



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Planning Commission

**SUBJECT:** SEE BELOW

**DATE:** November 29, 2022

**COUNCIL DISTRICT:** 2

**SUBJECT: FILE NOS. PDC21-017 & PD21-004 PLANNED DEVELOPMENT REZONING FROM THE IP INDUSTRIAL PARK ZONING DISTRICT TO THE IP(PD) PLANNED DEVELOPMENT ZONING DISTRICT, AND A PLANNED DEVELOPMENT PERMIT TO ALLOW THE CONSTRUCTION OF AN APPROXIMATELY 6,000-SQUARE FOOT FLEET MAINTENANCE AND REPAIR FACILITY ON AN APPROXIMATELY 10.6-GROSS ACRE DEVELOPED SITE (WAREHOUSE DISTRIBUTION) LOCATED ON THE WEST SIDE OF PIERCY ROAD, APPROXIMATELY 2,070 FEET NORTHERLY OF TENNANT AVENUE (500 PIERCY ROAD).**

## **RECOMMENDATION**

The Planning Commission voted 9-0-1 (Ahluwalia absent) to recommend that the City Council take the following action:

1. Consider a categorical exemption in accordance with California Environmental Quality Act ("CEQA") Guidelines Section 15303(c) and (d) for New Construction of Small Structures.
2. Adopt an ordinance rezoning the Project Site from the IP Industrial Park Zoning District to the IP(PD) Planned Development Zoning District.
3. Adopt a resolution approving, subject to conditions, a Planned Development Permit to allow the construction of a fleet maintenance and repair facility incidental to the existing warehouse distribution use, on the approximately 10.6-gross acre site.

## **OUTCOME**

If the City Council approves the actions listed above as recommended by the Planning Commission, the applicant will be able to move forward with the building permit process to construct a fleet maintenance and repair facility incidental to the existing warehouse distribution use on the approximately 10.6-gross acre site.

## **BACKGROUND**

On November 16, 2022, the Planning Commission held a public hearing to consider the CEQA exemptions, rezoning, and a Planned Development Permit.

The project consists of a Planned Development rezoning and Planned Development Permit to allow the construction of an incidental approximately 6,000-square foot fleet maintenance and repair facility to support an existing on-site warehouse distribution use on an approximately 10.6-acre site.

This item remained on the Planning Commission's Consent Calendar. No members of the public requested to speak on this item and there was no discussion by the Commissioners. Commissioner Lardinois made a motion to approve the recommendation. Commissioner Casey seconded the motion. The motion passed unanimously 9-0-1 (Ahluwalia absent). The Planning Commission recommended that the City Council consider the CEQA exemptions and approve the rezoning and Planned Development Permit.

## **ANALYSIS**

The analysis of project impacts pursuant to CEQA, rezoning, and Planned Development Permit, including conformance with the General Plan, Municipal Code, and City Council policies are contained in the attached staff report.

## **CONCLUSION**

In summary, the project was heard at the November 16, 2022, Planning Commission Meeting. The motion to recommend Council approval of the project passed (9-0-1). Commissioner Ahluwalia was absent. As discussed in the attached staff report, the project is consistent with the Envision San José 2040 General Plan, the Municipal Code, City Council policies for public outreach, and the requirements of CEQA. Should the City Council approve the rezoning and Planned Development Permit, the applicant would be allowed to construct a fleet maintenance and repair facility incidental to the existing warehouse distribution use on the approximately 10.6-gross acre site.

## **EVALUATION AND FOLLOW-UP**

Should the City Council approve the rezoning and Planned Development Permit, the applicant would be allowed to move forward with the building permit process to construct a fleet maintenance and repair facility incidental to the existing warehouse distribution use on the approximately 10.6-gross acre site.

