
<ul style="list-style-type: none"> • Construction completed on new single-family homes at Summerfield Homes. • Total units: 110. Project opened in 2000 – 01. • VL: 22 units. 	\$3,000,000	
<ul style="list-style-type: none"> • Construction completed on new rental affordable housing units at The Crossing Apartments at Montague. • Total units in project: 468. Project opened in 2001 – 02. • VL: 94 units. 	\$3,742,578	
<ul style="list-style-type: none"> • Construction completed at Parc West Apartments. • Total units in project: 68. Total affordable: 68 units. Project opened in 2002 – 03. • L: 35 units; Mod: 33 units. 	\$1,000,000	
<ul style="list-style-type: none"> • Construction completed on new condominiums units for first time homebuyers at Parc Metropolitan. • Total units in project: 382. Total affordable: 28 units. Project opened in 2002 – 03. • L: 10 units; Mod: 18 units. 	\$792,587	
<ul style="list-style-type: none"> • Contributed \$500,000 to the Housing Trust Fund of Santa Clara County to be used for affordable housing in Milpitas. Mid-Peninsula Housing Coalition has applied for this allocation for the DeVries Place project. 	\$500,000	

B. Five-Year Goals and Objectives

The Agency continues to actively promote and subsidize affordable housing both within and outside the Redevelopment Project Area. Two main goals have been identified to address housing needs in Milpitas:

- Expand Affordable Housing Opportunities
- Preserve Existing Affordable Housing Stock

In order to support the housing goals, the Agency uses its own funds that are often leveraged with other local funds such as Community Development Block Grant, as well as state and federal programs and private resources.

C. Five-Year Housing Revenues

The Agency had a balance of \$20.8 million available for projects at the start of the 2005/06. Over the next five years it is estimated that revenues consisting of new tax increment (\$30 million) and program income from interest and loan repayments (\$3.0 million) will generate about \$33 million. Bond payments and administration costs will total about \$6.4 million over the five years, leaving a net of nearly \$26.6 million directly for new and approved housing programs and projects.

As a result of actual and projected tax increment revenue, it is anticipated that the Agency will receive approximately \$33,787,735 in tax increment revenue between FY 05/06 and 09/10. In addition to the tax increment, the Agency also has other sources of revenue including interest that result in total Agency revenues for the five year period to be slightly over \$44 million.

The Agency has several projects identified for the first three years of the Implementation Plan period. Table E below illustrates that once these approved projects are funded, the Agency will still have \$20 million available for new projects and programs.

Table E

Projected Housing Projects and Expenditures by Year

See Revised Table E at end of Update

	Fund Balance 2005	Fiscal Year 2005-2006	Fiscal Year 2006-2007	Fiscal Year 2007-2008	Fiscal Year 2008-2009	Fiscal Year 2009-2010	Total
Tax Increment	\$20,864,000	\$5,496,000	\$5,825,000	\$6,116,000	\$6,361,000	\$6,616,000	\$51,278,000
Program Income		\$542,000	\$636,000	\$418,000	\$538,000	\$739,000	\$2,873,000
TOTAL	\$20,864,000	\$6,038,000	\$6,461,000	\$6,534,000	\$6,899,000	\$7,355,000	\$54,151,000
Less Debt Service/ Admin		\$1,238,000	\$1,284,000	\$1,288,000	\$1,292,000	\$1,321,000	\$6,423,000
Less Approved Housing Set Aside Projects		\$4,841,000	\$20,770,000	\$4,250,000	\$0	\$0	\$29,861,000
Net Housing Program Funds Available	\$20,864,000	(\$41,000)	(\$15,593,000)	\$997,000	\$5,608,000	\$6,033,000	\$17,868,000

D. Housing Needs/Targeting of Funds

According to the 2000 Census, almost a quarter of Milpitas residents pay more than 35% of their household income toward housing, which is considered overpaying by census definition. This is a characteristic of the regional housing market in the San Francisco Bay Area that Milpitas shares with neighboring cities. The Association of Bay Area Governments (ABAG) periodically determines the need for new housing units for the region and devises an allocation for each jurisdiction to plan its fair share. The current ABAG needs allocation for the City of Milpitas and its percentage by affordable income level is shown in chart below.

ABAG Regional Housing Need Allocation

Very Low Income	689	28%
Low Income	421	17%
Moderate Income	441	18%
Above Moderate	936	37%
Total	2,487	100%

A recent amendment to California Redevelopment Law requires that expenditure of Redevelopment Housing funds have specific targets for assistance to very low and low income households as well as age restricted housing. These targets are to be assessed over 10 year planning periods. The first planning period has been adjusted to comply with the date the law was enacted, so it will be from January 2007 to December 2014.

The new law requires that the amount of housing funds targeted to very low and low income households be at least the same proportion as the ABAG needs allocation for those income groups for each 7 year planning period. Accordingly Milpitas should spend at least 44.7% of its Housing Set-Aside funds for very low and low-income households.

In the prior 5-year implementation plan period, Milpitas spent over \$11 million of its funds to assist these income groups. Redevelopment funds were used to provide fee waivers or grants to developers or committed for down payment assistance to low and moderate-income residents in six housing developments - Parc Metro, Parc Place, Parc West and Montevista Apartments, Summerfield Homes and the Crossing Apartments at Montague. This demonstrates significant progress toward the minimum requirement for the entire planning period.

CRL includes an age component to housing assistance targeting. The Agency is required to spend set-aside funds for housing with no age restrictions in the same proportion that the number of households with a member under age 65 bears to the total low income population. Milpitas has 2,790 low-income households of which 25% or 706 are senior households. During the last five years, the Agency has not expended funds for senior assisted housing. Over the next 10 years, the Agency will likely have \$52,000,000 to spend on affordable housing of which \$13,000,000 can be spent on senior housing. Much of this commitment will be achieved with the Agency's \$9.6 million commitment to Mid-Peninsula Housing Coalition for the senior project at the DeVries site.

Table F shows the anticipated expenditures for the planning period January 2002 to December 2014 and Milpitas's progress to date on targeting requirements.

Table F

**Redevelopment Housing Set-aside Targeting 1/02-12/14
Estimated Funds Available: \$ 52,000,000**

	Number	Percent	Targeting Requirement	Target Amount	1/05-12/07 Expenditures	Unit Total	Housing Program/Project
HH Income Targeting	Households (HH)						
Very Low HH	2,790	100%			\$3,400,000		Aspen, Centria, Paragon
Seniors HH (65+ years)	706	25%	Max. Expense	\$13,000,000	\$9,600,000		DeVries
HH Income Targeting	Units						
ABAG RHNA 1999-2006							
Very Low Income	689	18%	Min. Expense	\$16,640,000	\$6,171,578	224	Parc Place, The Crossings and Montevista Apartments
Low Income	421	17%		\$8,320,000	\$5,135,587	147	Parc Metro, Summerfield Homes, Parc Place, Parc West and Montevista Apartments
Moderate Income	1377	55%		\$27,040,000	\$4,227,000	206	Parc Metro, Parc Place and Montevista Apartments
Total	2487	100%		\$52,000,000	\$15,534,165	577	

E. Five-Year Housing Programs

Milpitas has several ongoing housing programs with funding proposed from the Housing Set Aside funds over the next five years. These projects are identified under Developer Assistance. The Agency also has funds for new projects not yet identified. Typically Housing Set Aside funds have been earmarked for a project in response to a developer inquiry. Since the 20% funds projection at the end of the five-year period is significant, the Agency can be more proactive in soliciting affordable housing development proposals. Table G summarizes anticipated expenditure by year of the following programs and projects.

Low and Moderate Income Housing Rehabilitation Program

Preservation of existing housing stock can be more cost effective than creating new affordable housing. The Housing Rehabilitation program, *using Community Development Block Grant*

funds, provides low interest loans to very low and low-income homeowners to repair code and safety items and upgrade construction deficiencies.

Funding for this program will be \$800,000 for the next five years, which will assist approximately 15 dwelling units.

Down Payment Assistance and Developer Assistance:

City of Milpitas will provide approximately *\$34 million* to assist very low, low and moderate-income households as part of the projects identified below. A total *970* affordable housing units will be provided over the five-year time period. Once constructed, all affordable housing units will have long-term affordability restriction agreements to remain part of the Milpitas overall housing stock.

The Agency actively participates in the expansion of affordable housing by providing direct assistance to developers for the development of affordable housing both inside and outside the Project Areas. The Agency also provides Silent 2nds to assist the buyers of the affordable units. The projects below described Agency approved and subsidized projects that will be constructed during the Implementation Plan period.

<ul style="list-style-type: none"> • Construction nearly completed at Parc Place for new condominium units. • Total units in project: 285. Total affordable: 58 units. • VL: 18 units; L: 6 units; Mod: 34 units. 	\$3,797,480 Total project cost. Project is complete.	
<ul style="list-style-type: none"> • Committed funding for new condominiums units for first time homebuyers at Apton Plaza. • Total units in project: 93. Total affordable: 19. Very Low (VL): 9 units; Moderate (Mod): 10 units. 	\$1,230,560	
<ul style="list-style-type: none"> • Committed funding for Centria Condominiums for first time homebuyers. • Total units in project: 464. Total affordable: 93. • VL: 22 units; Low (L): 4 units; Mod: 67 units. <p><i>This project changed as 327 units were converted to rental from for-sales. The balance of 137 units remains for-sale with 26 affordable units.</i></p> <p><i>VL: 7 units Low: 9 units Moderate: 10 units</i></p>	\$1,139,560	
<ul style="list-style-type: none"> • Committed funding for the Town Center Condominiums for first time homebuyers. The Agency also funded the rehabilitation of 4 off-site units for very low-income residents. • Total project units: 69. Total affordable: 20. VL: 4 units; Mod: 16 units. 	\$800,000	
<ul style="list-style-type: none"> • Committed funding for the DeVries Place Senior Housing in partnership with Mid-Peninsula Housing Coalition to construct and operate the project. The project also includes one moderate income Manager unit. • Total units in project: 102. Total affordable: 102. VL: 101 units; Mod: 1 unit. 	\$9,600,000	\$15,600,000 (Mid-Pen) \$5,000,000 (KB) \$1,000,000 (County)
<ul style="list-style-type: none"> • Approved funding for the rehabilitation of 4 existing rental units on Edsel and Shirley Drive with long-term affordability restriction agreements. • Total units in project: 4. Total affordable: 4. This project outside RDA boundaries and the Agency only receives credit for one-half of the units. 	\$200,000	
<ul style="list-style-type: none"> • Total five year funding to Housing Trust Fund of Santa Clara County. 	\$750,000	Included \$500,000 for the DeVries Place Senior Housing
<ul style="list-style-type: none"> • Approved the Development Agreement with KB Home for 683-units that will include 110 affordable housing units for moderate-income households (11 single family; 14 town homes; 85 apartments). • Total units in project: 683. Total affordable: 110. 	Estimated \$13,000,000	Currently projected at \$9.7 million
<ul style="list-style-type: none"> • Approved the Development Agreement with Aspen Family Apartments for 101 affordable units with includes 46 extremely low, 54 very low and 1 moderate income 	\$2,300,000	

manager unit. • Total units in Project: 101. Total affordable: 100.		
• Approved the Development Agreement with Paragon for 129 units that will include 29 affordable units (9 very low and 20 moderate). • Total units in project: 129. Total affordable 29.	\$1,190,000	

Other Potential Projects

In addition to the funds described above, by the end of the Implementation Period the Agency will have nearly \$20 million over the five-year planning period to use for new affordable housing projects. These will be targeted towards family housing projects with priority towards very low and low-income households. Based on recent project development costs, it is estimated that nearly 500 new units could be produced with these funds. There are a number of ways that new projects may be assisted:

Site Acquisition

Acquisition of land and/or potential rehabilitation of underutilized residential parcels both inside and outside the Project Area.

For example, **Senior Housing Solutions:** The Agency funded a total of \$250,000 to financially assist Senior Housing Solutions on the acquisition of a single-family home. This home accommodates 5 very low-income seniors. The Housing Trust also provided \$100,000 and other funding sources will be used for the rehabilitation of the structure. This project is outside a redevelopment project area; therefore the Agency only receives credit for one-half the units.

Mixed-Use Development

Utilizing sites to develop mixed-use developments that include an affordable housing component.

Santa Clara County Housing Trust Fund

The Agency contributes to this countywide housing fund for additional projects in Milpitas. An additional \$150,000 was approved in March 2006 to be used for affordable housing in Milpitas.

Centria/Lyon West: A portion of the previously approved Centria for-sale condominium project with 464 units has been sold. Lyons Apartment Company has recently purchased the remaining 327 units and will provide 67 affordable rental units within the project. The affordable units will consist of 15 Very Low Income units; 3 Low Income units and 49 Moderate income units. No financial assistance was provided to the Lyon apartment conversion.

South Main Street: This project consists of 126 units that includes 19 affordable units. The affordability will consist of 5 Low income units and 14 Moderation Income units. No financial assistance is provided to this project.

Table G

Projected Use of Housing Set Aside Funds: 2005-2010

Program/Type	Funding/Affordable Units By Year					
	2005	2006	2007	2008	2009	Total
New Construction						
New Projects Approved	\$6.5M	\$4.6M	\$15.0	\$9.6M	\$4.3M	\$40M
Very Low Income Units	3	18	247*	0	169	434
Low Income Units		6	9	0	47	62
Moderate Income Units		34	112	126	103	375
Rehabilitation (CDBG)						
Housing Rehabilitation Program	\$0	\$200,000	\$200,000	\$200,000	\$200,000	\$800,000
Very Low Income Units	0	4	4	2	2	12
Low Income Units	0	0	0	2	1	3
Moderate Income Units	0	0	0	0	0	0
Totals Funds	\$6.5M	\$4.8M	\$15.2M	\$9.8M	\$4.5M	\$40.8
Very Low Income Units	3	22	251	2	171	449
Low Income Units		6	13	2	48	69
Moderate Income Units		34	189	126	103	452
Total Units	3	62	453	130	322	970

*Note: 51 Extremely Low-Income unites are included in the Very Low-Income category.

F. Replacement Housing

Whenever dwelling units that house low or moderate-income households are demolished as part of an Agency assisted project, an equal amount of units must be returned to the housing stock by construction or rehabilitation within four years. At this time it is not anticipated that residential units will be demolished as part of Agency activities. In the event this should occur, the Agency will fulfill its obligation to replace those units within four years.

G. Project Area Inclusionary Requirements

Within the Redevelopment Project Area, the Agency must ensure that 15% of all newly constructed or substantially rehabilitated dwelling units that are developed by private developers or public agencies other than the Redevelopment Agency are restricted to low and moderate-income households at an affordable housing cost, and that 40% of the 15% are restricted for occupancy by very low income households at an affordable housing cost. This must be evaluated every 5 years to ensure that the requirements are met every 10 years. From the inception of the Milpitas Redevelopment Agency until the beginning of this planning period, those requirements have been met. A total of 3,687 residential units have been constructed in the project areas and a total of 727 are affordable. Of those 727 units, 374 are affordable to very low-income households, and 353 are affordable to low or moderate income households.

The Milpitas Agency has exceeded the requirement to provide affordable housing in by nearly 32%. In particular, the Agency has exceeded the requirement to provide affordable units to very low-income residents by 29%.

For units built or rehabilitated by the Agency, 30% must be available at affordable housing costs to Low and Moderate income households of which one-half must be available at affordable housing costs to Very Low Income Households. The Agency has not built or rehabilitated any housing projects directly during the last five years.

As each project is developed within the Redevelopment Project Area, the Agency requires an agreement to ensure the affordability requirements are met. The Agency will continue this practice during the implementation plan period. As a result of the Midtown Specific Plan and the Transit Study Area, it is estimated that another 6,000 units may be constructed in the redevelopment areas over the next 10 years, which would produce at least 360 very low-income units and 540 low or moderate-income units from 2005-2015.

Beyond that, for the life of the Redevelopment Agency it is estimated that another 3,000 units will be constructed from 2015-2033. This would generate another 180 very low-income units and 270 low or moderate-income units. The historical and future estimates of housing production, including affordable units, in the project areas are shown below.

