



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Christopher Burton

SUBJECT: MONTEREY CORRIDOR STUDY

DATE: February 22, 2022

Approved

Date

02/25/22

COUNCIL DISTRICT: 2

RECOMMENDATION

Accept the report on the proposed scope of work, timeline, and associated budget for the Coyote Valley Monterey Corridor Study.

OUTCOME

City Council understands the proposed scope of work, timeline and associated budget for the Coyote Valley Monterey Corridor Study.

BACKGROUND

On November 16, 2021, the City Council held a public hearing to consider the proposed General Plan amendments and zoning designations in the Coyote Valley area, as part of the General Plan Four-Year Review General Plan process. As part of its action, the City Council directed staff to conduct a study of the Monterey Road Corridor through North, Mid, and South Coyote Valley to consider appropriate non-residential uses for properties on the east side of Monterey Road that would be compatible with Coyote Creek and compatible with broader environmental objectives to equitably preserve Coyote Valley for San José's diverse community. City Council directed staff to return in February 2022 with a scope, budget, and timeline, and the purpose of this memorandum is to respond to this direction from City Council.

ANALYSIS

As part of the Corridor Study process, staff would investigate ways to integrate complementary agricultural uses along the eastern portion of the Monterey Corridor in Coyote Valley, roughly South of Metcalf, west of Highway 101, east of Monterey, and extending to the southern border of the City limits (see attached map). The proposed high-level scope of work is detailed below.

Staff would reach out to stakeholders to help further inform and refine this scope prior to initiating work. The proposed scope of work includes:

1. Extensive outreach to property owners and other stakeholders in Coyote Valley.
2. Analysis of potential complementary agriculture and open space-related uses:
 - Wineries and Beer Gardens
 - Lodging/Small Eco-Hotels (i.e. Bed & Breakfasts, etc.)
 - Restaurants
 - Farmer's Markets/Food Stands
 - Agricultural Exhibits and Education Uses including 4-H, FAA, and others that honor farmworkers, tribal culture, and our valley's history
 - Affordable Farmworker Housing, consistent with AB1783
 - Outdoor Special Event Areas
 - Demonstration Areas for Sustainable Infrastructure (e.g. water, agriculture)
 - Other private recreation uses
 - Wildlife crossings/connectivity
 - Solar Farming/Agrivoltaics (farming in combination with solar energy production) for large sites
 - And additional uses identified through future analysis, outreach, and stakeholder input
3. Recommended General Plan and zoning code amendments to support new agricultural and open space/nature-based uses.
4. Create design standards for the Corridor Study area to ensure new development is compatible with the surrounding agriculture and open space uses.
5. CEQA clearance; staff is anticipating the need for an Environmental Impact Report (EIR).

Staff would propose to contract with consultants to assist with portions of the work above, including the development of land use policies and design standards, an economic market study, environmental analysis, and outreach. A project manager on the Citywide Planning's Ordinance and Policy team would oversee the completion of the proposed scope of work and act as the main point of contact for the public.

As shown in the table below, the overall projected timeline for the proposed scope of work would take approximately 18-20 months. If funding is allocated for the study as part of the 2022-2023 budget process, staff anticipates the official start of the study would be in fall 2022 with expected completion in early 2024. The projected timeline is largely driven by the time required for the environmental analysis, and more specifically the anticipated need for an EIR. As directed by the City Council, staff would also be working concurrently to align the City's Agriculture zoning district with the County Agriculture zoning district. This work could potentially provide much of the flexibility for the type of agricultural supportive uses identified as desirable in the Corridor Study process, resulting in potentially a more streamlined CEQA

process and shorter overall timeframe than the one shown below. This, however, has yet to be determined.

Potential Projected Timeline	
February – June 2022 (Pre-planning)	<ul style="list-style-type: none"> • Early outreach and stakeholder engagement (property owners, agricultural workers, wildlife and environmental groups, native tribes) • Refine scope of work • Launch informational website
July – October 2022	<ul style="list-style-type: none"> • Retain Consultants. Staff is exploring using an established list of qualified consultants, with subcontracts, precluding the need to go through a formal and lengthy RFP process.
October/Fall 2022	<p>Public Outreach:</p> <ul style="list-style-type: none"> • 1st Community Meeting: Fall 2022 • 2nd Community Meeting: TBD • 3rd Community Meeting: TBD • Focus groups and stakeholder meetings as needed
December 2022 – December 2023	CEQA: Assuming an EIR, anticipated completion December 2023.
Early 2024	Planning Commission and City Council

The projected cost for the study is detailed in the table below. In total, the project is estimated to cost approximately \$575,000 to cover environmental analysis, technical studies, and public outreach.

Projected Costs
<ul style="list-style-type: none"> ❖ <u>A total of \$575,000 as follows:</u> <ul style="list-style-type: none"> • \$300,000 for environmental analysis • \$225,000 for economics, land use, and technical consultants <ul style="list-style-type: none"> ○ \$75,000 for Economic Analysis ○ \$75,000 for Agritourism Assessment to evaluate agriculture and open space related uses

- \$75,000 for Design Consultant for development and design standards for the Monterey Corridor.
- \$50,000 for outreach consultant that includes technical support for language interpretation/translation services for three community meetings, as well as for focus groups and stakeholder meetings.
 - This cost will cover simultaneous interpretation in three languages, (Chinese, Spanish, and Vietnamese) as well as translation services for handouts, PowerPoint materials, etc.

CONCLUSION

The work plan staff is proposing will result in greater flexibility for agriculture operations and agricultural supportive uses in Coyote Valley as an effort to further ensure the future viability of agricultural production. The Corridor Study area would undergo intense analysis to determine compatible agriculture and open space related uses.

EVALUATION AND FOLLOW-UP

The Administration will evaluate bringing forward a proposal for \$575,000 to fund the study as part of the 2022-2023 Proposed Budget process that considers the condition of the General Fund and other priorities of the City Council. If the funding is included in the Propopsed Budget and approved by City Council, staff would initiate work on the Corridor Study following the proposed timeline and scope of work outlined in this memorandum.

CLIMATE SMART SAN JOSE

The recommendation in this memorandum has no effect on Climate Smart San José energy, water, or mobility goals.

PUBLIC OUTREACH

If the Monterey Corridor Study is funded, staff will follow Council Policy 6-30: Public Outreach Policy, in that notices for the public hearings will be posted on the City’s website and published in the San José Post-Record and emailed to a list of interested groups and individuals. In addition, staff is anticipating multiple community meetings and stakeholder meetings throughout the process.

COORDINATION

The preparation of this memorandum was coordinated with the City Attorney's Office and the City Manager's Budget Office.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

COST SUMMARY/IMPLICATIONS

The total projected costs for the Monterey Corridor Study is approximately \$575,000 for CEQA analysis; economics, land use, and technical consultants; and outreach consultants and is not currently funded. The Administration will evaluate bringing forward a proposal for \$575,000 to fund the study as part of the 2022-2023 Proposed Budget process that considers the condition of the General Fund and other priorities of the City Council.

CEQA

Not a Project, File No. PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action.

/s/
CHRISTOPHER BURTON, Director
Planning, Building, and Code Enforcement

For questions, please contact Michael Brilliot, Deputy Director, at michael.brilliot@sanjoseca.gov or 408 896-0136.

Attachment: Monterey Corridor Study Area Map