## **PUBLIC OUTREACH**

Staff followed Council Policy 6-30: Public Outreach Policy in order to inform the public of the proposed project. An on-site sign has been posted on the project frontage since July 2, 2021. A notice of the public hearing was distributed to the owners and tenants of all properties located within 500 feet of the project site and posted on the City website. The staff report is also posted on the City's website. Staff has also been available to respond to questions from the public.

## **COORDINATION**

The preparation of this memorandum has been coordinated with the City Attorney's Office.

## **CLIMATE SMART SAN JOSÉ**

The recommendation in this memorandum aligns with one or more Climate Smart San José energy, water, or mobility goals. The project would increase the density of an existing commercial site by increasing the number of jobs per acre and would reduce vehicle miles traveled by allowing fleet vehicles to be serviced on-site instead of traveling to an off-site facility.

## **CEQA**

Under the provisions of Section 15303(c) and (d) of the CEQA Guidelines, the Planned Development Zoning and associated Planned Development Permit are exempt from the environmental review requirements of Title 21 of the San José Municipal Code.

Standard Permit Conditions are also required to ensure no impacts occur during the construction and operation of the project. These Standard Permit Conditions include best management practices for construction-related air quality impacts, protection of nesting migratory birds, compliance with the Santa Clara Valley Habitat Plan, protection of unknown subsurface cultural resources and human remains, compliance with the California Building Code for seismic safety of the proposed building, erosion control during construction activities, water quality impacts during construction, and best management practices to control noise during construction.

/s/

CHRISTOPHER BURTON, Secretary  
Planning Commission

For questions, please contact Deputy Director for Planning, Robert Manford, at (408) 535-7900.

Attachment: Planning Commission Staff Report



# Memorandum

**TO:** PLANNING COMMISSION  
**SUBJECT:** PDC21-017, PD21-004,  
& ER21-079

**FROM:** Christopher Burton  
**DATE:** November 16, 2022

**COUNCIL DISTRICT: 2**

Type of Permit	Planned Development Rezoning and Planned Development Permit
Demolition	N/A
Proposed Land Uses	Incidental fleet maintenance and repair facility for existing warehouse distribution building
New Residential Units	N/A
New Non-Residential Square Footage	6,000 SF
Additional Policy Review Items	N/A
Tree Removals	N/A
<b>Project Planner</b>	Jason Lee
<b>CEQA Clearance</b>	Exemption per CEQA Guidelines Section 15303(c) for New Construction or Conversion of Small Structures
<b>CEQA Planner</b>	Shannon Hill

## RECOMMENDATION

Staff recommends that the Planning Commission recommend the City Council to take all of the following actions regarding the project site located on the west side of Piercy Road, approximately 2,070 feet northerly of Tennant Avenue (500 Piercy Road) ("Project Site"):

1. Consider a categorical exemption in accordance with CEQA Guidelines Section 15303(c) for New Construction or Conversion of Small Structures; and
2. Approve an Ordinance rezoning the Project Site from the IP Industrial Park Zoning District to the IP(PD) Planned Development Zoning District on an approximately 10.6-gross acre site.
3. Adopt a Resolution approving, subject to conditions, a Planned Development Permit to allow the construction of a fleet maintenance and repair facility incidental to the existing warehouse distribution use, on the approximately 10.6-gross acre Project Site.

**PROPERTY INFORMATION**

<b>Location</b>	West side of Piercy Road, approximately 2,070 feet northerly of Tennant Avenue (500 Piercy Road)
<b>Assessor Parcel No.</b>	678-08-061
<b>General Plan Designation</b>	Industrial Park
<b>Growth Area</b>	New Edenvale Employment Area
<b>Zoning – Existing</b>	IP Industrial Park Zoning District
<b>Zoning – Proposed</b>	IP(PD) Planned Development Zoning District
<b>Historic Resource</b>	N/A
<b>Annexation Date</b>	May 6, 1999 (Riverside No. 48)
<b>Council District</b>	2
<b>Project Site Acreage</b>	10.6 gross acres