**Table H
Housing Production in Redevelopment Areas**

1981-2002 By Year	Total Units Constructed	Inclusionary Requirement			Affordable Units Completed		
		Very Low 6%	Low/Mod 9%	Total 15%	Very Low	Low/Mod	Total
1988	150	150	0	150	150	0	150
1988	375	0	0	0	0	0	0
1990-1991	0	0	0	0	0	0	0
1992	114	0	0	0	0	0	0
1993-1999	0	0	0	0	0	0	0
2000	416	76	344	420	0	0	0
2001	468	47	0	47	123	344	467
Total	1,523	273	344	617	273	344	617
Actual Percent:					18%	23%	40%
Future Years Est. Units		Very Low 6%	Low/Mod 9%	Total 15%			
Implementation Plan Period: 2002-2015		6,000	360	540	900		
Remainder Life of Agency: 2015-2031		3,000	180	270	450		
Total Est. 2002-31		9,000	540	810	1,350		

TABLE B
Revised for Mid-Cycle Update
October 7, 2008

	2005/06	2006/07	2007/08	2008/09	2009/10	5 YR Total
RDA Program (80%)						
Operating Revenues	\$ 28,281,055	\$ 34,363,198	\$ 32,669,849	\$ 32,049,000	\$ 32,159,000	\$ 159,522,102
Operating Expenses(w/ Debt Svcs)	(27,543,923)	(24,465,937)	(26,990,577)	(35,214,783)	(32,283,983)	(146,499,203)
Cap Improvement Projects - 5 Yr Plan	(20,439,000)	(39,573,014)	(5,009,063)	(15,842,795)	(4,316,000)	(85,179,872)
Use of Fund Balance	\$ (19,701,868)	\$ (29,675,753)	\$ 670,209	\$ (19,008,578)	\$ (4,440,983)	\$ (72,156,973)
Remaining Fund Bal	\$ 86,552,546	\$ 56,876,793	\$ 57,547,002	\$ 38,538,424	\$ 34,097,441	
Unreserved Fund Bal	\$ 26,387,877	\$ 36,969,071	\$ 43,017,989	\$ 38,538,424	\$ 34,097,441	
Unallocated Bond Proceeds	\$ 60,164,669	\$ 19,907,722	\$ 14,529,013	-	-	
RDA 20% Housing						
Operating Revenues	\$8,473,261	\$6,948,577	\$9,098,660	\$8,887,000	\$10,663,545	\$ 44,071,043
Housing Expenses	(3,896,140)	(19,355,537)	(5,907,927)	(8,618,529)	(8,902,691)	(46,680,823)
Available for Projects	\$ 4,577,121	\$ (12,406,960)	\$ 3,190,733	\$ 268,471	\$ 1,760,854	\$ (2,609,780)
Remaining Fund Bal	\$ 26,813,649	\$ 14,406,689	\$ 17,597,422	\$ 17,865,893	\$ 19,626,748	

TABLE C
Revised for Mid-Cycle Update
October 7, 2008

Utilities and Public Infrastructure	2005-06	2006-07	2007-08	2008-09	2009-10	TOTAL
Public Works Yard Improvements & Studies	\$60,000	\$0	\$450,000	\$0	\$0	\$510,000
Building & Facility Improvements	\$354,000	\$0	\$0	\$0	\$0	\$354,000
In-ground Water Clarifiers	\$0	\$0	\$150,000	\$0	\$0	\$150,000
Main Sewer Pump Station Site Impts.	\$1,000,000	\$0	\$0	\$0	\$0	\$1,000,000
Oakcreek Pump Station	\$0	\$0	\$0	\$800,000	\$0	\$800,000
Berryessa Pump Station Improvements	\$1,415,000	\$0	\$0	\$0	\$0	\$1,415,000
Range Lead Containment System	\$210,000	\$0	\$0	\$0	\$0	\$210,000
Singley Area Phase 4	\$0	\$18,014	\$0	\$0	\$540,000	\$558,014
	\$3,039,000	\$18,014	\$600,000	\$800,000	\$540,000	\$4,997,014
Open Space						
MSC Facility Improvements	\$577,000	\$1,250,000	\$0	\$0	\$0	\$1,827,000
Senior Center Improvements	\$2,375,000	\$0	\$0	\$8,700,000	\$0	\$11,075,000
Community Center Improvements	\$0	\$0	\$0	\$500,000	\$0	\$500,000
	\$2,952,000	\$1,250,000	\$0	\$9,200,000	\$0	\$13,402,000
Transportation						
Bart Extension Coordination and Planning	\$35,000	\$85,000	\$85,000	\$85,000	\$0	\$290,000
Milpitas Boulevard Signal Interconnect	\$25,000	\$0	\$0	\$0	\$0	\$25,000
Light Rail Median Landscaping	\$0	\$0	\$0	\$0	\$1,416,000	\$1,416,000
North Milpitas Blvd. Soundwall	\$0	\$0	\$0	\$0	\$150,000	\$150,000
	\$60,000	\$85,000	\$85,000	\$85,000	\$1,566,000	\$1,881,000
Midtown Land Use						
North Main St. Utility Improvements	\$1,100,000	\$0	\$0	\$0	\$0	\$1,100,000
Library	\$1,300,000	\$33,700,000	\$0	\$0	\$0	\$35,000,000
KB Home Infrastructure	\$0	\$5,531,000	\$0	\$0	\$0	\$5,531,000
Transit Area Specific Plan	\$723,000	\$0	\$0	\$0	\$0	\$723,000
	\$2,400,000	\$39,231,000	\$0	\$0	\$0	\$42,354,000
Midtown Community Design						
North Main St. Midtown Streetscape	\$800,000	\$4,350,000	\$0	\$0	\$0	\$5,150,000
North Main St. Development EIR Mitigations	\$500,000	\$0	\$0	\$0	\$0	\$500,000
	\$1,300,000	\$4,350,000	\$0	\$0	\$0	\$5,650,000
Midtown Circulation						
Abel Street Midtown Improvements	\$200,000	\$0	\$0	\$0	\$0	\$200,000
Midtown Parking Garage East	\$5,600,000	\$0	\$0	\$0	\$0	\$5,600,000
East Garage Land Acquisition & Site Prep	\$4,165,000	\$0	\$0	\$0	\$0	\$4,165,000
Calaveras Overcrossing	\$0	\$0	\$200,000	\$0	\$0	\$200,000
Milpitas Communication Enhancements	\$0	\$170,000	\$0	\$0	\$0	\$170,000
	\$9,965,000	\$170,000	\$200,000	\$0	\$0	\$10,335,000
Deleted Capital Projects						
West Garage (County to build)	(\$1,000,000)	\$0	\$0	\$0	\$0	(\$1,000,000)
Ball Park Fence & Main/Great Mall Sewer Interceptor	\$0	(\$315,000)	\$0	\$0	\$0	(\$315,000)
	(\$1,000,000)	(\$315,000)	\$0	\$0	\$0	(\$1,315,000)
TOTALS BY YEAR	\$19,438,697	\$44,789,014	\$885,000	\$10,085,000	\$2,106,000	\$77,303,711

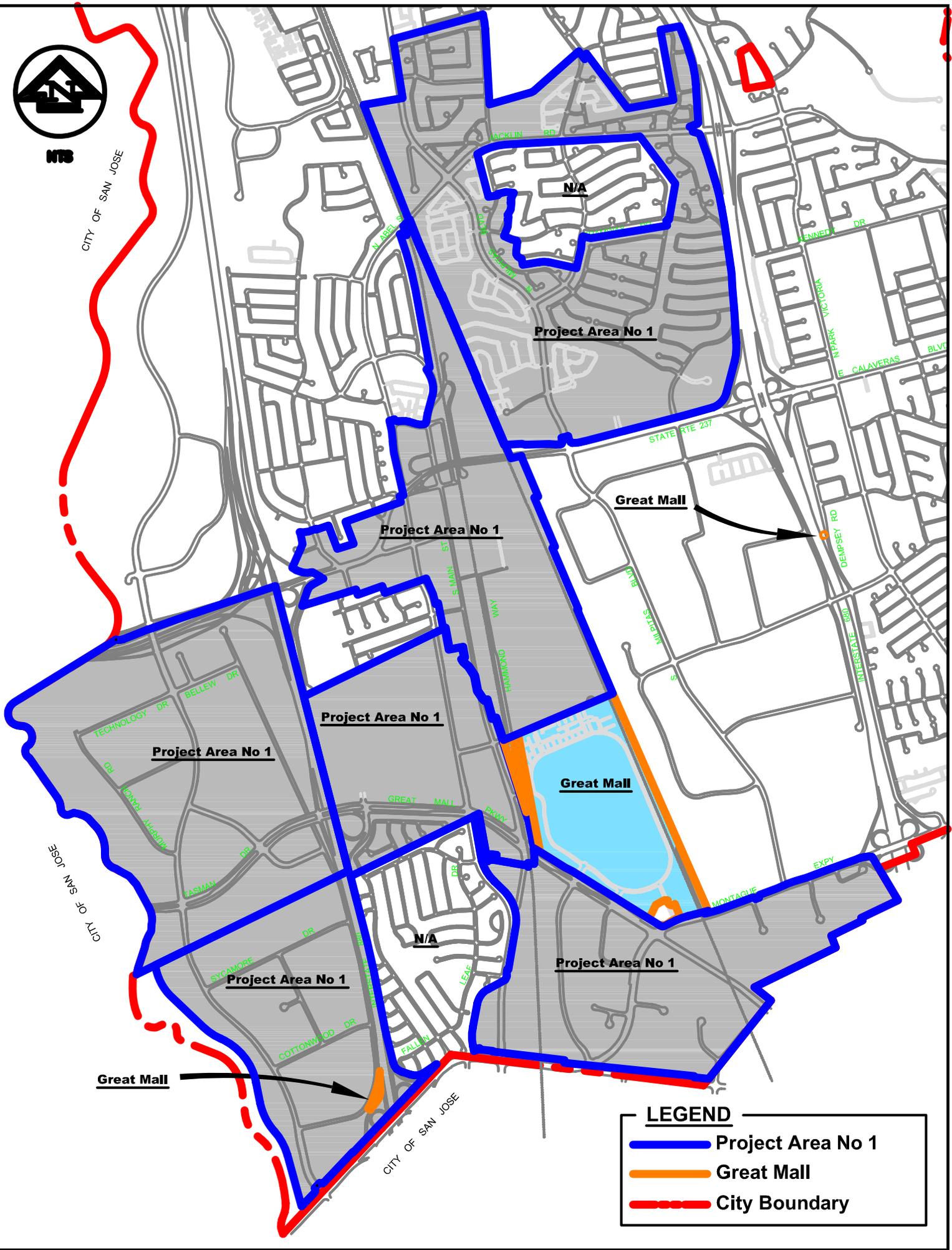
TABLE E
Revised for Mid-Cycle Update
October 7, 2008

RDA 20% Housing	2005/06	2006/07	2007/08	2008/09	2009/10	5 YR Total
<i>Operating Revenues</i>	\$5,867,736	\$ 5,886,749	\$ 6,740,250	\$ 7,493,000	\$ 7,800,000	\$33,787,735
<i>Interest on 20% Funds</i>	855,525	1,055,095	1,039,509	537,000	670,000	4,157,129
<i>Misc. Revenue</i>	1,750,000	6,733	1,318,901	857,000	2,193,545	6,126,179
Total Agency Revenue	\$8,473,261	\$6,948,577	\$9,098,660	\$ 8,887,000	\$10,663,545	\$44,071,043
Housing Expenses						
<i>Debt Service</i>	\$ 362,593	\$ 362,384	\$ 362,396	\$ 362,000	\$ 387,000	\$,836,373
<i>Salaries and Wages</i>	23,153	31,495	39,929	300,265	309,273	704,115
<i>Services and Supplies</i>	22,410	113,339	201,128	96,750	99,653	533,280
<i>Purchase of Devries land</i>		2,000,000				2,000,000
<i>Overhead Reimbursements</i>	764,576	1,340,957	1,100,655	1,164,782	1,199,725	5,570,695
	\$1,172,732	\$3,848,175	\$1,704,108	\$1,923,797	\$1,995,651	\$10,644,463



NS

CITY OF SAN JOSE



LEGEND

- Project Area No 1
- Great Mall
- City Boundary

EXHIBIT C

Great Mall Redevelopment Plan Amendment No. 5

Initial Study



City of Milpitas

February 3, 2009

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APPENDICES

APPENDIX	Great Mall Redevelopment Plan	
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The environmental factors checked below would be potentially affected by this project, as indicated by the checklist on the following pages.

- | | | |
|----------------------------------------------------------|-------------------------------------------------------------|-----------------------------------------------------|
| <input type="checkbox"/> Aesthetics | <input type="checkbox"/> Agricultural Resources | <input type="checkbox"/> Air Quality |
| <input type="checkbox"/> Biological Resources | <input type="checkbox"/> Cultural Resources | <input type="checkbox"/> Geology and Soils |
| <input type="checkbox"/> Hazards and Hazardous Materials | <input type="checkbox"/> Hydrology and Water Quality | <input type="checkbox"/> Land Use and Planning |
| <input type="checkbox"/> Mineral Resources | <input type="checkbox"/> Noise | <input type="checkbox"/> Population and Housing |
| <input type="checkbox"/> Public Services | <input type="checkbox"/> Recreation | <input type="checkbox"/> Transportation and Traffic |
| <input type="checkbox"/> Utilities and Service Systems | <input type="checkbox"/> Mandatory Findings of Significance | |

DETERMINATION: (To be completed by lead agency)

On the basis of this initial evaluation:

- I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
- I find that the proposed project MAY have a significant effect on the environment and an ENVIRONMENTAL IMPACT REPORT is required.
- I find that the proposed project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect (1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and (2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
- I find that although the proposed project could have a significant effect on the environment, because all the potentially significant effects (1) have been analyzed adequately in an earlier ENVIRONMENTAL IMPACT REPORT or NEGATIVE DECLARATION pursuant to applicable legal standards, and (2) have been avoided or mitigated pursuant to that earlier ENVIRONMENTAL IMPACT REPORT or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

Signature Date

Printed Name For

SECTION 1 INTRODUCTION AND PURPOSE

This Initial Study of environmental impacts is being prepared to conform to the requirements of the California Environmental Quality Act (CEQA), the CEQA Guidelines (California Code of Regulations 15000 et. seq.), and the regulations and policies of the City of Milpitas. This Initial Study evaluates the potential environmental impacts, which might reasonably be anticipated from the proposed time extension of the Great Mall Redevelopment Plan to June 30, 2040. The project would extend the duration of the Plan to ensure the work of the redevelopment is completed and the goals and objectives of the Plan are fully achieved.

The original Redevelopment Plans and subsequent amendments have been adequately addressed in previous environment documents listed below:

- Final Program EIR for the Adoption of the Redevelopment Plan for the Great Mall Project, State Clearinghouse No. 92063043, 1993.
- Final Program EIR for the Plan Amendment to Redevelopment Project Area No. 1, State Clearinghouse No. 9509357, 1996
- Final Program EIR for the Eight Amendment to the Redevelopment Plan for Milpitas Redevelopment Area No. 1, State Clearinghouse No. 2002112043, 2003
- Supplemental EIR for Proposed Merger of Milpitas Redevelopment Area No. 1 and Great Mall Redevelopment Project Area, State Clearinghouse No. 2006082087

The City of Milpitas is the Lead Agency under CEQA and has prepared this Initial Study to address the impacts of implementing the proposed project.

