

Item 10.2

Appeal of the Site Development Permit for the Project Located at 2334 Lundy Avenue.

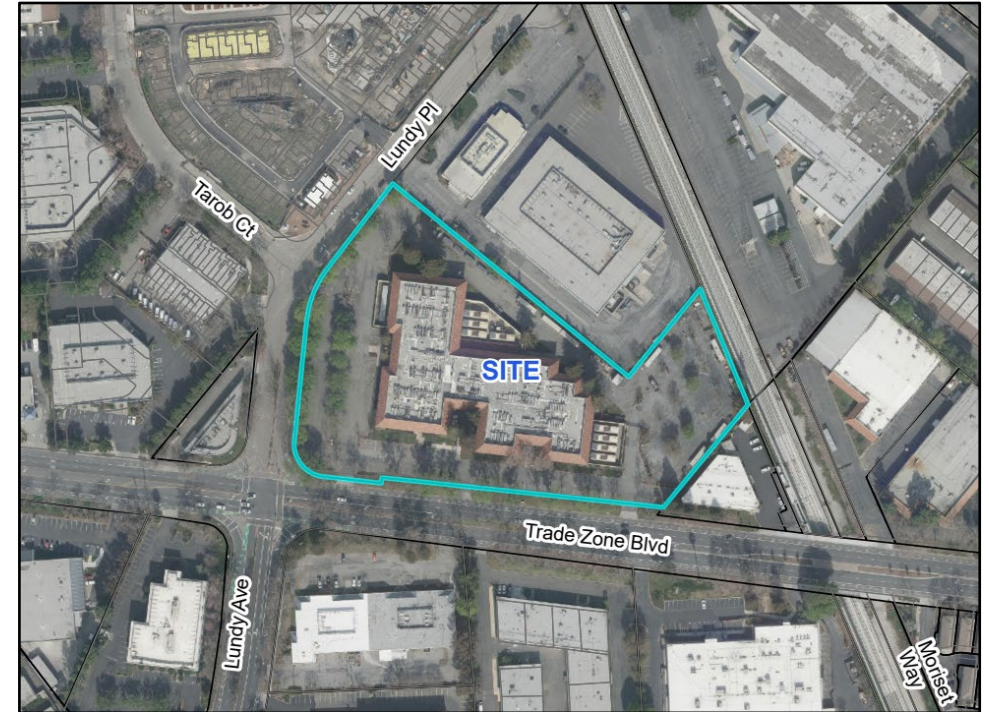
File Nos. H24-057 & ER24-254

February 24, 2026

Presenter: Chris Burton, Director of Planning, Building, and Code Enforcement

Project Components

- Site Development Permit is to allow the construction of an approximately 132,419-square-foot concrete tilt-up industrial building with approximately 10,000 square feet of incidental office area, and associated site improvements on an approximately 6.5 gross-acre site.
- The project includes the demolition of an approximately 130,300-square-foot building and the removal of 152 trees (95 ordinance-size trees and 57 non-ordinance-size trees).
- The operation is proposed to be 24/7, with access from the northwest corner of Lundy Avenue and Trade Zone Boulevard at the southeast corner of the site.
- The project includes the construction of a new 8-foot-high masonry sound wall near the loading dock area.



Project Review



Project Reviewed for Conformance with:

- Envision San José 2040 General Plan designation of Transit Employment Center.
- LI light Industrial Zoning District.
- Citywide Design Standards and Guidelines
- City Council Policy 6-30: Public Outreach
- CEQA: 2334 Lundy Place Project Initial Study/Mitigated Negative Declaration.

Environmental Review

- Initial Study/Mitigated Negative Declaration for the 2334 Lundy Place Project

The City of San José, as the lead agency, prepared an [Initial Study/Mitigated Negative Declaration \(IS/MND\) for the 2334 Lundy Avenue Project](#). The document was circulated for public comment from September 11, 2025, to October 1, 2025. The draft IS/MND was uploaded to the project webpage on the City's website on September 10, 2025. Notice of the document's public circulation was published in the Mercury News and on the City's Website on September 11, 2025. An email blast notifying interested parties of the draft IS/MND's public circulation was sent on September 11, 2025. A total of three comment letters were received from public agencies. The comments received are summarized below:

- Pacific Gas and Electric Company (PG&E) commented on the coordination with the applicant regarding the relocation of PG&E utilities and did not raise any environmental concerns.
- Santa Clara Valley Transportation Authority (VTA) requested additional traffic queuing analysis, but did not raise any new significant impacts.
- Santa Clara Valley Water recommended some minor text changes for accuracy, but did not raise any new significant impacts.