**PROJECT BACKGROUND**

As shown on the attached [Vicinity Map \(Exhibit A\)](#), the Project Site is located on the west side of Piercy Road, approximately 2,070 feet northerly of Tennant Avenue (500 Piercy Road). On June 1, 2021, concurrent applications for a Planned Development Zoning, File No. PDC21-017, and a Planned Development Permit, File No. PD21-004, by applicants Michael Manfred and Phil Erdman of Reyes Holdings, LLC. The Planned Development Zoning would rezone the site from the IP Industrial Park Zoning District to the IP(PD) Planned Development Zoning District. The Planned Development Permit would allow the construction of an incidental approximately 6,000-square foot fleet maintenance and repair facility to support an existing on-site warehouse distribution use.

The proposed approximately 6,000-square foot fleet maintenance building would be located in a paved area at the southwest corner of the approximately 10.6-acre parcel, currently developed with a warehouse distribution facility. Access to the site is from two gated driveways along Piercy Road. The new fleet maintenance and repair facility will be used only to support the existing warehouse distribution facility.

Surrounding land uses within the City boundary include a church to the northwest, a warehouse distribution center to the west, and vacant land to the south. Additionally, there are single-family houses to the north and a rural residential ranch to the east, which are in unincorporated Santa Clara County.

SURROUNDING USES			
	General Plan	Zoning District	Existing Use
North	Open Hillside	Hillside, Santa Clara Valley Viewshed (HS-d1, County)	Single-family residences
Northwest	Industrial Park	Industrial Park	Church
West	Industrial Park	Industrial Park	Warehouse distribution center & vacant parcel
South	Industrial Park	Industrial Park	Vacant parcel
East	Industrial Park & Open Hillside	Hillside, Santa Clara Valley Viewshed (HS-d1, County)	Rural residential ranch

**ANALYSIS**

The proposed **Planned Development Rezoning and Planned Development Permit** have been analyzed with respect to consistency with:

1. Envision San José 2040 General Plan
2. Municipal Code – Zoning Ordinance
3. City Council Policies
4. California Environmental Quality Act (CEQA)

**Envision San José 2040 General Plan Consistency**

As shown in the attached **Proposed General Plan Map (Exhibit B)**, the project is within the **Industrial Park** land use designation in the Envision San José 2040 General Plan Land Use/ Transportation Diagram Map. The land use designation is intended for a wide variety of industrial users such as research and development, manufacturing, assembly, testing and offices. This land use designation supports a density of FAR up to 10.0. The floor area of this site after the construction of the proposed fleet maintenance and repair facility would be 0.34, consistent with the allowed density.

The project is consistent with the following key General Plan policies:

Land Use Policy LU-6.3: When new uses are proposed in proximity to existing industrial uses, incorporate measures within the new use to minimize its negative impacts on existing nearby land uses.

*Analysis: The proposed fleet repair and maintenance facility use includes measures that will mitigate its operational characteristics: the use will take place indoors, has only four truck bays, and will be limited to supporting the existing on-site warehouse. Additionally, the facility would not exceed the Zoning Code 70 decibel noise performance standard at a property line.*

Implementation Policy IP-1.8: Use standard Zoning Districts to promote consistent development patterns when implementing new land use entitlements. Limit use of the Planned Development Zoning process to unique types of development or land uses which cannot be implemented through standard

Zoning Districts, or to sites with unusual physical characteristics that require special consideration due to those constraints.

*Analysis: A fleet repair and maintenance facility is not an allowed use in the Industrial Park zoning district, and therefore requires a Planned Development Zoning to allow the use. Because the use is a compatible support use which is small in scale and has been designed to mitigate the operational characteristics of the existing facility, special consideration can be given to allowing the use at this site.*

**Implementation Policy IP-8.5:** Use the Planned Development zoning process to tailor such regulations as allowed uses, site intensities and development standards to a particular site for which, because of unique circumstances, a Planned Development zoning process will better conform to Envision General Plan goals and policies than may be practical through implementation of a conventional Zoning District.