SECTION 2 PROJECT INFORMATION

2.1 PROJECT TITLE

Great Mall Redevelopment Plan Amendment No. 5

2.2 PROJECT LOCATION

1100 S. Main Street, Milpitas, CA 95035

2.3 PROPERTY OWNER/PROPONENT

Milpitas Mills LP
C/O Simon Property Group
PO Box 6120
Indianapolis, IN 46206

City of Milpitas Redevelopment Agency
455 E. Calaveras Blvd.
Milpitas, CA 95035

2.4 LEAD AGENCY CONTACT

City of Milpitas
Diana Barnhart, Economic Development Manager
City Manager's Office
455 E. Calaveras Blvd.
Milpitas, CA 95035

Cindy Hom, Assistant Planner
City of Milpitas Planning Division
455 E. Calaveras Boulevard
Milpitas, CA 95035

2.5 ASSESSOR'S PARCEL NUMBERS

8624042-046, 8624053, 8624056-061, 8649005-078, 8649005-048, 8649051-078, 865013-113,
8651013-057, 865160-082

2.6 ZONING DISTRICT, GENERAL PLAN AND SPECIFIC PLAN DESIGNATIONS

Zoning District: *General Commercial with Site and Architectural Overlay (C2-S)*
General Commercial with Office Overlay and Site and Architectural Overlay (C2-OO-S)
Multi-family Residential, High Density with Site and Architectural Overlay (R3-S)

General Plan Designation: *General Commercial (GNC)*
Multi-family Residential, High Density

Specific Plan Designation: *Transit Area—General Commercial, General Commercial with Office Overlay, and Multi-Family Residential High Density*

Figure 2.1-1: Regional Map

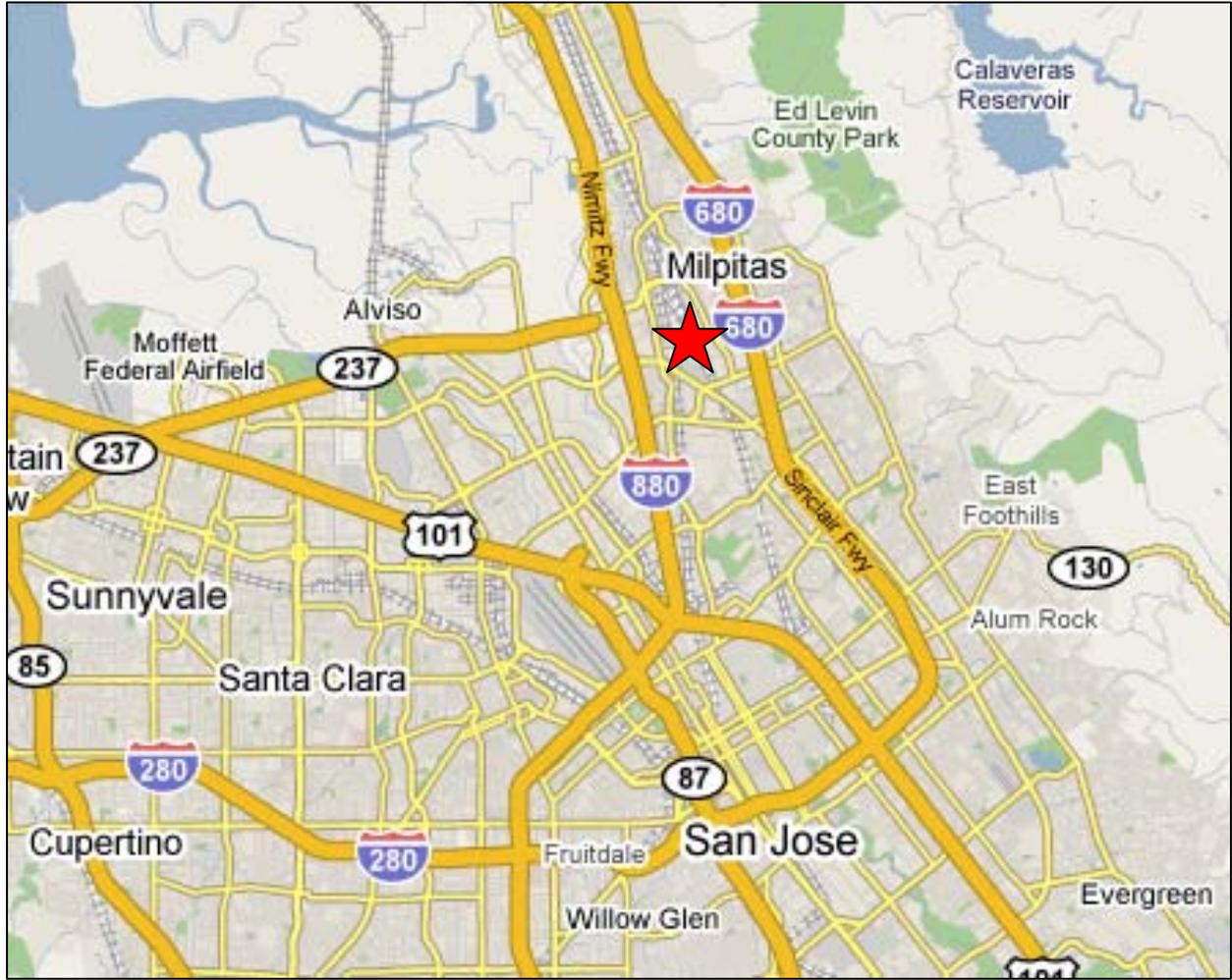


Figure 2.1-2: Vicinity Map

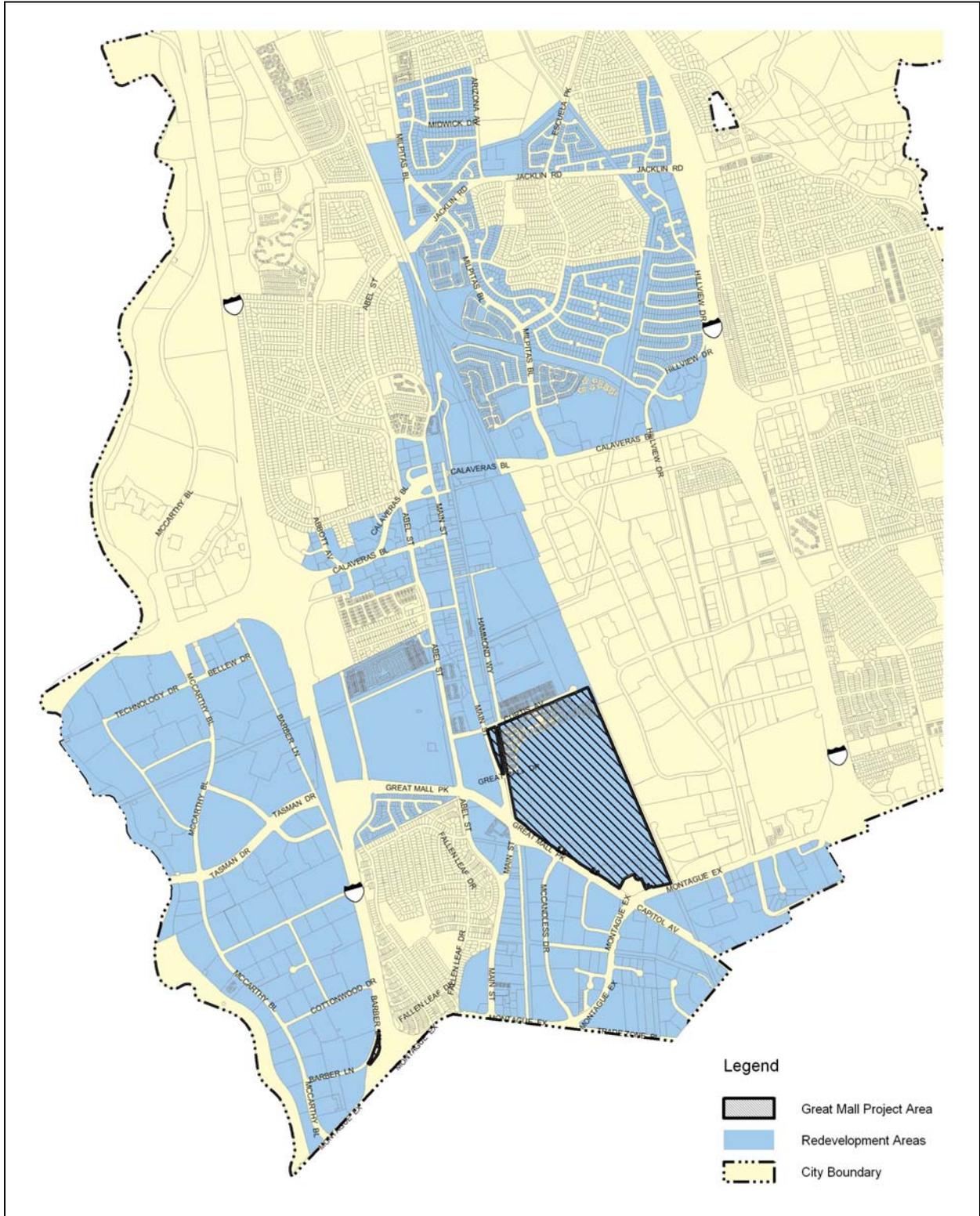
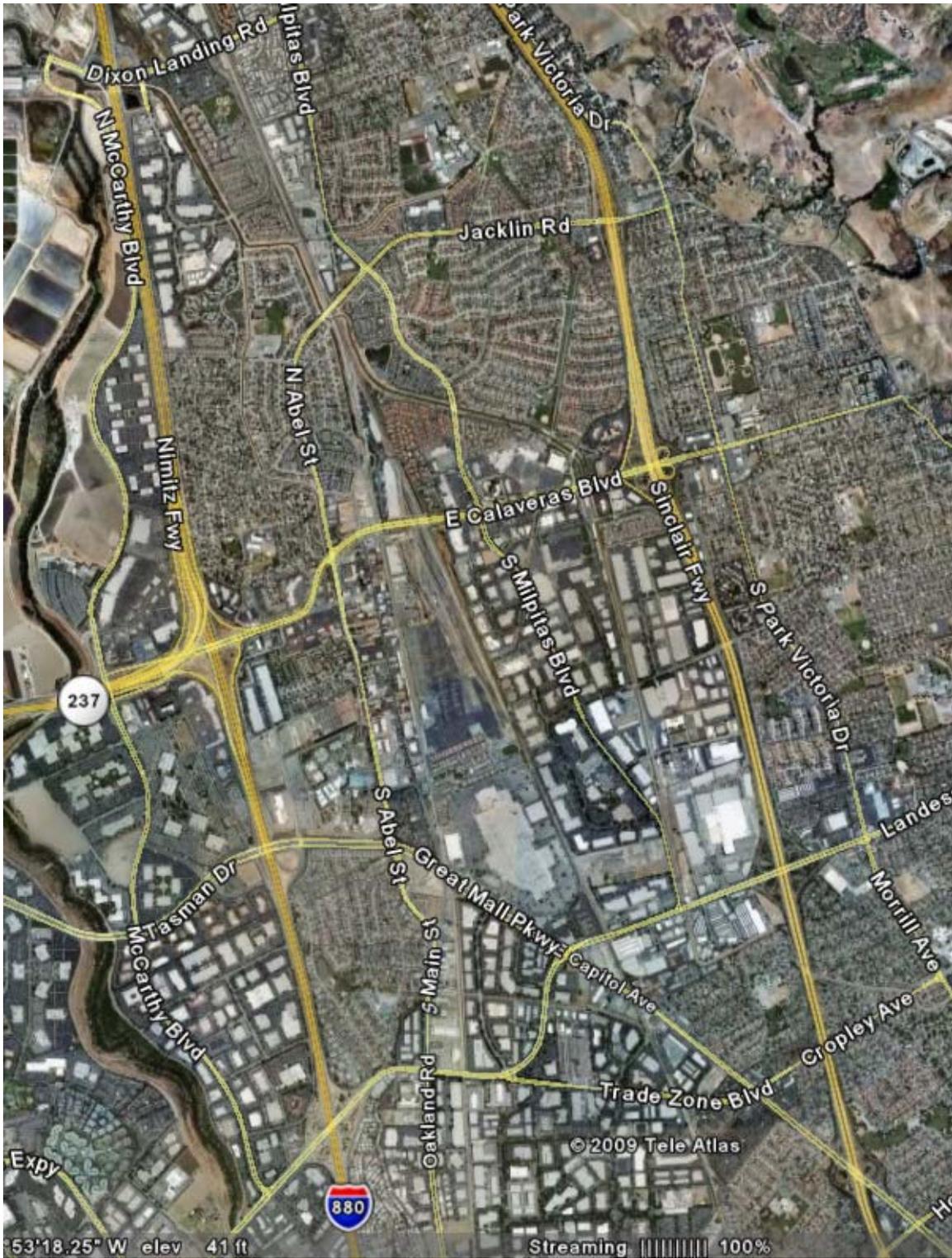


Figure 2.1-3: Aerial



SECTION 3 PROJECT DESCRIPTION

AMENDMENT TO THE GREAT MALL REDEVELOPMENT PLAN

The Great Mall Redevelopment Project Area was created to facilitate the redevelopment of the vacated Ford Motor Plan. The project is an amendment (Amendment No. 5) to the Great Mall Redevelopment plan that would extend the duration of the Redevelopment Plan from November 2, 2010 to June 30, 2040. The Great mall Redevelopment Plan was originally adopted on November 2, 1993 for a fifteen-year duration. Subsequent amendments to the Great Mall Redevelopment Plan were approved in December 6, 1994, by Ordinance No. 192.10 ("First Amendment"), on October 16, 2001, by Ordinance N9. 192.13 ("Second Amendment"), on October 3, 2006, by Ordinance No. 192.17 ("Third Amendment") and on November 29, 2006, by Ordinance No. 192.19 ("Fourth Amendment"). The Great Mall Redevelopment Project Area is set to expire on November 2, 2010. A further extension of time is necessary to ensure that the work of the redevelopment is completed and the goals and objectives of the plan are fully achieved. Those goals and objectives are set forth-in Section 100 of the Plan and are briefly summarized below:

- The elimination of blighting influences and the correction of environmental deficiencies;
- The re-planning, redesign, rehabilitation and redevelopment of areas that are stagnant or improperly utilized.
- Strengthening retail and other commercial function in the Project Area; and
- Establishing and implementing performance criteria to assure high site design standards and environmental quality and other design elements, which provide unity and integrity to the entire project.

The Plan does not contain tax increment financing authority and thus will not adversely affect the property tax revenues of any affected taxing entities. The Plan also does not contain eminent domain authority.

PROJECT SETTING

Regional Location

The Great Mall Project Area is located in the central southern portions of the City of Milpitas, which is located at the northern edge of Santa Clara County. Regional freeway and highway access to the Great Mall Redevelopment Project Area is provided by Interstate 880 (I-880), Interstate 680 (I-680), and State Route 237-Calaveras Boulevard (SR 237).

Local Setting

Figure 2.1-2 shows the boundaries of the Great Mall Redevelopment Project Area. The Great Mall Project area encompasses the Great Mall Regional Shopping Center, multi-family residential developments, as well as professional office centers. The Great Mall Project Area consists of approximately 150 acres and is within the Transit Specific Plan Area. The Great Mall Project Area is located in an urbanized area and is surrounded by an existing mix of residential, commercial, and industrial uses.

SECTION 4 ENVIRONMENTAL CHECKLIST AND DISCUSSION OF IMPACTS

This section describes the existing environmental conditions on and near the project area, as well as environmental impacts associated with the proposed project. The environmental checklist, as recommended in the California Environmental Quality Act (CEQA) Guidelines, identifies environmental impacts that could occur if the proposed project is implemented.

The right-hand column in the checklist lists the source(s) for the answer to each question. The sources cited are identified at the end of this section. Mitigation measures are identified for all significant project impacts. Measures that are standard and required by the City or law are categorized as "Standard Measures." Measures that are required to reduce significant impacts to a less than significant level are categorized as "Mitigation Measures."

4.1 AESTHETICS

Setting

As shown on the aerial photograph, the project site is located within an existing urbanized area that is developed with residential developments, institutional, commercial and industrial uses. Based on the Milpitas General Plan, the project site is located within the city's "Valley Floor" subarea, which is generally flat with an urban landscape. The hillside area located on the western edge of the city is designated as scenic resource. The Milpitas hillside consists of the Los Buellis Hills portion of the Diablo Valley Range and provides a scenic, generally undeveloped mountainous backdrop to the valley floor.