Public Outreach

- On-site sign posted on January 29, 2025.
- Community Meeting held on April 21, 2025.
- Approximately 30 members of the public attended the meeting. Staff and the applicant responded to the public's comments and questions. Comments received during the community meeting and project review pertained to traffic, circulation, pollution, noise, and safety.
- Public Hearing held on December 3, 2025.
- Notices mailed at a 1,000-foot radius.
- The project was appealed on December 5, 2025.

Director's Public Hearing

- Public Hearing held on December 3, 2025
- Approximately 27 members of the public spoke during the public, 19 opposed and 8 supported the project.
- Speakers against the project raised concerns, including deliberate attempts to evade the State's warehouse protection laws, incompatibility with the surrounding uses, negative impact on nearby property values, noise, light, pedestrian safety, traffic congestion, pollution, air quality, and sleep disturbance due to potential 24/7 operations, insufficient environmental analysis and mitigation.
- Speakers in favor of the project noted that the subject site had always been industrial and that the area surrounding the subject site (within the boundaries of the City of Milpitas) was rezoned in the 2006-2007 timeframe from an industrial to a residential zoning district. Speakers in favor of the project highlighted the positive aspects of the redevelopment and emphasized increased local jobs and fiscal impact for the City.
- The project was appealed on December 5, 2025.

Staff Recommendation

Recommendation that the City Council:

- a. Conduct a Public Hearing to consider the appeal of the Director's approval of a Site Development Permit and an environmental appeal of the Planning Director's reliance on the 2334 Lundy Place Project Initial Study supporting a Mitigated Negative Declaration (MND) in accordance with the California Environmental Quality Act (CEQA), to allow the construction of an approximately 132,419-square-foot Industrial Building with approximately 10,000 square feet of incidental office area, the construction of an eight-foot high masonry sound wall, the demolition of an approximately 130,300-square-foot building, and the removal of 152 trees (95 ordinance-size trees and 57 non-ordinance-size trees) on an approximately 6.5-gross-acre site, located on the northeast corner of Trade Zone Boulevard and Lundy Avenue (2334 Lundy Avenue).

Staff Recommendation

Recommendation that the City Council:

- b. Adopt a resolution denying the environmental appeal and upholding the Planning Director's reliance on the Initial Study/Mitigated Negative Declaration for the 2334 Lundy Place Project, and finding that:
 - The City Council has independently reviewed and analyzed the Initial Study/Mitigated Negative Declaration for the 2334 Lundy Place Project and related administrative records related to Site Development Permit No. H24-057;
 - The Initial Study/Mitigated Negative Declaration for the 2334 Lundy Place Project was prepared and completed in full compliance with the CEQA, as amended, together with State and local implementation guidelines;
 - Reliance on the Initial Study/Mitigated Negative Declaration for the 2334 Lundy Place Project reflects the independent judgment and analysis of the City of San José, as the lead agency for the Project; and
 - Preparation of an Environmental Impact Report or Mitigated Negative Declaration/Negative Declaration is not required because the appeal does not raise any issues that would disqualify the project from the Initial Study/Mitigated Negative Declaration for the 2334 Lundy Place Project.

Staff Recommendation

Recommendation that the City Council:

- c. Adopt a Resolution denying the permit appeal and approving, subject to conditions, a Site Development Permit to allow the construction of an approximately 132,419-square-foot concrete tilt-up Industrial Building with approximately 10,000 square feet of incidental office area, the construction of an eight-foot high masonry sound wall, and the removal of 152 trees (95 ordinance-size trees and 57 non-ordinance-size trees) on an approximately 6.5-gross-acre site, located on the northeast corner of Trade Zone Boulevard and Lundy Avenue (2334 Lundy Avenue).

Questions?

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