*Analysis: The Planned Development zoning process is being used to tailor the allowed use of the particular site to add the fleet repair and maintenance facility use. Since the entire area is designed Industrial Park in the General Plan, it is impractical for the site to obtain a General Plan Amendment to change the site to Light or Heavy Industrial to allow the requested use. The use can be mitigated to be compatible with its surroundings and to be consistent with the existing general plan land use designation through design and Planned Development Zoning standards. Therefore, the Planned Development zoning process is appropriate to allow this project at this site.*

### **Zoning Ordinance Consistency**

The project includes a rezoning from the IP Industrial Park District to the **IP(PD) Planned Development** Zoning District. The surrounding parcels within the City boundary are all zoned IP Industrial Park. The surrounding parcels within the County are zoned HS-d1, Hillside (with a design review component for the Santa Clara Valley Viewshed).

### **Land Use**

The base IP Industrial Park zoning of the proposed PD Planned Development Zoning District supports continued compatibility with the surrounding Industrial Park zoning and land uses. The Planned Development Zoning District allows all uses of the IP Industrial Park Zoning District, as amended, while adding an incidental repair and maintenance use for fleet vehicles, up to 6,000 square feet and four service bays, as an allowed use.

### **Development Regulations**

#### **Height and Setbacks:**

The height and setbacks for the Planned Development Zoning are listed in the table below, matching the IP Industrial Park Zoning District in the Zoning Code, as amended. The table compares the IP Industrial Park Zoning District per [Section 20.50.200](#) of the Zoning Code and the proposed IP(PD) Planned Development Zoning District development standards. Per [Section 20.60.040.B](#) of the Zoning Code, when a PD permit has been implemented, the provisions of the permit prevail over the regulations of the base district zoning of the property. The table also shows the project compliance with the proposed standards. The entire development, including the existing warehouse distribution center and the proposed fleet maintenance and repair shop is evaluated in the table below.

Standard	IP Zoning District Requirements	IP(PD) Planned Development Zoning District Development Standards	Project Compliance with PD Standards
<i>Minimum Front Setback</i>			
... to Building	15 feet	15 feet	26.1 feet
... to Parking & Circulation	25 feet	25 feet	34.2 feet
... to Loading Docks	60 feet	60 feet	340.5 feet
<i>Minimum Side Setback</i>			
... to Building	0 feet	0 feet	23 feet, 8 inches (south) 294 feet (north)
... to Parking & Circulation	0 feet	0 feet	14 feet (south) 44.8 feet (north)
... to Loading Docks	0 feet	0 feet	144.5 feet (south) 748.5 feet (north)
<i>Minimum Rear Setback</i>			
... to Building	0 feet	0 feet	46.7 feet
... to Parking & Circulation	0 feet	0 feet	5.3 feet
... to Loading Docks	0 feet	0 feet	233.2 feet
<i>Maximum Height</i>	120 feet	120 feet	32 feet

#### Vehicle and Bicycle Parking:

The minimum number of parking spaces and bicycle spaces in the Planned Development Zoning are listed in the tables below, consistent with [Table 20-190](#) of the Zoning Code, as amended. The table summarizes the project compliance with the standards. The existing and proposed development are both evaluated because the requirements for the proposed project are in addition to the existing uses.

Vehicle Parking	Zoning Code	IP(PD) Planned Development Zoning District Development Standards	Project Compliance with PD Standards
Warehouse	One per 5,000 square feet of gross floor area or a fraction thereof	One per 5,000 square feet of gross floor area or a fraction thereof	31 spaces required (151,019 square feet)
Repair and Maintenance Facility	Four spaces per work station plus one per employee	Four spaces per work station plus one per employee	20 spaces required (Four work stations and four employees)



*Analysis: As shown on the plan set for Planned Development Permit PD21-004, there are 100 vehicle parking spaces provided in the project site, where 51 vehicle parking spaces are required, in compliance with the IP(PD) Planned Development Zoning District standards.*