The project site is not located near a scenic highway or scenic vista.

Environmental Checklist and Discussion of Impacts

AESTHETICS					
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	Information Source(s)
Would the project:					
1) Have a substantial adverse effect on a scenic vista?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	2,3,14
2) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	2,3,14
3) Substantially degrade the existing visual character or quality of the site and its surroundings?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	2,3,14
4) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	2,3,14

The proposed time extension for the Great Mall Redevelopment Plans that will not create any additional scenic or visual impacts beyond what was previous analyzed in the SEIR for the merged redevelopment areas.

Conclusion

The proposed project would not result in significant, adverse visual or aesthetic impacts.
[No Impact]

4.2 AGRICULTURAL RESOURCES

Setting

According to the Santa Clara County Important Farmland 2006 Map, the project site is designated *Urban and Built-Up Land*. *Urban and Built-Up Land* is defined as residential land with a density of at least six units per 10-acre parcel, as well as land used for industrial and commercial purposes, golf courses, landfills, airports, sewage treatment, and water control structures. Currently, the project site is not used for agricultural purposes.

Environmental Checklist and Discussion of Impacts

AGRICULTURAL RESOURCES					
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	Information Source(s)
Would the project:					
1) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,2,3,5
2) Conflict with existing zoning for agricultural use, or a Williamson Act contact.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,2,3,5
3) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,2,3,5

The project site is not currently used for agricultural purposes and is not designated as farmland of any type.

Conclusion

The proposed project would not result in impacts to agricultural resources. **[No Impact]**

4.3 AIR QUALITY

Setting

Local and Regional Air Quality

The project site is within the San Francisco Bay Area Air Basin. The Bay Area Air Quality Management District (BAAQMD) is the regional government agency that monitors and regulates air pollution within the air basin.

Both the U.S. Environmental Protection Agency and the California Air Resources Board have established ambient air quality standards for common pollutants. These ambient air quality standards are levels of contaminants which represent safe levels that avoid specific adverse health effects associated with each pollutant. The ambient air quality standards cover what are called "criteria" pollutants because the health and other effects of each pollutant are described in criteria documents. The major criteria pollutants are ozone, carbon monoxide, nitrogen dioxide (NOx) sulfur dioxide, and particulate matter.

Toxic Air Contaminants (TACs) are another group of pollutants of concern. There are many different types of TACs, with varying degrees of toxicity. Cars and trucks release at least forty different toxic air contaminants. The most important, in terms of health risk, are diesel particulate, benzene, formaldehyde, 1,3-butadiene and acetaldehyde. Public exposure to TACs can result from emissions from normal operations, as well as accidental releases.

Sensitive Receptors

BAAQMD defines sensitive receptors as facilities where sensitive receptor population groups (children, the elderly, the acutely ill and the chronically ill) are likely to be located. These land uses include residences, school playgrounds, childcare centers, retirement homes, convalescent homes, hospitals and medical clinics.

Environmental Checklist and Discussion of Impacts

AIR QUALITY					
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	Information Source(s)
Would the project:					
1) Conflict with or obstruct implementation of the applicable air quality plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,6,14
2) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,14

AIR QUALITY					
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	Information Source(s)
Would the project:					
3) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is classified as non-attainment under an applicable federal or state ambient air quality standard including releasing emissions which exceed quantitative thresholds for ozone precursors?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,14
4) Expose sensitive receptors to substantial pollutant concentrations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,6,14
5) Create objectionable odors affecting a substantial number of people?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,14

The project is a time extension of the Great Mall Redevelopment Plan and does not propose any changes that would generate any new effects on air quality.

Conclusion

The project would extend the duration of the Great Mall Redevelopment Plan until November 2040 to allow completion of the redevelopment work. Subsequent redevelopment projects will require further environmental analysis pursuant to CEQA. **[No Impact]**

4.4 BIOLOGICAL RESOURCES

Existing Habitat

The project is located within an existing developed urban area consisting of existing high-density residential developments, a regional shopping center, various commercial and industrial buildings, and a VTA bus transfer and Light transit station. Surrounding land uses includes heavy industrial and high density residential zoning to the west, high density residential and mixed use zoning to the south, high density residential and commercial zoning to the west, and very high density residential and mixed use zoning to the north.

Environmental Checklist and Discussion of Impacts

BIOLOGICAL RESOURCES					
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	Information Source(s)
Would the project:					
1) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,2,14
2) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,2,14
3) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,2,14
4) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, impede the use of native wildlife nursery sites?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,2,14
5) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,2,5,14

BIOLOGICAL RESOURCES					
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	Information Source(s)
Would the project: 6) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,2,14

The project is an amendment to the Great Mall Redevelopment Plan that would extend the duration of the Plan to November 2040. The proposed amendment would not result in a substantial additional effect or cause a substantial diminishment of any plant or animal habitat or wildlife species beyond what was previously analyzed in previous environmental documents.

4.4.2 Conclusion

The proposed project would not result in biological impacts or violate any adopted habitat conservation plan. **[No Impact]**

4.5 CULTURAL RESOURCES

Setting

Prehistoric Context

The Milpitas area was likely settled by Native Americans between 12,000 and 6,000 years ago. Penutian-speaking peoples migrated into central California around 4,500 years ago and were firmly settled around San Francisco Bay by 1,500 years ago. The descendants of the native groups who lived between the Carquinez Strait and the Monterey area prefer to be called Ohlone, although they are often referred to by the name of their linguistic group, Costanoan.

Milpitas is within the ethnographic territory of the Alson tribe of Ohlone, who occupied the area near the mouth of the Coyote Creek. One factor which likely increased traffic through the Milpitas area was the presence of a deposit of cinnabar (later famous as the mines of New Almaden) within Tamyen territory, which increased traffic through the early Milpitas area. The cinnabar (used as body paint) stimulated considerable trade. The deposits were known over much of northern California, and parties from as far away as the Columbia River journeyed to Costanoan territory to obtain it.

Trade for other items—such as wooden bows, salt, and pine nuts—also brought many visitors to the Tamyen territories. Wooden bows and salt from the bay were traded to the Plains Miwok. The words “salt” and “bow” were also taken from the Costanoan. Two notable Costanoan village sites lay within the city limits of Milpitas. One, a huge shell mound near the present-day Elmwood Rehabilitation Center, was discovered in 1949 and dates back to the eighteenth century. The other, on the site of the Alviso Adobe near the corner of Calaveras and Piedmont, is at least 3,000 years old and is one of only a handful of

archaeological sites in California with such a long history of continuous occupation. Neither of these sites is within the Transit Area Specific Plan boundary.

Historic Context

During the Spanish expeditions of the late 1700s, several missions were founded in the San Francisco Bay Area. After the Mexican government took over the vast missions lands and distributed them among the Californios (Mexican pioneers living in California), the brief but lively "rancho" period began. The land in modern-day Milpitas was divided between the 6,352.9-acre Rancho Rincon de los Esteros, the 4,457.66-acre Rancho Milpitas and the 4,394-acre Rancho Tularcitos.

In the 1850s, large numbers of Americans from the East, Canadians, Irish, Chileans, British, Germans and more arrived to farm the fertile lands of Milpitas. They brought with them their own agricultural traditions, adopting them to the local soils and climate. They continued to raise cattle and horses, but they also conducted dairy operations and planted new crops, such as potatoes. In 1850, they introduced a new means of irrigation, artesian wells, which made possible the cultivation of new vegetable crops and berries. The early settlers farmed the land and set up many businesses on a section of what was then called Mission Road, which by the late 20th century became known as the "Midtown" district. The Midtown area, the oldest part of Milpitas, has few remaining historic residences and was the only commercial district that existed before 1945. Midtown is situated along Main and Abel Streets and is bordered by Montague Expressway in the south and Weller Street in the north.

Milpitas was named after Alviso's rancho by Joseph Weller when the first U.S. Post Office was opened on Main Street. However many locals had taken to calling the collection of buildings at the crossroads along Penitencia Creek "Penitencia," after the small Catholic building next to the creek that was used by the Spanish Padres to hear confession by the nearby natives. The word Milpitas is from the word "Milpa" which is derived from a Mexican Indian word for "place where maize grows."

In the early 1900s, Milpitas served as a popular rest stop for travelers on the old Oakland-San Jose Highway. At the intersection of that road with the Milpitas-Alviso Road, Smith's Corners, patrons for a century before becoming a restaurant in 2001; it still stands. In the 1920s, one of America's earliest "fast food" chain restaurants, "The Fat Boy," opened nearby but was demolished in 1985.

When the Ford Motor Assembly Plant came to the southern edge of town, San José indicated interest in making it part of that city. The local inhabitants objected. The City of Milpitas was the result of a defensive incorporation on January 26, 1954. Later, in 1960, San José attempted to incorporate the city again, but was met with a very lopsided defeat in the election.

The Minute Man was added to the city's seal and flag following this campaign. Ironically, Ford Corporation called the facility the San Jose Ford Motor Assembly Plant. The automobile-manufacturing era in Milpitas lasted little more than a quarter century. After the plant closed it remained largely unused for nearly fifteen years. Today, it is the Great Mall of the Bay Area.

Environmental Checklist and Discussion of Impacts

CULTURAL RESOURCES					
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	Information Source(s)
Would the project:					
1) Cause a substantial adverse change in the significance of an historical resource as defined in §15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,3
2) Cause a substantial adverse change in the significance of an archaeological resource as defined in §15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,3
3) Directly or indirectly destroy a unique paleontological resource or site, or unique geologic feature?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,3
4) Disturb any human remains, including those interred outside of formal cemeteries?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,3

The project involves a time extension of the Great Mall redevelopment plan and will not result in any additional or substantial adverse changes to archeological resources beyond what was previously addressed in prior environmental documents.

Conclusion

The proposed project would not result in significant impacts to cultural resources. Any subsequent redevelopment involving grading will require further environmental analysis and compliance with CEQA. **[No Impact]**

4.6 GEOLOGY AND SOILS

Setting

Geologic Conditions

The Planning Area is located approximately eight miles from the shoreline of San Francisco Bay. The project area is located within the Valley Floor subarea. Based on the Milpitas General Plan, the valley floor is relatively flat and is underlain by alluvial soil of Quaternary age. This soil consists of interlayered, poorly sorted gravel, sand, silt, and clay deposited by water. The thickness of the alluvial soil increases westward from zero at the base of the hills to 1,000 feet or more at the western edge of the City. The alluvial soil in Milpitas was deposited in and adjacent to stream channels, in low-lying basins between streams, and on the floor of the Bay when the shoreline was east of its present position. The composition

and consistency of alluvial soils varies laterally and vertically over small distances and depths. Most of the alluvial soil in Milpitas is expansive and susceptible to liquefaction, and alluvial areas along creeks may be susceptible to lateral spreading. Local areas have compressible soils, poorly drained soils, shallow ground water, or are susceptible to lateral spreading. Because soil composition varies vertically as well as laterally, several soil types may underlie a particular site.

Seismicity

The San Francisco Bay Area is one of the most seismically active regions in the United States. Santa Clara County is classified as Zone 4, the most seismically active zone. An earthquake of moderate to high magnitude generated within the San Francisco Bay region could cause considerable ground shaking at the project site. The degree of shaking is dependent on the magnitude of the event, the distance to its zone of rupture and local geologic conditions.

Several active faults have the potential to cause widespread damage to the City of Milpitas. The California State Mining and Geology Board classifies active faults as faults that have had surface displacement within Holocene time (within the last 11,000 years). The primary active faults in the region are the Hayward and San Andreas faults. The Hayward Fault trends northwest approximately 2 miles east of the planning area; the San Andreas Fault trends northwest through the Santa Cruz Mountains approximately 13 miles to the west. The Hayward Fault was identified by the USGS Working Group on California Earthquake Probabilities as the most likely (27 percent chance) to experience a 6.7 or higher magnitude earthquake by 2032. Also of particular importance to the City of Milpitas is the Calaveras Fault, which trends northwest through Calaveras Reservoir approximately 4 miles east of the project site.

Liquefaction

Soil liquefaction is a condition where saturated granular soils near the ground surface undergo a substantial loss of strength during seismic events. Loose, water-saturated soils are transformed from a solid to a liquid state during ground shaking. Liquefaction can result in significant deformations. Soils most susceptible to liquefaction are loose, uniformly graded, saturated, fine-grained sands that lie close to the ground surface. The project site is located within a State of California Seismic Hazard Zone for liquefaction.¹

Lateral Spreading

Lateral spreading is a type of ground failure related to liquefaction. It consists of the horizontal displacement of flat-lying alluvial material toward an open area, such as a steep bank of a stream channel. The site is directly adjacent to the Penetencia Creek channel.

Environmental Checklist and Discussion of Impacts

¹ <http://www.abag.ca.gov/bayarea/eqmaps/liquefac/liquefac.html> April 23, 2008

GEOLOGY AND SOILS					
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	Information Source(s)
Would the project:					
1) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:					
a) Rupture of a known earthquake fault, as described on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? (Refer to Division of Mines and Geology Special Publication 42.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,3,10
b) Strong seismic ground shaking?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,3,9,10
c) Seismic-related ground failure, including liquefaction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,9,10
d) Landslides?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,3
2) Result in substantial soil erosion or the loss of topsoil?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,3,9,10
3) Be located on a geologic unit or soil that is unstable, or that will become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,3,9,10
4) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,3,9,10
5) Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,3,9,10

The project area is located in a mapped liquefaction hazard zone, and soils on the site have a moderate potential for expansion. The project site is not located within a fault rupture zone or landslide hazard zone. The project area is located in a seismically active region and could experience strong seismic ground shaking and related effects in the event of an earthquake on one of the identified active or potentially active faults in the region. Since the project entails a time extension of the Great Mall Redevelopment Plan, the project will not generate any new or additional geological impacts beyond what was analyzed in previous environmental documents.

Conclusion

The proposed project would not result in any additional geological, geotechnical, or seismicity impacts that cannot be avoided through standard engineering and construction techniques. **[No Impact]**

4.7 HAZARDS AND HAZARDOUS MATERIALS

Setting

Background Information

Hazardous materials encompass a wide range of substances, some of which are naturally-occurring and some of which are man-made. Examples of hazardous materials include pesticides, herbicides, petroleum products, metals (e.g., lead, mercury, arsenic), asbestos and chemical compounds used in manufacturing. Determining if such substances are present on or near project sites is important because exposure to hazardous materials above certain thresholds can result in adverse health effects on humans, as well as harm to plants and wildlife.

Site Conditions

The project area is currently developed with existing buildings with various uses that include commercial, industrial as well as residential. Surrounding land uses include residential with varying densities, mixed commercial uses, and industrial operations.

Potential On-Site Sources of Contamination

The project consists of areas that are developed with industrial uses. As such, the project area may have the potential for exposure to sources of contamination. However since the project involves a time extension of the Great Mall Redevelopment Plan, the project will not generate any effects related to hazardous and chemical impacts.

Other Hazards

The project site is not within the Santa Clara County Airport Land Use Commission (ALUC) jurisdiction, nor is it on a City designated evacuation route. The site is not located in a fire threatened community.²

Environmental Checklist and Discussion of Impacts

² Association of Bay Area Governments. (ABAG). Wildfire Hazard Maps and Information. November 2004. 8 May 2008. <http://www.abag.ca.gov/bayarea/eqmaps/wildfire/>.

HAZARDS AND HAZARDOUS MATERIALS					
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	Information Source(s)
Would the project:					
1) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,14
2) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,14
3) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,14
4) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,14
5) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,14
6) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	11,14
7) Impair implementation of, or physically interfere with, an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,3

HAZARDS AND HAZARDOUS MATERIALS					
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	Information Source(s)
Would the project: 8) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1

Conclusion

The proposed project is a time extension for the Great Mall Redevelopment Plan only. The project does not involve the use, storage, or transport of hazardous materials nor is the project area located within any airport-related “restricted zoned”, private airstrip, or physically interferes with any existing emergency response plans. Therefore, the project does not anticipates any additional substantial hazardous materials impacts. **[No Impact]**

4.8 HYDROLOGY AND WATER QUALITY

Setting

Hydrology and Flooding

Drainage in Milpitas is general westward. There are six intermittent streams that flow out of the foothills and across the flatlands. According the General Plan Figure 5-3, portions of the project area are within the 500-year and 100-yeer flood zones. Areas east of the Southern Pacific Railroad lies within the 100-year flood. All land west of I-680 is part of the 500-year food zone.

