COUNCIL AGENDA: 05-15-07
ITEM #:10.2

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: City Council

FROM: Mayor Chuck Reed
Councilmember Nancy Pyle
Councilmember Pete Constant
Councilmember Judy Chirco

SUBJECT: **Evergreen-East Hills Visioning Strategy General Plan Hearing**

DATE: May 10, 2007

APPROVED: Chuck Reed Judy Chirco for NP

DATE:

RECOMMENDATION

Defer consideration of all Campus Industrial land conversions associated with the Evergreen-East Hills Vision Strategy (EEHVS) to the General Plan Update, which will be launched in June 2007 and is estimated to be completed by August 2008;

Direct staff to return to City Council within thirty days of the May 15th hearing, and,

a. provide recommendations and required next steps for ways in which non-industrial sites may be considered for development; and,
b. provide further analysis on existing and potential future demographics on retail market conditions and demand for services in the Evergreen area, including the Evergreen Valley College site.

BACKGROUND

At the April 30, 2007 Evergreen Study Session, the City Council directed staff to return with further analysis of issues related to traffic, affordable housing, schools, amenities and public facilities, and retail and commercial development and industrial retention.

ANALYSIS

The City is facing a long-term and structural budget deficit due, in part, to an imbalance between housing and employment. Solving our budget problems requires that we proceed cautiously, and weigh economic and fiscal impacts, costs, and benefits before converting additional employment lands to housing.

The May 4, 2007 staff report contains alternative recommendations and suggests a higher amount of industrial land retention as a compromise to the Council motion of April 30, 2007.

This recommendation will nonetheless result in significant industrial land conversion, with long-term impacts to San José's economy, and the inability to achieve the jobs per employed resident goals that the Council wishes to pursue. While we appreciate the efforts that went into preparing the draft developer consortium funding agreement, we believe it falls short of expectations, and does not provide the best terms, nor provide for the best interests of the city at-large.

CONCLUSION

We appreciate the leadership and efforts of Council members, the developer consortium, the community, Task Force, and city staff to direct the EEHVS over the past few years. We do not anticipate any of the work to go to waste, but rather enhance the future work program.

The action before us is a complicated land use decision. There is still much uncertainty about the best proposal for development of the Evergreen East Hills area at this point in time. We believe the issues that face us today as it relates to industrial land conversion do not fully advance the Major Strategies of the San Jose General Plan 2020, or the objectives of the Framework for Employment Lands, and require a more comprehensive evaluation.

We encourage the Council to support the deferral of all EEHVS campus industrial land conversion projects to the upcoming General Plan Update.