Bicycle Parking	Zoning Code	IP(PD) Planned Development Zoning District Development Standards	Project Compliance with PD Standards
Warehouse	1 per 10 full-time employees	1 per 10 full-time employees	8 spaces required (80 employees)
Repair and Maintenance Facility	1 per 10 full-time employees	1 per 10 full-time employees	1 space required (4 employees)

*Analysis: As shown on the plan set for Planned Development Permit PD21-004, there are 10 bicycle parking spaces provided in the project site, where nine bicycle parking spaces are required, in compliance with the IP(PD) Planned Development Zoning District standards.*

**Additional Standards:**

The Planned Development Zoning includes a minimum requirement for loading spaces. Specifically, the minimum number of loading spaces shall be per [Section 20.90.410](#) of the Zoning Code, as amended, or one off-street loading space, plus one additional such loading space for each twenty thousand square feet of floor area. As such, nine loading spaces are required for the warehouse use, and ten loading spaces were provided.

*Analysis: As shown on the plan set for Planned Development Permit PD21-004, there are 10 loading spaces provided in the project site, where nine loading spaces are required, in compliance with the IP(PD) Planned Development Zoning District standards.*

**PERMIT FINDINGS**

***Planned Development Permit Findings***

To make the Planned Development Permit findings pursuant to San José Municipal Code [Section 20.100.940](#) and recommend approval to the Planning Commission, staff must determine that:

1. The planned development permit, as issued, is consistent with and furthers the policies of the general plan; and

*Analysis: As analyzed above, an incidental fleet maintenance and repair facility supporting a warehouse distribution use is consistent with the Industrial Park land use designation per the General Plan, including relevant goals and policies. This includes consistency with policies regarding the mitigation of potential negative impacts, compatible support uses, and Planned Development Zoning.*

2. The planned development permit, as issued, conforms in all respects to the planned development zoning of the property; and

*Analysis: As analyzed above, the project is consistent with the IP(PD) Planned Development Zoning District Development Standards. The project is consistent with the parking, setback, height, and landscaping requirements of the Planned Development Standards and the General Development Plan.*

3. The planned development permit, as approved, is consistent with applicable city council policies, or counterbalancing considerations justify the inconsistency; and

*Analysis: As discussed under the City Council Policy Consistency section below, the project conforms to the Public Outreach Policy for Pending Land Use and Development Proposals.*

4. The interrelationship between the orientation, location, mass and scale of building volumes, and elevations of proposed buildings, structures and other uses on-site are appropriate, compatible and aesthetically harmonious; and

*Analysis: The new fleet maintenance facility is built facing the street, in the back corner of a lot developed with an existing warehouse distribution facility and is accessed through an existing truck access driveway. The new facility is 32 feet and one story, is painted grey, and has metal doors characteristic of a warehouse. This matches the existing building, which is 41 feet and one story, in scale, and has similar elevations, including the same-colored paint. The proposed use is appropriate and functionally and physically compatible with the existing warehouse distribution use, as the new facility is an incidental on-site facility which provides maintenance and repair to the existing truck fleet associated with the warehouse.*

5. The environmental impacts of the project, including, but not limited to noise, vibration, dust, drainage, erosion, storm water runoff, and odor which, even if insignificant for purposes of the California Environmental Quality Act (CEQA), will not have an unacceptable negative effect on adjacent property or properties.

*Analysis: All construction activity and its impacts, including but not limited to noise, vibration, dust, drainage, erosion, storm water runoff, and odor, would be temporary. Additionally, the project is exempt under CEQA Section 15303(c) for new construction of small structures.*

### **City Council Policy Consistency**

#### **[City Council Policy 6-30: Public Outreach Policy for Pending Land Use Development Proposals](#)**

Under City Council Policy 6-30, the project is a standard development. Standard development projects are required to provide Early Notification by website and e-mail to property owners and tenants within a 500-foot radius, and by on-site signage. Following City Council Policy 6-30, the required on-site sign has been posted at the site since July 2, 2021, to inform the neighborhood of the project. No community meeting was required or held for this project. The staff report is posted on the City's website, and staff has been available to respond to questions from the public.