Storm Drainage

The City of Milpitas owns and maintains the municipal storm drainage system in the vicinity of the project.

Flood Control

Flood control is provided by a variety of federal, state, and local agencies.

Environmental Checklist and Discussion of Impacts

HYDROLOGY AND WATER QUALITY					
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	Information Source(s)
Would the project:					
1) Violate any water quality standards or waste discharge requirements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,2,14
2) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,2,14
3) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,2,14
4) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,2,14
5) Create or contribute runoff water which would exceed the capacity of existing or planned storm water drainage systems or provide substantial additional sources of polluted runoff?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,2,14
6) Otherwise substantially degrade water quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,2,14

HYDROLOGY AND WATER QUALITY					
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	Information Source(s)
Would the project:					
7) Place housing within a 100-year flood hazard area as mapped on a Federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,2,10
8) Place within a 100-year flood hazard area structures which would impede or redirect flood flows?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,2,10
9) Expose people or structures to a significant risk of loss, injury, or death involving flooding, including flooding as a result of the failure of a levee or dam?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,2,10
10) Be subject to inundation by seiche, tsunami, or mudflow?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,2,3

The proposed project would not result in any additional substantial adverse flooding or drainage impacts beyond what was analyzed in previous environmental documents for the Great Mall Redevelopment Project Area. The proposed time extension will not violate any water quality standards, affect groundwater supplies or interfere with groundwater recharge, alter existing drainage patterns, contribute runoff water that would exceed capacity of existing or stormwater systems, or increase the amount surface runoff. The project will not result in a substantial change in local housing development patterns or cause significant effects on flood flows from those previous anticipated in previous environmental documents. The project is not located in an area that is susceptible to inundation by seiche, tsunami, or mudflow.

Conclusion

The project will not result in any Hydrology or water quality impacts beyond what was analyzed in previous environmental documents for the Great Mall Redevelopment Project Area. Redevelopment projects resulting in construction will be further analyzed pursuant to CEQA. **[No Impact]**

4.9 LAND USE

Setting

The Great Mall Redevelopment Project Area consist of approximately 150 acres and is located in a highly urbanized area that consists of existing buildings, public infrastructure, and site improvements such as but not limited to landscaping, hardscape, buildings, structures and utilities.

Existing Land Use Classifications

General Plan Land Use Designation

General Commercial (GNC)
Multi-family Residential, High Density (MFH)

Zoning Designation

General Commercial with Site and Architectural Overlay (C2-S)
General Commercial with Office Overlay and Site and Architectural Overlay (C2-OO-S)
Multi-family Residential, High Density with Site and Architectural Overlay (R3-S)

Specific Plan Designation

General Commercial, General Commercial with Office Overlay, and Multi-Family Residential High Density

Surrounding Land Uses

The project is located within an existing developed urban area consisting of existing high-density residential developments, a regional shopping center, various commercial and industrial buildings, and a VTA bus transfer and Light transit station. Surrounding land uses includes heavy industrial and high density residential zoning to the west, high density residential and mixed use zoning to the south, high density residential and commercial zoning to the west, and very high density residential and mixed use zoning to the north.

Environmental Checklist and Discussion of Impacts

LAND USE					
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	Information Source(s)
Would the project:					
1) Physically divide an established community?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,3,14
2) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,3,14
3) Conflict with any applicable habitat conservation plan or natural community conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,3,14

The project does not propose any land use or zoning changes. Land use impact related to the Great Mall Redevelopment Project Area were addressed in previous environmental documents and was determined not to have any impacts that would cause a physically

divided community, conflicts with any land use plan, policy, regulation or any habitat conservation and/or natural community conservation plan.

Conclusion

The proposed project would not result in significant, adverse land use impacts. **[No Impact]**

4.10 MINERAL RESOURCES

Setting

The site is in an urban, built up area and has been developed with residential, commercial, and industrial buildings.

Environmental Checklist and Discussion of Impacts

MINERAL RESOURCES					
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	Information Source(s)
Would the project:					
1) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,3
2) Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,3

The project would not result in the loss of availability of a known mineral resource, and no mineral excavation sites are present within the general area. The proposed project, therefore, would not result in impacts to mineral resources.

Conclusion

The project would not result in impacts to known mineral resources. **[No Impact]**

4.11 NOISE

Setting

Noise Background

Noise is defined as unwanted sound. Noise can be disturbing or annoying because of its pitch or loudness. Pitch refers to relative frequency of vibrations, higher pitch signals sound louder to people.

A decibel (dB) is measured based on the relative amplitude of a sound. Ten on the decibel scale marks the lowest sound level that a healthy, unimpaired human ear can detect. Sound levels in decibels are calculated on a logarithmic basis such that each 10 decibel increase is perceived as a doubling of loudness. The California A-weighted sound level, or dBA, gives greater weight to sounds to which the human ear is most sensitive.

Sensitivity to noise increases during the evening and at night because excessive noise interferes with the ability to sleep. Twenty-four hour descriptors have been developed that emphasize quiet-time noise events. The Day/Night Average Sound Level, L_{dn} , is a measure of the cumulative noise exposure in a community. It includes a 10 dB addition to noise levels from 10:00 PM to 7:00 AM to account for human sensitivity to night noise.

Applicable Noise Standard

The Environmental Quality Element of the City of Milpitas’s General Plan identifies noise and land use compatibility standards for various land uses (General Plan Figure 5-G). Chapter 9.10 “Regulation of Noise and Vibration,” of the City of Milpitas Municipal Code identifies allowable hours for construction to limit impacts to sensitive uses.

Environmental Checklist and Discussion of Impacts

NOISE					
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	Information Source(s)
Would the project result in:					
1) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,3
2) Exposure of persons to, or generation of, excessive groundborne vibration or groundborne noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,3
3) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,3
4) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,3

NOISE					
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	Information Source(s)
Would the project result in:					
5) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,3
6) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,3

The project does not anticipate any additional substantial noise impacts beyond what was addressed in the previous environmental documents for the Great Mall Redevelopment Project Area. The project area is not located within an airport land use plan, two miles of a public airport, public use airport, or within the vicinity of a private airstrip.

Conclusion

The proposed time extension for the Great Mall Redevelopment Plan would not result in significant impacts beyond what was analyzed in previous environmental documents.
[No Impact]

4.12 POPULATION AND HOUSING

Setting

Build-out under the 2008 land use designations of the General Plan would result in an additional population of approximately 17,900 in the City, or a total population of about 108,400 in the Planning Area.

Environmental Checklist and Discussion of Impacts

POPULATION AND HOUSING					
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	Information Source(s)
Would the project:					
1) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,3,14
2) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,14

The project is not anticipated to generate any additional substantial urban growth impacts beyond what was analyzed in previous environmental documents for the Great Mall Redevelopment Project Area. The project entails a time extension for the Great Mall Redevelopment Plan and will not induce new growth, displace existing homes, or necessitate new housing elsewhere.

Conclusion

The proposed project would not result in significant population or housing impacts. **[No Impact]**

4.13 PUBLIC SERVICES

Setting

Fire: Fire protection is provided by the City of Milpitas Fire Department, which provides structural fire suppression, rescue, hazardous materials control and public education services. There are four Fire stations located within the city at the various locations below:

Fire Station # 1: 777 South Main St.

Fire Station # 2: 1263 Yosemite Dr.

Fire Station # 3: 45 Midwick Dr.

Fire Station # 4: 775 Barber Ln.

Police Protection: The City of Milpitas Police Department provides police protection.

Schools: Educational facilities are provided by the Milpitas Unified School District that operates kindergarten through high school services within the community. Schools that would serve the project include Milpitas High School (grades 9-12), two middle schools (grades 7-8) and nine elementary schools (grades K-6).

Maintenance: The City of Milpitas Public Works Department provides public works maintenance of public utilities for water, sewer, and stormwater.

Parks: The City of Milpitas has 161 acres of city owned parks and recreational facilities.

Environmental Checklist and Discussion of Impacts

PUBLIC SERVICES					
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	Information Source(s)
Would the project:					
1) Result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, the need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:					
Fire Protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,3,14
Police Protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,3,14
Schools?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,3,14
Parks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,3,14
Other Public Facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,3,14

The project would not be expected to induce substantial additional urban growth that will affect existing public services beyond levels already anticipated and addressed in previous environmental documents for the Great Mall Redevelopment Project Area.

Conclusion

The project would not result in significant impacts to public facilities. **[No Impact]**

4.14 RECREATION

Setting

The project area includes a number of existing parks, linear parks, and designated trails that transverse through the project area.

Environmental Checklist and Discussion of Impacts

RECREATION					
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	Information Source(s)
Would the project:					
1) Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,3
2) Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,3

The project will not increase result in any new or additional significant impacts on existing parks and recreational facilities beyond what was analyzed in previous environmental documents for the Great Mall Redevelopment Project Area.

Conclusion

The proposed project would not result in significant impacts to parks and recreational facilities. **[No Impact]**

4.15 TRANSPORTATION

Setting

The project is bisected by I-880 and I-680 that runs north – south. Major roadways that run east – west include Jacklin Road, SR 237 - Calaveras Boulevard, and Montague Expressway.

Existing Roadway Network

Regional and Local Roadway Access

Regional access is provided to the project via Interstates 880 and 680, Montague Expressway, and State Route 237.

Existing Transit Service

Valley Transportation Authority (VTA) provides bus and light rail service for the Milpitas Planning Area and throughout Santa Clara County. AC Transit provides service to Fremont and Alameda County.

Existing Pedestrian and Bicycle Facilities

The project area includes existing sidewalks, bicycles ways, and trails systems that within the project area.

Environmental Checklist and Discussion of Impacts

TRANSPORTATION/TRAFFIC					
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	Information Source(s)
Would the project:					
1) Cause an increase in traffic which is substantial in relation to the existing traffic load and capacity of the street system (i.e., result in a substantial increase in either the number of vehicle trips, the volume to capacity ratio of roads, or congestion at intersections)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1,14
2) Exceed, either individually or cumulatively, a level of service standard established by the county congestion management agency for designated roads or highways?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1,14
3) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,14
4) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible land uses (e.g., farm equipment)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,14
5) Result in inadequate emergency access?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,14
6) Result in inadequate parking capacity?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,14
7) Conflict with adopted policies, plans, or programs supporting alternative transportation (e.g., bus turnouts, bicycle racks)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,14

The proposed time extension for the Great Mall Redevelopment Plan is not expected to result in a substantial increase in vehicle trip generation, roadway volume to capacity ratios, or intersection congestion (level of service impacts) beyond what was analyzed in previous environmental documents for the Great Mall Redevelopment Project Area.

Conclusion

The proposed project would not result in significant transportation impacts. Any subsequent redevelopment projects involving new trip generation or change in the transportation or circulation network will be further analyzed pursuant to CEQA. **[No Impact]**

4.16 UTILITIES AND SERVICE SYSTEMS

Setting

Water Service

Potable water supply is provided by the City of Milpitas through its municipal water system. The City of Milpitas buys domestic water from two sources: the San Francisco Public Utilities Commission (SFPUC), delivered through the Hetch Hetchy Water system, and Santa Clara Valley Water District (SCVWD), delivered through the South Bay Aqueduct. The City's emergency supply consists of one local groundwater wells—with a second one under construction—and three emergency interties, one with the San Jose Water Company and two with the Alameda County Water District.

Recycled water is also currently available in Milpitas through the South Bay Water Recycling Program (SBWRP).

Wastewater

The San Jose/Santa Clara Water Pollution Control Plant (WPCP) provides wastewater treatment for Milpitas and for several other cities and sanitary districts in the region. The WPCP is a regional facility located in San Jose. The cities of San Jose and Santa Clara jointly own the facility while San Jose operates and maintains the facilities. The WPCP currently provides primary, secondary and tertiary wastewater treatment (filtration, disinfectant and disinfectant removal).

Storm Drainage

The City of Milpitas owns and maintains a system of underground pipes and a network of street gutters that convey flows from urban runoff to the San Francisco Bay. Most major drainage facilities within the city, such as creeks and channels, are owned and maintained by SCVWD.

Solid Waste

The City of Milpitas disposes of all solid waste at the Permitted Class III, Subtitle D facility, the Newby Island Sanitary Landfill (NISL), administered by Allied Waste. The Newby Island facility accepts solid waste, recyclables, and compostable materials. The NISL does not accept hazardous waste. The facility is 342 acres, of which waste has been placed on approximately 270 acres, and has over 30 feet of 120 feet total depth available. The City's contract with the NISL runs through 2017.

Environmental Checklist and Discussion of Impacts

UTILITIES AND SERVICE SYSTEMS					
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	Information Source(s)
Would the project:					

UTILITIES AND SERVICE SYSTEMS					
	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	Information Source(s)
Would the project:					
1) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,14
2) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,14
3) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,14
4) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,14
5) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,14
6) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,14
7) Comply with federal, state, and local statutes and regulations related to solid waste?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1,14

The proposed time extension of the Great Mall Redevelopment Plan will not result and a substantial increase demand on utility services for water, sewer, solid waste and stormwater beyond what was analyzed in previous environmental documents for the Great Mall Redevelopment Project Area.

Conclusion

It is anticipated that the proposed project would not exceed the capacity of existing utilities and service systems. **[No Impact]**

4.17 MANDATORY FINDINGS OF SIGNIFICANCE

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact	Information Source(s)
1) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1-14
2) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1-14
3) Does the project have the potential to achieve short-term environmental goals to the disadvantage of long-term environmental goals?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1-14
4) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1-14

Discussion: The proposed time extension for the Great Mall Redevelopment Plan is allows for the completion of the redevelopment work and to fully achieve the goals and objectives of the Redevelopment Plan. The redevelopment activities and environmental impacts were addressed in previous CEQA documents listed below

- Final Program EIR for the Adoption of the Redevelopment Plan for the Great Mall Project, State Clearinghouse No.. 92063043, 1993.
- Final Program EIR for the Plan Amendment to Redevelopment Project Area No. 1, State Clearinghouse No. 9509357, 1996
- Final Program EIR for the Eight Amendment to the Redevelopment Plan for Milpitas Redevelopment Area No. 1, State Clearinghouse No. 2002112043, 2003
- Supplemental EIR for Proposed Merger of Milpitas Redevelopment Area No. 1 and Great Mall Redevelopment Project Area, State Clearinghouse No. 2006082087

The proposed time extension is not anticipated to result in substantial increase or create new environmental effects beyond what was analyzed in the previous CEQA documents listed above. Any subsequent redevelopment projects will require further environmental analysis pursuant to CEQA. These projects may include, but are not limited to new housing, commercial, or infrastructure projects.

Conclusion

It is anticipated that the proposed extension of time will not result any additional substantial environmental impacts and cumulative environmental impacts beyond what was addressed in previous CEQA documents. It is further understood that the analysis for this project does not exempt or supersede further environmental analysis for subsequent projects. **[No Impact]**

Global Climate Change Impacts (Cumulative Impacts and Long-Term Environmental Goals)

Global climate change is the alteration of the Earth's weather including its temperature, precipitation, and wind patterns. Global temperatures are affected by naturally occurring and anthropogenic-generated atmospheric gases, such as carbon dioxide, methane, and nitrous oxide. These gases allow sunlight into the Earth's atmosphere, but prevent radiative heat from escaping into outer space, which is known as the "greenhouse" effect. The world's leading climate scientists have reached consensus that global climate change is underway and is very likely caused by humans.

