



City of Milpitas

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March 27, 2023

Honorable Mayor Matt Mahan
City of San José City Council
San José City Hall
200 W. San Carlos Street
San José CA 95113

Dear Mayor Mahan and Council Members,

The City of San José is currently considering a General Plan Amendment (GP22-001) and a conforming rezoning (C22-023), together with an Initial Study/Negative Declaration (ER22-150) for a property on Pecten Court that would alter the land use allowances from residential to heavy industrial uses. While the City of Milpitas agrees that the General Plan land use designation and zoning for this parcel should be updated to reflect current realities, we continue to call up the City of San Jose to consider a boundary adjustment at this location consistent with San José Council Policy 6-15, which establishes a clear pathway for discussion in this type of situation. We would sincerely and openly seek the opportunity to negotiate the arrangements for a fair and equitable trade in revenue, as contemplated by the San José Council policy.

The San José Planning Commission considered this project at their regular meeting of March 22, 2023. The City of Milpitas provided written comments on the environmental document to City of San José staff and comments on the project location in a separate letter and to the Planning Commission. Below are additional details related to the subject property for your careful consideration. Note that given the unique locational characteristics and limited access of this site, future development will either add costs to the City of San José for access to public services from the City of Milpitas or generate revenue for the City of San José in the form of a revenue sharing agreement.

Land Use Compatibility: The City of Milpitas has concerns regarding the heavy industrial land use and zoning designations proposed for the site. While no specific development project was identified in the information provided regarding the site, the City of Milpitas is concerned about potential adverse effects from heavy industrial activity there upon the abutting and nearby properties in Milpitas in the future. Properties abutting the site to the north and west are located within the boundaries of the Milpitas Metro Specific Plan, adopted on February 7, 2023, with future land uses that include modern offices, creative flex space, and buildings for research and development activities. Our vision and strategy for future



development and traffic circulation in this area will not support heavy industrial uses on the subject parcel, and such uses would be entirely incompatible with the surrounding residential uses on the San Jose sides of the property.

Adjacency and Vehicle Access: The site is currently landlocked, relying entirely upon an abutting small parcel located in the City of Milpitas to gain access to Pecten Court, a street within the jurisdiction of Milpitas. As noted above, the Milpitas City Council recently adopted the Milpitas Metro Specific Plan (Metro Plan), which now incorporates the lands immediately west of the subject Pecten Court site. Pecten Court provides access via a signalized intersection to Montague Expressway and is a part of the future street pattern in this area that is now designated as an Innovation District within the Metro Plan. There is no other viable access to the Pecten Court site from the City of San Jose – all traffic access to the site would be from roadways located in the City of Milpitas. We note that some heavy industrial uses that could be developed on the site under the proposed land use and zoning designations would be incompatible with the nature of the surrounding area. The character of the heavy industrial traffic would also be incompatible.

Utility and Service Access: As we expressed in the CEQA comment letter, the City of Milpitas has raised concerns with San José staff regarding how the site will be served by utilities, including sewer, water, and stormwater management. To the north and west, the site abuts properties within the City of Milpitas; to the south and east, the I-680 freeway and Berryessa Creek rights-of-way separate the subject site from utility service areas within the City of San José's jurisdiction. We understand that there may be some utility connections currently available to the site from San Jose, but information on the viability of those for use by new development of any scale on the site is unclear. In addition, services from the City of San José which must physically access the site either periodically or regularly, such as Police, Fire and garbage services, would need to cross the I-680 freeway and access the site from Pecten Court through the City of Milpitas.

These are significant issues for future development of any type on the subject site and should be thoroughly analyzed before policy decisions are made by the San José City Council. A clear understanding of the severe locational constraints on this site is not provided in the staff report, and these issues are not adequately addressed in the IS/ND document. To the extent that they are mentioned, the IS/ND repeatedly states that additional analysis will be required for any future project. This piecemealing of environmental analysis is not typically allowed under CEQA.

Jurisdictional Consideration: The City of Milpitas has spoken with the property owners regarding a general development scheme for the property and the possibility of annexation of the site to the City of Milpitas. This discussion was based on practical concerns about the ability to secure access to utilities and other public services to the site and the costs associated with these constraints. Future development of the subject site is diminished because it is functionally severed from the City of San José by the I-680 freeway and Berryessa Creek, and the interests of both cities will best be served by engaging in negotiations toward a boundary adjustment consistent with San José City Council Policy 6-15.

In light of the challenges of land use compatibility and access for utilities and services, the City of Milpitas respectfully requests that the San José City Council to defer action on the General Plan Amendment and rezoning for the Pecten Court site. We further request that the San José City Council direct staff from PBCE and Economic Development to engage in discussions regarding annexation consistent with your Policy 6-15.

If you choose to move forward at this time, the City of Milpitas suggests that a Heavy Industrial land use designation is not appropriate at this location given its immediate adjacency to single-family homes.

Sincerely,



Ned Thomas, AICP
Planning Director
City of Milpitas

cc: Jennifer Maguire, San José City Manager
Steve McHarris, Milpitas City Manager
Christopher Burton, San José Director of Planning, Building and Code Enforcement
Nanci Klein, San José Director of Economic Development
Ashwini Kantak, Milpitas Assistant City Manager
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Michael Mutalipassi, Milpitas City Attorney
Alex Andrade, Milpitas Economic Development Director