### **CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

Under the provisions of Section 15303(c) of the State Guidelines for Implementation of the California Environmental Quality Act (CEQA), the Planned Development Zoning and associated Planned Development Permit is found to be exempt from the environmental review requirements of Title 21 of

the San José Municipal Code, implementing the California Environmental Quality Act of 1970, as amended. Article 19 Categorical Exemptions includes a list of classes of projects that have been determined not to have a significant effect on the environment and that are, therefore, exempt from the Provisions of CEQA. Section 15303, Class 3 exemptions consist of construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures; and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure, and the use of this exemption is limited to the maximum allowable on any legal parcel. The proposed project would involve construction of a new approximately 6,000-square foot fleet maintenance facility for repair and maintenance use on the 10.6-gross acre site with an existing approximately 151,000-square foot industrial building. The proposed maintenance facility would consist of a one-story, prefabricated garage which would be used for servicing fleet vehicles and would include four 16-foot high metal roll-up doors to allow trucks access into the garage.

The proposed building would be constructed on the project site, entirely within the boundary of the existing property line. As discussed above, the use of the new building would be a maintenance garage for fleet vehicles. In addition, the proposed fleet maintenance facility would result in reduced vehicle miles travelled (VMT) of heavy trucks associated with the existing use because fleet vehicles could be serviced on-site versus travelling to a third-party servicer for maintenance. Therefore, because the proposed new structure is a small facility on an existing developed lot and includes minor utility extensions of reasonable length to serve such construction, the project would be consistent with the requirements stated in Section 15303 of the State CEQA Guidelines.

**PUBLIC OUTREACH**

Staff followed Council Policy 6-30: Public Outreach Policy to inform the public of the proposed project. An on-site sign was posted on the property, consistent with the City Council Policy, as discussed above.

Staff has not received any comments from the public for this file.

A notice of the public hearing was distributed to the owners and tenants of all properties located within 500 feet of the project site and posted on the City website. The staff report is also posted on the City’s website. Staff has been available to respond to questions from the public.

**Project Manager:** Jason Lee

**Approved by:** /s/ Robert Manford, Deputy Director for Christopher Burton, Planning Director

<b>ATTACHMENTS:</b>	
Exhibit A:	Vicinity Map, Aerial
Exhibit B:	General Plan Land Use Designation
Exhibit C:	Zoning District
Exhibit D:	Planned Development Zoning PDC21-017 Ordinance
Exhibit E:	Planned Development Permit PD21-004 Resolution