Agencies at the international, national, state, and local levels are considering strategies to control emissions of gases that contribute to global warming. There is no comprehensive strategy that is being implemented on a global scale that addresses climate change; however, in California, a multi-agency "Climate Action Team" has identified a range of strategies and the Air Resources Board, under Assembly Bill (AB) 32, has been designated to adopt the main plan for reducing California's GHG emissions by January 1, 2009, and various regulations and other initiatives for reducing GHG emissions by January 1, 2011. AB 32 requires achievement by 2020 of a statewide greenhouse gas emissions limit equivalent to 1990 emissions, and the adoption of rules and regulations to achieve the maximum technologically feasible and cost-effective greenhouse gas emissions reductions. By 2050, the state plans to reduce emissions to 80 percent below 1990 levels.

While the state of California has established programs to reduce greenhouse gas emissions, there are no established standards for gauging the significance of greenhouse gas emissions. Neither CEQA nor the CEQA Guidelines provide any methodology for analysis of greenhouse gases. Given the global scope of global climate change, the challenge under CEQA is for a Lead Agency to translate the issue down to the level of a CEQA document for a specific project in a way that is meaningful to the decision making process. Under CEQA, the essential questions are whether a project creates or contributes to an environmental impact or is subject to impacts from the environment in which it would occur, and what mitigation measures are available to avoid or reduce impacts.

Conclusion

The proposed time extension will allow the completion of the redevelopment work and is unlikely to result in additional substantial climate change impacts beyond what was addressed in previous CEQA documents. **[No Impact]**

Significance of Cumulative Global Climate Change Impacts

In an effort to disclose environmental impacts and to conform with the CEQA Guidelines [§16064(b)], it is the City's position that, based on the proposed project, its location within an established urban area served by existing infrastructure would not impede the state's ability to reach the emission reduction limits/standards set forth by the State of California by Executive Order S-3-05 and AB 32.

Conclusion: The proposed project would not make a cumulatively considerable contribution to global climate change.

[No Impact]

Checklist Sources

1. Great Mall Redevelopment Plan.
2. CEQA Guidelines - Environmental Thresholds (Professional judgment and expertise and review of project plans).
3. City of Milpitas *City of Milpitas General Plan, 2002*.
4. City of Milpitas Zoning Map 2008
4. City of Milpitas, *Municipal Code*.
5. California Department of Conservation, *Santa Clara County Important Farmland 2006*, Map. June 2005.
6. Bay Area Air Quality Management District, CEQA Guidelines, December 1999.
7. County of Santa Clara Department of Public Works, *Soil Map Sheet 19*, 1964.
8. United States Department of Agriculture, Soil Conservation Service, *Soils of Santa Clara County*, 1968.
9. California Department of Conservation, *Geologic Map of the San Francisco-San José Quadrangle*, 1990.
10. Federal Emergency Management Agency, *Flood Insurance Rate Map, Community Panel No. 060344-0003-G*.
11. Final Program EIR for the Adoption of the Redevelopment Plan for the Great Mall Project, State Clearinghouse No. 92063043, 1993.
12. Final Program EIR for the Plan Amendment to Redevelopment Project Area No. 1, State Clearinghouse No. 9509357, 1996
13. Final Program EIR for the Eight Amendment to the Redevelopment Plan for Milpitas Redevelopment Area No. 1, State Clearinghouse No. 2002112043, 2003
14. Supplemental EIR for Proposed Merger of Milpitas Redevelopment Area No. 1 and Great Mall Redevelopment Project Area, State Clearinghouse No. 2006082087

SECTION 5 REFERENCES

Association of Bay Area Governments, *Dam Failure Inundation Hazard Map for Morgan Hill*, 1995. <http://www.abag.ca.gov/cgi-bin/pickdamx.pl>

Association of Bay Area Governments, *Projections 2007*, December 2006.

Bay Area Air Quality Management District, *CEQA Guidelines*, December 1999.

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City of Milpitas, *City of Milpitas General Plan*, 2002.

City of Milpitas, *Municipal Code*.

Federal Emergency Management Agency, *Flood Insurance Rate Map, Community Panel No. 060350 0001C*, July 16, 1980.

United States Department of Agriculture, Soil Conservation Service, *Soils of Santa Clara County*, 1968.

SECTION 6 AUTHORS AND CONSULTANTS

Authors: **City of Milpitas**
Cindy Hom, Assistant Planner

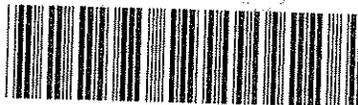
APPENDIX

WHEN RECORDED MAIL TO:

CITY CLERK
City of Milpitas
455 E. Calaveras Blvd
Milpitas, CA 95035

Record without fee under
Section 6103 - Government Code
State of California

DOCUMENT: 159203



Titles: 1 / Pages: 31

Fees... * No Fees
Taxes...
Copies...
AMT PAID

BRENDA DAVIS
SANTA CLARA COUNTY RECORDER
Recorded at the request of
City

RDE # 003
10/18/1996
11:07 AM

REGULAR

NUMBER: 192.8

TITLE: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MILPITAS, CALIFORNIA, APPROVING AND ADOPTING THE REDEVELOPMENT PLAN FOR THE GREAT MALL REDEVELOPMENT PROJECT

HISTORY: This ordinance was introduced at a meeting of the Milpitas City Council of the City of Milpitas on October 19, 1993, by motion of Councilmember Lawson and was finally adopted at a meeting of said Council on November 2, 1993, upon motion of Councilmember Lawson by the following vote:

- AYES: (4) Councilmembers Lawson, Lee, Livengood and Skyrud
- NOES: (0) None
- ABSENT: (0) None
- ABSTAIN: (1) Mayor McHugh

ATTEST:

Gail Blalock, City Clerk

APPROVED:

Peter A. McHugh, Mayor

APPROVED AS TO FORM:

Cecilia M. Quick, Acting City Attorney

ORDAINING CLAUSE:

THE CITY COUNCIL OF THE CITY OF MILPITAS DOES HEREBY ORDAIN AS FOLLOWS:

WHEREAS, the City Council of the City of Milpitas (the "Council") has received from the Milpitas Redevelopment Agency (the "Agency") the proposed Redevelopment Plan (the "Redevelopment Plan") for the Great Mall Redevelopment Project (the "Project"), as approved by the Agency, a copy of which is on file at the office of the Agency at 455 Calaveras Boulevard, Milpitas, California, and at the office of the City Clerk, City Hall, 455 Calaveras Boulevard, Milpitas, California, together with the Report of the Agency, including the reasons for the selection of the boundaries of the Project (the "Project Area"); a description of the physical, social and economic conditions existing in the Project Area; the proposed method of financing the redevelopment of the Project Area; an analysis of the Preliminary Plan; the report and recommendations of the Planning Commission of the City of Milpitas (the "Planning Commission"); and an Environmental Impact Report on the Redevelopment Plan; and

WHEREAS, the Planning Commission has submitted to the Council its report and recommendations for approval of the Plan and its certification that the Plan conforms to the General Plan of the City of Milpitas; and

WHEREAS, the Council and the Agency held a joint public hearing on October 19, 1993, on adoption of the Redevelopment Plan and on certification of the Final Environmental Impact Report on the Redevelopment Plan in the City Council Chambers, 455 Calaveras Boulevard, Milpitas, California; and

WHEREAS, a notice of said hearing was duly and regularly published in the Milpitas Post, a newspaper of general circulation in the City of Milpitas, once a week for five successive weeks prior to the date of said hearing, and a copy of said notice and affidavit of publication are on file with the City Clerk and the Agency; and

WHEREAS, copies of the notice of joint public hearing were mailed by certified mail with return receipt requested to the last known address of each assessee of each parcel of land in the proposed Project Area as shown on the last equalized assessment roll of the County of Santa Clara; and

WHEREAS, copies of the notice of joint public hearing were mailed by certified mail with return receipt requested to the governing body of each taxing agency which receives taxes from property in the Project Area; and

WHEREAS, the Council has considered the report and recommendations of the Planning Commission, the report of the Agency, the Redevelopment Plan and its economic feasibility and the Environmental Impact Report, and has provided an opportunity for all persons to be heard and has received and considered all evidence and testimony presented for or against any and all aspects of the Redevelopment Plan; and

WHEREAS, the Council has reviewed and considered the Environmental Impact Report for the Redevelopment Plan, prepared and submitted by the Agency pursuant to Public Resources Code Section 21151 and Health and Safety Code Section 33352, and determined that the Redevelopment Plan will have a significant effect on the environment and adopted mitigation measures and a statement of overriding considerations;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MILPITAS AS FOLLOWS:

Section 1. That the purpose and intent of the Council with respect to the Project Area is to accomplish the following:

- a. Eliminate blighting influences and correct environmental deficiencies in the Project Area, including, among others: faulty exterior spacing; obsolete and aged building types; building vacancies; uneconomic land uses; and inadequate or deteriorated public improvements, facilities and utilities;
- b. Replan, redesign, rehabilitate and redevelop areas which are stagnant or improperly utilized;
- c. Provide opportunities for participation by owners in the revitalization of their properties;
- d. Strengthen retail and other commercial functions in the Project Area;
- e. Strengthen the economic base of the Project Area and the community by installing needed off-site improvements to stimulate new commercial expansion, employment and economic growth;
- f. Provide adequate land for parking and open spaces; and
- g. Establish and implement performance criteria to assure high site design standards and environmental quality and other design elements which provide unity and integrity to the entire Project.

Section 2. The Council hereby finds and determines that:

a. The Project Area is a blighted area, the redevelopment of which is necessary to effectuate the public purposes declared in the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.). This finding is based upon the following conditions which characterize the Project Area:

- (1) The existence of unfit or unsafe buildings and structures due to deterioration, age and obsolescence and faulty exterior spacing;
- (2) The existence of properties which suffer from economic dislocation, deterioration and disuse because of inadequate public improvements, facilities and utilities, and the existence of hazardous waste materials that must be remedied prior to any development, which cannot be remedied with private or governmental action without redevelopment;
- (3) A lack of proper utilization of property, resulting in a stagnant and unproductive condition of land potentially useful and valuable; and

(4) A prevalence of economic maladjustment evidenced by vacant properties resulting in depreciated values and impaired investments.

It is further found and determined that such conditions are causing and will increasingly cause a reduction and lack of proper utilization of the area to such an extent that it constitutes a serious physical, social and economic burden on the City, which cannot reasonably be expected to be reversed or alleviated by private enterprise acting alone, requiring redevelopment in the interest of the health, safety and general welfare of the people of the City and State. This finding is based on the fact that governmental action available to the City without redevelopment would be insufficient to cause any significant correction of the blighting conditions, and that the nature and costs of the public improvements and facilities required to correct the blighting conditions are beyond the capacity of the City, and cannot be undertaken or borne by private enterprise acting alone or in concert with available governmental action.

b. The Redevelopment Plan will redevelop the Project Area in conformity with the Community Redevelopment Law and in the interests of the public peace, health, safety and welfare. This finding is based upon the fact that redevelopment of the Project Area will implement the objectives of the Community Redevelopment Law by aiding in the elimination and correction of the conditions of blight, providing for planning, development, redesign, clearance, reconstruction or rehabilitation of properties which need improvement and providing for higher economic utilization of potentially useful land.

c. The adoption and carrying out of the Redevelopment Plan is economically sound and feasible. This finding is based on the facts contained in Part (c) of the Report to Council.

d. The Redevelopment Plan conforms to the General Plan of the City of Milpitas, including, but not limited to, the City's housing element, which substantially complies with the requirements of Article 10.6 of Chapter 3 of Division 1 of Title 7 of the Government Code. This finding is based on the finding of the Planning Commission that the Redevelopment Plan conforms to the General Plan of the City of Milpitas and the fact that the Project Area does not contain any existing housing and the General Plan does not designate residential uses as a permitted use within the Project Area.

e. The carrying out of the Redevelopment Plan will promote the public peace, health, safety and welfare of the City of Milpitas and will effectuate the purposes and policy of the Community Redevelopment Law. This finding is based on the fact that redevelopment will benefit the Project Area by correcting conditions of blight and by coordinating public and private actions to stimulate development and improve the economic, social and physical conditions of the Project Area.

f. All non contiguous areas of the Project Area are either blighted or necessary for effective redevelopment and not included for the purpose of obtaining the allocation of taxes from the Project Area pursuant to Section 33670 of the Community Redevelopment Law ("tax increments") without other substantial justification for their inclusion. This finding is based upon the fact that the Plan does not authorize the Agency to receive tax increments and the boundaries of the Project Area were chosen as a unified and consistent

whole to include lands that were underutilized because of blighting influences, or affected by the existence of blighting influences, and land uses significantly contributing to the condition of blight, which inclusion is necessary to accomplish the objectives and benefits of the Redevelopment Plan.

g. Inclusion of any lands, buildings or improvements which are not detrimental to the public health, safety or welfare is necessary for the effective redevelopment of the entire area of which they are a part; and any area included is necessary for effective redevelopment and is not included solely for the purpose of obtaining the allocation of tax increment revenues from such area pursuant to Section 33670 of the Community Redevelopment Law ("tax increments") without other substantial justification for its inclusion. This finding is based upon the fact that the Plan does not authorize the Agency to receive tax increments and the boundaries of the Project Area were chosen as a unified and consistent whole to include lands that were underutilized because of blighting influences, or affected by the existence of blighting influences, and land uses significantly contributing to the conditions of blight, whose inclusion is necessary to accomplish the objectives and benefits of the Redevelopment Plan.

h. The elimination of blight and the redevelopment of the Project Area could not reasonably be expected to be accomplished by private enterprise acting alone without the aid and assistance of the Agency. This finding is based upon the existence of blighting influences, including the lack of adequate public improvements and facilities, and the inability of individual developers to economically remove these blighting influences without substantial public assistance in providing adequate public improvements and facilities, and the inadequacy of other governmental programs and financing mechanisms to eliminate blight, including the provision of necessary public improvements and facilities.

i. The effect of tax increment financing will not cause a significant financial burden or detriment on any taxing agency deriving revenues from the Project Area. This finding is based on the fact that the Redevelopment Plan does not authorize the allocation of tax increments to the Agency for redevelopment of the Project Area.

j. The Project Area is predominantly urbanized. This finding is based upon the fact that all of the land in the Project Area has been or is developed for urban uses.

k. The Redevelopment Plan for the Project Area will afford the maximum opportunity, consistent with the sound needs of the City as a whole, for the redevelopment of such area by private enterprise.

l. The Redevelopment Plan contains adequate safeguards so that the work of redevelopment will be carried out pursuant to the Redevelopment Plan, and it provides for the retention of controls and the establishment of restrictions and covenants running with the land sold or leased for private use for periods of time and under conditions specified in the Redevelopment Plan, which this Council deems necessary to effectuate the purposes of the Community Redevelopment Law.

m. The ordinance finding called for in Health and Safety Code Section 33367(d)(6), regarding condemnation of real property, is not applicable in that the

Redevelopment Plan does not provide for the exercise of the power of eminent domain by the Agency.

n. The ordinance findings called for in Health and Safety Code Section 33367(d)(7) and (8), regarding a relocation plan and available relocation resources for displaced Project Area residents, is not applicable in that the Project Area does not contain any residents and, therefore, no residents will be displaced as a result of adoption and carrying out of the Redevelopment Plan.

Section 3. The ordinance statement called for in Health and Safety Code Section 33367(e), regarding the availability of permanent housing facilities within three years from the time occupants of the Project Area are displaced, is not applicable in that the Project Area does not contain residents and, therefore, no residents will be displaced.

Section 4. The Council hereby overrules all objections to the adoption of the Redevelopment Plan.

Section 5. The mitigation measures, as identified in Council Resolution No. 6251 and Agency Resolution No. 119, adopted on October 19, 1993, making findings as to the Final Environmental Impact Report on the Redevelopment Plan, are incorporated into the proposed redevelopment of the Project Area.

Section 6. That certain document entitled "Redevelopment Plan for the Great Mall Redevelopment Project," the maps contained therein and such other reports as are incorporated therein by reference, a copy of which is on file in the office of the City Clerk, having been duly reviewed and considered, is hereby incorporated in this Ordinance by reference and made a part hereof, and as so incorporated is hereby designated, approved and adopted as the official "Redevelopment Plan for the Great Mall Redevelopment Project".