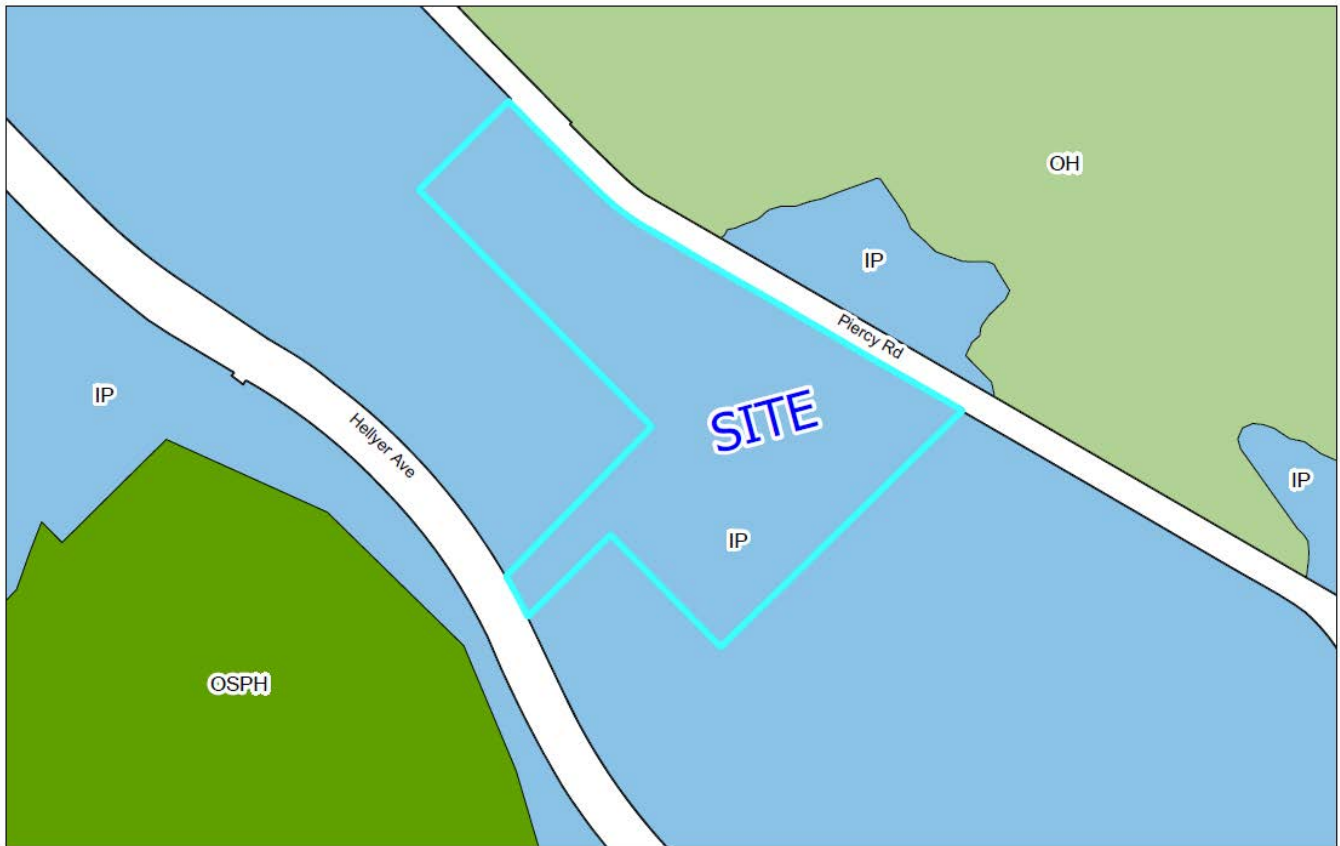
Exhibit F:	Draft PDC21-017 Development Standards
Exhibit G:	Planned Development Zoning PDC21-017 Plan Set
Exhibit H:	Planned Development Permit PD21-004 Plan Set

Development Review Project Manager	Environmental Project Manager	Applicant Representative
Jason Lee <a href="mailto:jason.lee@sanjoseca.gov">jason.lee@sanjoseca.gov</a> (408) 535-3887	Shannon Hill <a href="mailto:shannon.hill@sanjoseca.gov">shannon.hill@sanjoseca.gov</a> (408) 535-7872	Phil Erdman <a href="mailto:perdman@reyesholdings.com">perdman@reyesholdings.com</a> (707) 684-9941

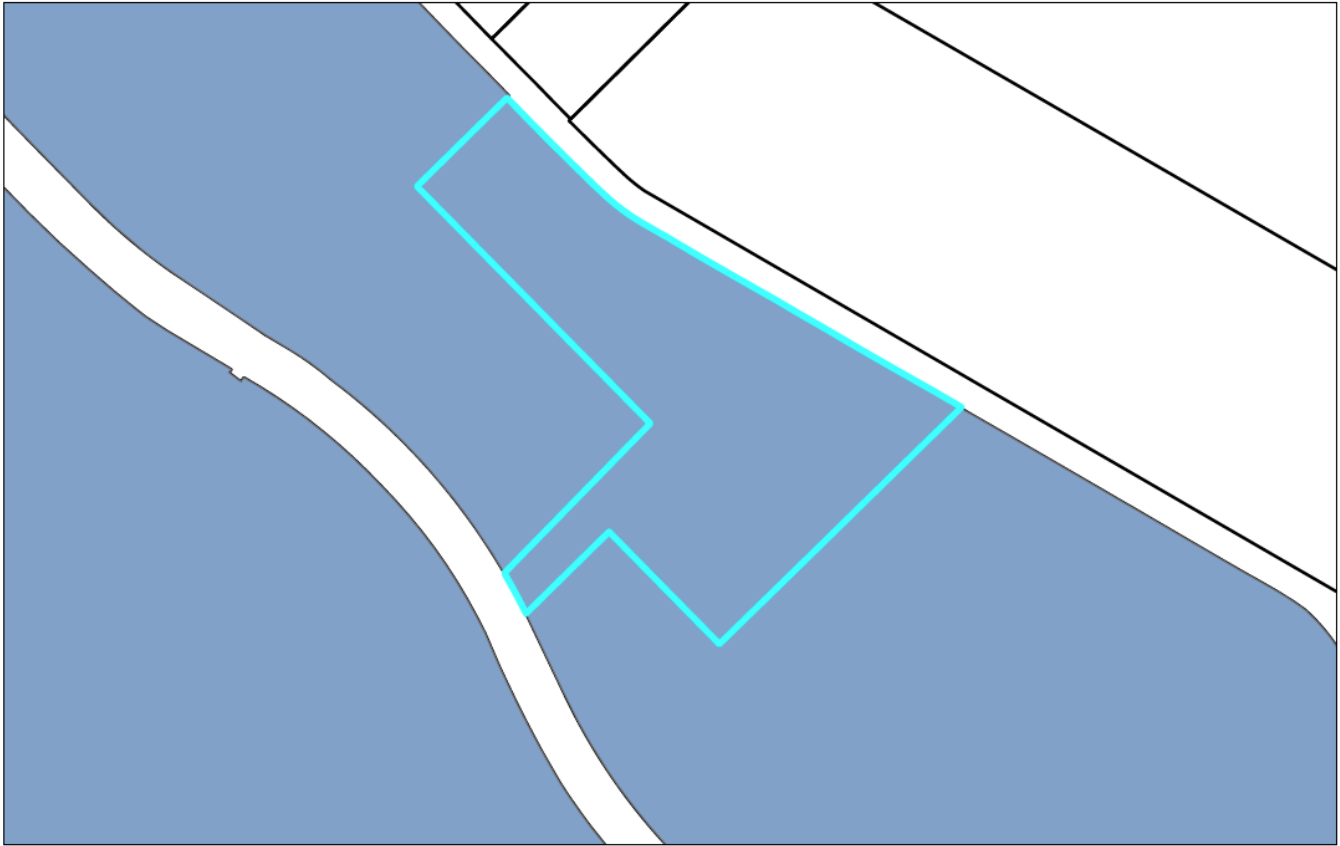
Exhibit A: Vicinity Map/Aerial



**Exhibit B: General Plan Land Use Designation**



**Exhibit C: Zoning District Map**



Note: all colored area is in the IP Industrial Park Zoning District. The white area north of Piercy Road is outside of the City boundary.

# **PDC21-017, PD21-004 & ER21-079**

## **Links to Attachment D-H**

Click on the title to view document

Exhibit D: Planned Development Zoning PDC21-017 Ordinance
Exhibit E: Planned Development Permit PD21-004 Resolution
Exhibit F: Draft PDC21-017 Development Standards
Exhibit G: Planned Development Zoning PDC21-017 Plan Set
Exhibit H: Planned Development Permit PD21-004 Plan Set