Section 7. In order to implement and facilitate the effectuation of the Redevelopment Plan hereby approved, this Council hereby (a) pledges its cooperation in helping to carry out the Redevelopment Plan, (b) requests the various officials, departments, boards and agencies of the City having administrative responsibilities in the Project Area likewise to cooperate to such end and to exercise their respective functions and powers in a manner consistent with the redevelopment of the Project Area, (c) stands ready to consider and take appropriate action upon proposals and measures designed to effectuate the Redevelopment Plan, and (d) declares its intention to undertake and complete any proceeding necessary to be carried out by the City under the provisions of the Redevelopment Plan.

Section 8. The City Clerk is hereby directed to send a certified copy of this Ordinance to the Agency, whereupon the Agency is vested with the responsibility for carrying out the Redevelopment Plan.

Section 9. The City Clerk is hereby directed to record with the County Recorder of Santa Clara County a description of the land within the Project Area and a statement that proceedings for the redevelopment of the Project Area have been instituted under the Community Redevelopment Law.

Section 10. The City Clerk is hereby directed to transmit a copy of the description and statement recorded by the Clerk pursuant to Section 8 of this Ordinance, a copy of this Ordinance and a map or plat indicating the boundaries of the Project Area, to the auditor and assessor of the County of Santa Clara, to the governing body of each of the taxing agencies which receives taxes from property in the Project Area and to the State Board of Equalization.

Section 11. Publication. The City Clerk is hereby ordered and directed to certify to the passage of this Ordinance and to cause the same to be published once in the Milpitas Post, a newspaper of general circulation, published and circulated in the City of Milpitas and the Project Area.

Section 12. Severability. If any part of this Ordinance or the Redevelopment Plan which it approves is held to be invalid for any reason, such decision shall not affect the validity of the remaining portion of this Ordinance or of the Redevelopment Plan, and this Council hereby declares that it would have passed the remainder of this Ordinance or approved the remainder of the Redevelopment Plan if such invalid portion thereof had been deleted.

Section 13. Effective Date. This Ordinance shall be in full force and effect thirty (30) days after its passage.

AS/15015/V

REDEVELOPMENT PLAN
FOR THE
GREAT MALL REDEVELOPMENT PROJECT

Prepared by the —
MILPITAS REDEVELOPMENT AGENCY

*Adapted by
Ord 10. 192. 8*

The Redevelopment Plan for the Great Mall Redevelopment Project was adopted by Ordinance 192.8 on November 2, 1993; amended by Ordinance 192.10 on November 15, 1994 and amended by Ordinance 192.17 on October 3, 2006.

The purpose of Ordinance 192.10 incorporated time limits mandated by AB 1290. The purpose of Ordinance 192.17 extended the life of the project area two years, consistent with SB 1096.

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- VII. [§700] ENFORCEMENT
- VIII. [§800] DURATION OF THIS PLAN
- IX. [§900] PROCEDURE FOR AMENDMENT

Attachments

- | | |
|------------------|--------------------------------------------------|
| Attachment No. 1 | Legal Description of the Project Area Boundaries |
| Attachment No. 2 | Project Area Map |
| Attachment No. 3 | Redevelopment Land Use Map |
| Attachment No. 4 | Proposed Public Improvements |

REDEVELOPMENT PLAN
FOR THE
GREAT MALL REDEVELOPMENT PROJECT

I. (§100) INTRODUCTION.

This is the Redevelopment Plan (the "Plan") for the Great Mall Redevelopment Project (the "Project") in the City of Milpitas (The "City"), County of Santa Clara, State of California, and consists of the Text, the Legal Description of the Project Area Boundaries (Attachment No. 1), the Project Area Map (Attachment No. 2), the Redevelopment Land Use Map (Attachment No. 3) and the Proposed Public Improvements (Attachment No. 4). This Plan was prepared by the Milpitas Redevelopment Agency (the "Agency") pursuant to the Community Redevelopment Law of the State of California (Health and Safety Code Section 33000) et seq.), the California Constitution and all applicable local laws and ordinances.

The proposed redevelopment of the Project Area as described in this Plan conforms to the General Plan for the City of Milpitas, as amended, adopted by the City Council of the City of Milpitas (the "City Council") on March 29, 1993.

This Plan is based upon a Preliminary Plan formulated and adopted by the Planning Commission of the City of Milpitas (the "Planning Commission") by Resolution No. 446, adopted on July 28, 1993.

This Plan provides the Agency with powers, duties and obligations to implement and further the program generally formulated in this Plan for the redevelopment, rehabilitation and revitalization of the area within the boundaries of the Project (the "Project Area"). This Plan establishes specific projects for the redevelopment, rehabilitation and revitalization of the Project Area and specific proposals in an attempt to solve or alleviate the concerns and problems of the community relating to the Project Area. This Plan presents a process and a basic framework within which specific plans will be presented, specific projects will be established and specific solutions will be proposed, and by which tools are provided to the Agency to fashion, develop and proceed with such specific plans, projects and solutions.

The purposes of the Community Redevelopment Law will be attained through, and the major goals of this Plan are:

- A. The elimination of blighting influences and the correction of environmental deficiencies in the Project Area, including, among others, faulty exterior spacing, obsolete and aged building types, building vacancies, uneconomic land uses and inadequate or deteriorated public improvements, facilities and utilities.

- B. The replanning, redesign, rehabilitation and development of areas which are stagnant or improperly utilized.
- C. The providing of opportunities for participation by owners in the revitalization of their properties.
- D. The strengthening of retail and other commercial functions in the Project Area.
- E. The strengthening of the economic base of the Project Area and the community by the installation of needed off-site improvements to stimulate new commercial expansion, employment and economic growth.
- F. The provision of adequate land for parking and open spaces.
- G. The establishment and implementation of performance criteria to assure high site design standards and environmental quality and other design elements which provide unity and integrity to the entire Project.

II. [§200] DESCRIPTION OF PROJECT AREA

The boundaries of the Project Area are described in the "Legal Description of the Project Area Boundaries," attached hereto as Attachment No. 1 and incorporated herein by reference, and are shown on the "Project Area Map," attached hereto as Attachment No. 2 and incorporated herein by reference.

III. [§300] PROPOSED REDEVELOPMENT ACTIONS

A. [§301] General

The Agency proposes to eliminate and prevent the spread of blight and deterioration in the Project Area by:

1. The demolition or removal of certain buildings and improvements;
2. Providing for participation by the owners presently located in the Project Area;
3. The installation, construction or reconstruction of streets, utilities and other public improvements;

4. The redevelopment of land by private enterprise or public agencies for uses in accordance with this Plan; and
5. The rehabilitation of structures and improvements by present owners and their successors.

In the accomplishment of these purposes and activities and in the implementation and furtherance of this Plan, the Agency is authorized to use all the powers provided in this Plan and all the powers now or hereafter permitted by law.

B. [§302] Owner Participation Opportunities Within Project Area

1. [§303] Opportunities for Owners

In accordance with this Plan and the rules for participation by owners adopted by the Agency pursuant to this Plan and the Community Redevelopment Law, persons who are owners of real property in the Project Area shall be given a reasonable opportunity to participate in redevelopment by retaining all or a portion of their properties and developing or improving such property for use in accordance with this Plan.

2. [§304] Rules for Participation Opportunities

In order to provide opportunities to owners to participate in the redevelopment of the Project Area, the Agency shall promulgate rules for participation by owners within the Project Area.

In addition to opportunities for participation by individual persons and firms, participation shall be available for two or more persons, firms or institutions to join together in partnerships, corporations or other joint entities.

Participation opportunities shall necessarily be subject to and limited by such factors as: (1) the elimination and changing of some land uses; (2) the construction, widening or realignment of some streets; (3) the ability of participants to finance acquisition and development or rehabilitation in accordance with this Plan; (4) the reduction in the total number of individual parcels in the Project Area; and (5) the construction or expansion of public facilities.

3. [§305] Participation Agreements

The Agency may require that, as a condition to participation in redevelopment, each participant shall enter into a binding agreement with the Agency by which the participant agrees to rehabilitate, develop and use and maintain the property in conformance with this Plan and to be subject to the provisions hereof. In such agreements, participants who retain real property shall be required to join in the recordation of such documents as may be necessary to

make the provisions of this Plan applicable to their properties. Whether or not a participant enters into a participation agreement with the Agency, the provisions of this Plan are applicable to all property in the Project Area.

In the event a participant fails or refuses to rehabilitate, develop and use and maintain its real property pursuant to this Plan and a participation agreement, the real property or any interest therein may be acquired by the Agency and sold or leased for rehabilitation or development in accordance with this Plan.

4. [§306] Conforming Owners

The Agency may, at its sole and absolute discretion, determine that certain real property within the Project Area presently meets the requirements of this Plan, and the owner of such property will be permitted to remain as a conforming owner without a participation agreement with the Agency, provided such owner continues to operate, use and maintain the real property within the requirements of this Plan. However, a conforming owner shall be required by the Agency to enter into a participation agreement with the Agency in the event that such owner desires to construct any additional improvements or substantially alter or modify existing structures on any of the real property described above as conforming.

C. [§307] Cooperation with Public Bodies

Certain public bodies are authorized by state law to aid and cooperate, with or without consideration, in the planning, undertaking, construction or operation of this Project. The Agency shall seek the aid and cooperation of such public bodies and shall attempt to coordinate this Plan with the activities of such public bodies in order to accomplish the purposes of redevelopment and the highest public good.

The Agency is authorized to financially (and otherwise) assist any public entity in the cost of public land, buildings, facilities, structures or other improvements (within or without the Project Area) which land, buildings, facilities, structures or other improvements are or would be of benefit to the Project.

D. [§308] Property Acquisition

Except as specifically exempted herein, the Agency may acquire, but is not required to acquire, any real property located in the Project Area by any means authorized by law, except eminent domain.

The Agency shall not acquire real property to be retained by an owner pursuant to a participation agreement if the owner fully performs under the agreement. The Agency is authorized to acquire structures without acquiring the

land upon which those structures are located. The Agency is authorized to acquire either the entire fee or any other interest in real property less than a fee.

E. [§309] Property Management

During such time as property, if any, in the Project Area is owned by the Agency, such property shall be under the management and control of the Agency. Such property may be rented or leased by the Agency pending its disposition for redevelopment, and such rental or lease shall be pursuant to such policies as the Agency may adopt.

F. [§310] Relocation of Persons Displaced by the Project

The Agency does not have the authority to acquire property within the Project Area by eminent domain, and at the time of adoption of this Plan the Project Area did not have any occupants; therefore, the Agency does not anticipate causing any displacement.

However, in the event any displacement should be caused by the Agency, the Agency will provide relocation assistance pursuant to the California Relocation Assistance Law (Government Code Section 7260 et seq.).

G. [§311] Property Disposition and Development

1. [§312] Real Property Disposition and Development

a. [§313] General

For the purposes of this Plan, the Agency is authorized to sell, lease, exchange, subdivide, transfer, assign, pledge, encumber by mortgage or deed of trust or otherwise dispose of any interest in real property. To the extent permitted by law, the Agency is authorized to dispose of real property by negotiated lease, sale or transfer without public bidding.

Real property acquired by the Agency may be conveyed by the Agency without charge to the City and, where beneficial to the Project Area, without charge to any public body. All real property acquired by the Agency in the Project Area shall be sold or leased to public or private persons or entities for development for the uses permitted in this Plan.

All purchasers or lessees of property acquired from the Agency shall be made obligated to use the property for the purposes designated in this Plan, to begin and complete development of the property within a period of time which the Agency fixes as reasonable and to comply with other conditions which the Agency deems necessary to carry out the purposes of this Plan.

b. [§314] Disposition and Development Documents

To provide adequate safeguards to ensure that the provisions of this Plan will be carried out and to prevent the recurrence of blight, all property subject to participation agreements is subject to the provisions of this Plan.

The Agency shall reserve such powers and controls in the disposition and development documents as may be necessary to prevent transfer, retention or use of property for speculative purposes and to ensure that development is carried out pursuant to this Plan.

Leases, deeds, contracts, agreements and declarations of restrictions of the Agency may contain restrictions, covenants, covenants running with the land, rights of reverter, conditions subsequent, equitable servitudes or any other provisions necessary to carry out this Plan. Where appropriate, as determined by the Agency, such documents, or portions thereof, shall be recorded in the office of the Recorder of the County.

All property in the Project Area is hereby subject to the restriction that there shall be no discrimination or segregation based upon race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of property in the Project Area. All property sold, leased, conveyed or subject to a participation agreement shall be expressly subject by appropriate documents to the restriction that all deeds, leases or contracts for the sale, lease, sublease or other transfer of land in the Project Area shall contain such nondiscrimination and nonsegregation clauses as required by law.

c. [§315] Development by the Agency

To the extent now or hereafter permitted by law, the Agency is authorized to pay for, develop or construct any publicly-owned building, facility, structure or other improvement either within or without the Project Area, for itself or for any public body or entity, which buildings, facilities, structures or other improvements are or would be of benefit to the Project Area. Specifically, the Agency may pay for, install or construct the buildings, facilities, structures and other improvements identified in Attachment No. 4, attached hereto and incorporated herein by reference, and may acquire or pay for the land required therefor.

In addition to the public improvements identified in Attachment No. 4 of this Plan, the Agency is authorized to install and construct, or to cause to be installed and constructed, within or without the Project Area, for itself or for any public body or entity for the benefit of the Project Area; public improvements and public utilities, including, but not limited to, the following: (1) sewers; (2) natural gas distribution systems; (3) water distribution systems;

(4) parks, plazas and pedestrian paths; (5) parking facilities; (6) landscaped areas; and (7) street improvements.

The Agency may enter into contracts, leases and agreements with the City or other public body or entity pursuant to this Section 315.

d. [§316] Development Plans

All development plans (whether public or private) shall conform to City design review standards.

2. [§317] Personal Property Disposition

For the purposes of this Plan, the Agency is authorized to lease, sell, exchange, transfer, assign, pledge, encumber or otherwise dispose of personal property which is acquired by the Agency.

H. [§318] Rehabilitation and Conservation of Structures

The Agency is authorized to rehabilitate and conserve, or to cause to be rehabilitated and conserved, any building or structure in the Project Area owned by the Agency. The Agency is also authorized and directed to advise, encourage and assist in the rehabilitation and conservation of property in the Project Area not owned by the Agency.

IV. [§400] USES PERMITTED IN THE PROJECT AREA

A. [§401] Redevelopment Land Use Map

The "Redevelopment Land Use Map," attached hereto as Attachment No. 3 and incorporated herein by reference, illustrates the location of the Project Area boundaries and the proposed land use to be permitted in the Project Area.

B. [§402] Designated Land Use

The Project Area (Attachment No. 3) shall be used for the general commercial uses set forth and described in the City's General Plan.

C. [§403] Other Land Uses

1. [§404] Public Rights-of-Way

There are no existing public streets within the Project Area.

Public streets, alleys and easements may be created in the Project Area as needed for proper development. Existing easements may be abandoned, closed or modified as necessary for proper development of the Project.

Any public rights-of-way may be used for vehicular and/or pedestrian traffic, as well as for public improvements, public and private utilities and activities typically found in public rights-of-way.

2. [§405] Other Public, Semi-Public, Institutional and Nonprofit Uses

In any area shown on the Redevelopment Land Use Map (Attachment No. 3), the Agency is authorized to permit the maintenance, establishment or enlargement of public, semi-public, institutional or nonprofit uses. All such uses shall, to the extent possible, conform to the provisions of this Plan applicable to the uses in the specific area involved. The Agency may impose such other reasonable requirements and/or restrictions as may be necessary to protect the development and use of the Project Area.

D. [§406] General Controls and Limitations

All real property in the Project Area is made subject to the controls and requirements of this Plan. No real property shall be developed, rehabilitated or otherwise changed after the date of the adoption of this Plan, except in conformance with the provisions of this Plan.

1. [§407] Construction

All construction in the Project Area shall comply with all applicable state and local laws and codes in effect from time to time. In addition to applicable codes, ordinances or other requirements governing development in the Project Area, additional specific performance and development standards may be adopted by the Agency to control and direct redevelopment activities in the Project Area.

2. [§408] Limitation on the Number of Buildings

The number of buildings in the Project Area shall not exceed the number of buildings permitted under the City's General Plan.

3. [§409] Number of Dwelling Units

There are no dwelling units presently in the Project Area and no dwelling units are permitted under the City's General Plan.

4. [§410] Limitation on Type, Size and Height of Buildings

The type, size and height of buildings shall be as limited by applicable federal, state and local statutes, ordinances and regulations.

5. [§411] Open Spaces, Landscaping, Light, Air and Privacy

The approximate amount of open space to be provided in the Project Area is the total of all areas which will be in the public rights-of-way, the public ground, the space around buildings and all other outdoor areas not permitted to be covered by buildings. Landscaping shall be developed in the Project Area to ensure optimum use of living plant material.

Sufficient space shall be maintained between buildings in all areas to provide adequate light, air and privacy.

6. [§412] Signs

All signs shall conform to City sign ordinances as they now exist or are hereafter amended. Design of all proposed new signs shall be submitted to the City prior to installation for review and approval.

7. [§413] Utilities

The Agency shall require that all utilities be placed underground whenever physically and economically feasible.

8. [§414] Incompatible Uses

No use or structure which by reason of appearance, traffic, smoke, glare, noise, odor or similar factors would be incompatible with the surrounding areas or structures shall be permitted in any part of the Project Area.

9. [§415] Nondiscrimination and Nonsegregation

There shall be no discrimination or segregation based upon race, color, creed, religion, sex, marital status, national origin or ancestry permitted in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of property in the Project Area.

10. [§416] Subdivision of Parcels

No parcel in the Project Area, including any parcel retained by a participant, shall be subdivided without the approval of the City.

E. §417 Buildings Permits

No permit shall be issued for the construction of any new building or for any construction on an existing building in the Project Area from the date of adoption of this Plan until the application for such permit has been made and processed in a manner consistent with all City requirements.

V. §500 METHODS OF FINANCING THE PROJECT

A. §501 General Description of the Proposed Financing Method

The Agency is authorized to finance this Project with financial assistance from the City, State of California, federal government, sales taxes pursuant to Section 7202.6 of the Revenue and Taxation Code, interest income, Agency bonds, donations, loans from private financial institutions or any other available source, public or private.

The Agency is also authorized to obtain advances, borrow funds and create indebtedness in carrying out this Plan. The principal and interest on such advances, funds and indebtedness may be paid from any funds available to the Agency. Advances and loans for survey and planning and for the operating capital for nominal administration of this Project may be provided by the City until adequate funds are available, or sufficiently assured, to repay the advances and loans and to permit borrowing adequate working capital from sources other than the City. The City, as it is able, may also supply additional assistance through City loans and grants for various public facilities.

The City or any other public agency may expend money to assist the Agency in carrying out this Project. As available, gas tax funds from the state and county may be used for street improvements and public transit facilities.

B. §502 Other Loans and Grants

Any other loans, grants, guarantees or financial assistance from the United States, the State of California or any other public or private source will be utilized if available.

VI. §600 ACTIONS BY THE CITY

The City shall aid and cooperate with the Agency in carrying out this Plan and shall take all actions necessary to ensure the continued fulfillment of the purposes of this Plan and to prevent the recurrence or spread in the area of conditions causing blight. Actions by the City shall include, but not be limited to, the following:

- A. Institution and completion of proceedings for opening, closing, vacating, widening or changing the grades of streets, alleys and

other public rights-of-way and for other necessary modifications of the streets, the street layout and other public rights-of-way in the Project Area. Such action by the City shall include the requirement of abandonment, removal and relocation by the public utility companies of their operations of public rights-of-way as appropriate to carry out this Plan, provided that nothing in this Plan shall be construed to require the cost of such abandonment, removal and relocation to be borne by others than those legally required to bear such cost.

- B. Institution and completion of proceedings necessary for changes and improvements in private and publicly-owned public utilities within or affecting the Project Area.
- C. Revision of zoning (if necessary) within the Project Area to permit the land uses and development authorized by this Plan.
- D. Imposition wherever necessary (by conditional use permits or other means) of appropriate controls within the limits of this Plan upon parcels in the Project Area to ensure their proper development and use.
- E. Provision for administrative enforcement of this Plan by the City after development. The City and the Agency shall develop and provide for enforcement of a program for continued maintenance by owners of all real property, both public and private, within the Project Area throughout the duration of this Plan.
- F. Performance of the above actions and of all other functions and services relating to public peace, health, safety and physical development normally rendered in accordance with a schedule which will permit the redevelopment of the Project Area to be commenced and carried to completion without unnecessary delays.
- G. The undertaking and completing of any other proceedings necessary to carry out the Project.

The foregoing actions to be taken by the City do not involve or constitute any commitment for financial outlays by the City.

VII. [§700] ENFORCEMENT

The administration and enforcement of this Plan, including the preparation, and execution of any documents implementing this Plan, shall be performed by the Agency and/or the City.

The provisions of this Plan or other documents entered into pursuant to this Plan may also be enforced by court litigation instituted by either the Agency or the City. Such remedies may include, but are not limited to, specific performance, damages, reentry, injunctions or any other remedies appropriate to the purposes of this Plan. In addition, any recorded provisions which are expressly for the benefit of owners of property in the Project Area may be enforced by such owners.

VIII. [§800] DURATION OF THIS PLAN

Except for the nondiscrimination and nonsegregation provisions which shall run in perpetuity, the provisions of this Plan shall be effective, and the provisions of other documents formulated pursuant to this Plan may be made effective, for fifteen (15) years from the date of adoption of this Plan by the City Council.

IX. [§900] PROCEDURE FOR AMENDMENT

This Plan may be amended by means of the procedure established in Sections 33450-33458 of the Community Redevelopment Law or by any other procedure hereafter established by law.

EXHIBIT "A"

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PROPERTY DESCRIPTION FOR REDEVELOPMENT PLAT

SITUATE in the City of Milpitas, County of Santa Clara, State of California being more particularly described as follows:

PARCEL A

BEGINNING at a point on the northerly right-of-way line of Montague Expressway with the southwesterly line of the Lands of Union Pacific Corporation;

THENCE from said POINT OF BEGINNING of PARCEL A along said right-of-way line the following (5) five courses:

- (1) South $75^{\circ} 40' 22''$ West 346.53 feet; thence,
- (2) Westerly along a tangent curve to the left, whose radius point bears South $14^{\circ} 19' 38''$ East for 1055.00 feet, along an arc length of 217.89 feet and through a central angle of $11^{\circ} 50' 00''$, to a point of tangency; thence,
- (3) South $63^{\circ} 50' 22''$ West 212.54 feet; thence,
- (4) Westerly along a tangent curve to the right, whose radius point bears North $26^{\circ} 09' 38''$ West for 70.00 feet, along an arc length of 32.52 feet and through a central angle of $26^{\circ} 37' 05''$, to a point of non-tangent curvature; thence;
- (5) Westerly along a curve to the right, whose radius point bears North $01^{\circ} 40' 15''$ East for 60.00 feet, along an arc length of 31.61 feet and through a central angle of $30^{\circ} 11' 16''$, to a point of non-tangency; thence,

THENCE leaving said right-of-way of Montague Expressway the following (11) eleven courses:

- (6) North $59^{\circ} 15' 30''$ East 34.92 feet, to a point of non-tangent curvature; thence,
- (7) Easterly along a curve to the left, whose radius point bears North $31^{\circ} 51' 30''$ East for 50.00 feet, along an arc length of 59.07 feet and through a central angle of $67^{\circ} 41' 06''$, to a point of reverse curvature; thence,
- (8) Northeasterly along a curve to the right, whose radius point bears South $35^{\circ} 49' 36''$ East for 1079.00 feet, along an arc length of 213.15 feet and through a central angle of $11^{\circ} 19' 07''$, to a point of reverse curvature; thence,

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- (9) Northeasterly along a curve to the left, whose radius point bears North $24^{\circ} 30' 29''$ West for 40.00 feet, along an arc length of 31.91 feet and through a central angle of $45^{\circ} 42' 31''$, to a point of non-tangency; thence,
- (10) North $68^{\circ} 41' 44''$ East 32.38 feet; thence,
- (11) North $21^{\circ} 18' 16''$ West 26.30 feet; thence,
- (12) North $23^{\circ} 00' 30''$ West 194.04 feet, to a point of cusp; thence,
- (13) Westerly and Northwesterly along a curve to the right, whose radius point bears North $45^{\circ} 06' 01''$ West for 70.00 feet, along an arc length of 176.90 feet and through a central angle of $144^{\circ} 47' 35''$, to a point of non-tangency; thence,
- (14) North $80^{\circ} 18' 26''$ West 53.41 feet; thence,
- (15) South $61^{\circ} 30' 00''$ West 157.21 feet; thence,
- (16) South $26^{\circ} 15' 20''$ West 267.56 feet to a point on the northerly right-of-way line of Capitol Avenue;

THENCE along said right-of-way line the following (3) three courses:

- (17) North $58^{\circ} 08' 30''$ West 1501.39 feet; thence,
- (18) Northwesterly along a tangent curve to the left, whose radius point bears South $31^{\circ} 51' 30''$ West for 742.00 feet, along an arc length of 133.63 feet and through a central angle of $10^{\circ} 19' 06''$, to a point of non-tangency; thence,
- (19) North $58^{\circ} 08' 30''$ West 495.44 feet to a point at the intersection of the northerly right-of-way line of Capitol Avenue and the easterly line of the Lands of Southern Pacific Transportation Company (60 feet wide);

THENCE along said easterly line North $10^{\circ} 32' 30''$ West 1956.69 feet to the intersection of the Lands of Southern Pacific Transportation Company and the southerly right-of-way line of Curtis Avenue;

THENCE along said southerly right-of-way line of Curtis Avenue and the southerly line of the Lands of Union Pacific Corporation North $66^{\circ} 59' 30''$ East 1772.88 feet to the southeast corner of said lands being also a point along the southwesterly line of the Lands of Union Pacific Corporation;

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THENCE along said southwesterly line South 23° 00' 30" East 3909.85 feet returning to the POINT OF BEGINNING of PARCEL A and containing 6,578,605 square feet of land more or less.

PARCEL B:

BEGINNING at a point on the southerly right-of-way line of Curtis Avenue with the intersection of westerly line of the Lands of Southern Pacific Transportation Company;

THENCE from the POINT OF BEGINNING of PARCEL B along said westerly line South 10° 32' 30" East 1265.21 feet to a point of intersection with the northwesterly right-of-way line of Main Street;

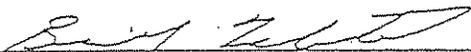
THENCE along said northwesterly line North 17° 50' 18" West 1222.15 feet;

THENCE Northerly along a tangent curve to the right, whose radius point bears North 72° 09' 42" East for 20.00 feet, along an arc length of 29.61 feet and through a central angle of 84° 49' 48", to a point on the southerly right-of-way line of Curtis Avenue;

THENCE along said southerly right-of-way line North 66° 7' 59" 30" East 143.07 feet returning to the POINT OF BEGINNING of PARCEL B and containing 99,592 square feet of land more or less.

A plat showing the above described Parcels is attached hereto and made a part hereof as Exhibit "B".

This description was prepared by:



Billy Martin, P.L.S. 5797
License Expires: 12/30/96

Dated: 7-19-93



BM:k

ATTACHMENT NO. 3

SCOPE OF DEVELOPMENT

I. GENERAL

The Participant agrees that the Site shall be renovated, rehabilitated, developed and improved in accordance with the provisions of this Agreement, the Site Plan approved by the Planning Commission on March 24, 1993, including the conditions imposed thereon, the conditions of approval of the rezone by the City Council on April 6, 1993, the final landscaping, grading and construction plans and drawings approved by the City, and all applicable state and local laws, including, but not limited to, prevailing wage and competitive bidding requirements of the Agency or City, if applicable. The Participant, its supervising architect, engineer and contractor, shall work with City staff to coordinate the overall design, architecture and color of the improvements on the Site.

II. MALL IMPROVEMENTS

Within the time set forth in the Schedule of Performance (Attachment No. 4), the Participant shall rehabilitate and renovate the existing improvements on the Mall Parcel portion of the Site to develop a retail mall containing approximately 1,200,000 square feet of gross leasable area, with landscaping, lighting, parking and the Off-Site Improvements as specified in Section IV hereof, in accordance with the standards specified in Section I above (the "Mall Improvements").

For all purposes of this Agreement, including issuance of a Certificate of Completion pursuant to Section 212 and conformance with the Schedule of Performance (Attachment No. 4) for completion of the Mall Improvements, the Mall Improvements shall be deemed completed upon completion of exterior renovation and rehabilitation of the existing improvements on the Mall Parcel, provision of all required landscaping, lighting, parking, the Off-Site Improvements related to the Mall Parcel as set forth in Section IV hereof and completion of tenant improvements for not less than sixty-five percent (65%) of the gross leasable area of the retail mall being developed on the Mall Parcel.

III. PAD IMPROVEMENTS

The Participant agrees that it shall make diligent efforts to develop the Pad Parcels portion of the Site for the commercial/retail uses permitted under Section 301 of this Agreement, including a maximum of 452,700 square feet of gross leasable area, landscaping, lighting, parking and any off-site improvements in accordance with the standards specified in Section I above (the "Pad Improvements").

IV. OFF-SITE PUBLIC IMPROVEMENTS

The Participant shall be responsible for the dedication of land (as applicable) and shall install or construct or cause to be installed or constructed by a third party (which may include the City) all off-site public improvements required for the rehabilitation, renovation and development of the Mall Parcel, including any repairs or modifications needed to existing off-site improvements which are necessary due to rehabilitation, renovation and development of the Mall Parcel (the "Off-Site Improvements"). The parties agree that the required Off-Site Improvements for development of the Mall Parcel include, without limitation:

1. Widen Capitol Avenue East Side
2. Bus Stops on Main and Capitol
3. Traffic Signal at Main and Mall Entrance
4. Traffic Signal at Main and Curtis
5. Signal Modification at Capitol and McCandless
6. Traffic Signal at Capitol and Centre Point
7. Interconnect Signals on Main, Curtis to Capitol
8. Interconnect Signals on Capitol, Main to Montague
9. Intersection Modification at Abel and Calaveras
10. Relocate Median Along Capitol
11. Modify Intersection at Milpitas and Calaveras
12. Traffic Signal at Abel and Curtis
13. Montague Deceleration Lane
14. Widen Curtis, Main to Mall
15. Widen Curtis, Abel to Main
16. Restripe Abel at Calaveras
17. Additional Westbound Left Turn at Montague and Capitol

18. Additional Eastbound Left Turn at Montague and Milpitas
19. Relocate PG&E Natural Gas Lines Along Capitol
20. Underground Electrical Lines
21. Water and Sewer Lines

Payment by the Participant to the City for constructing or contracting for construction of all or a portion of the Off-Site Improvements shall be pursuant to Cost-Sharing Agreements to be executed between the City and the Participant.

ATTACHMENT No. 4

PROPOSED PUBLIC IMPROVEMENTS

The off site improvements shall be those listed in Attachment No. 3 (Scope of Development) which is part of that Owner Participation Agreement between Ford Motor Land Development Corporation and the City of Milpitas dated July 20, 1993, attached hereto and made a part of Attachment No. 4.

I CERTIFY THAT THE FOREGOING IS A TRUE AND CORRECT

COPY OF Ordinance # 192.8

ADOPTED BY THE CITY COUNCIL OF THE CITY OF MILPITAS,
COUNTY OF SANTA CLARA, STATE OF CALIFORNIA, ON

November 2, 1993

ATTEST:
10/18/96 Deputy Arline Johnson
Date City Clerk