

# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Planning Commission

**SUBJECT:** SEE BELOW

**DATE:** April 3, 2023

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**COUNCIL DISTRICT: 7**

**SUBJECT: GP19-010, PDC20-023, PD20-013 & ER20-236 - GENERAL PLAN AMENDMENT, REZONING, PLANNED DEVELOPMENT ZONING DISTRICT, AND PLANNED DEVELOPMENT PERMIT FOR CERTAIN REAL PROPERTY LOCATED AT 120 GRANITE PARK WAY**

## **PLANNING COMMISSION RECOMMENDATION**

On March 22, 2023, the Planning Commission voted 8-0-1 (Casey absent) to recommend that the City Council take all of the following actions:

1. Adopt a resolution certifying the Graniterock Capitol Site Modernization Project Environmental Impact Report and adopting a Mitigation Monitoring and Reporting Plan, in accordance with the California Environmental Quality Act (CEQA).
2. Adopt a resolution approving the General Plan Amendment to amend the Envision San José 2040 General Plan Land Use/Transportation Diagram land use designation from Combined Industrial Commercial to Heavy Industrial.
3. Approve an ordinance rezoning an approximately 22.36-gross-acre site from the IP Industrial Park and IP(PD) Planned Development Zoning Districts to an HI(PD) Planned Development Zoning District.
4. Adopt a resolution approving, subject to conditions, a Planned Development Permit to allow the demolition of four buildings totaling approximately 15,072 square feet and the removal of 30 trees (9 ordinance-size, 21 non-ordinance-size, and 35 replacement trees) to allow the expansion and modernization of the existing Graniterock facility, including lengthening the existing on-site rail infrastructure, continuation of the concrete and aggregate recycling use, installation of a concrete truck washout and reclaiming system, installation of a truck wash system to abate truck traffic dusting, vehicle and truck parking to accommodate site operations, relocation of an existing maintenance shop and construction equipment storage facility, and construction of the following on an approximately 22.36-gross acre site:
  - a. A new rail car offloading system,
  - b. Nine 120-foot-high aggregate silos,

- c. A new concrete facility,
- d. A cementitious rail car unloading, storage and distribution facility,
- e. A new asphalt facility,
- f. A new warehouse and storage facility, and
- g. A quality assurance/quality control facility with office space.

### **SUMMARY AND OUTCOME**

If the City Council approves all of the actions as recommended by the Planning Commission, then the applicant will be able to demolish four buildings totaling approximately 15,072 square feet and remove 30 trees to modernize and expand the existing Graniterock facility on an approximately 22.36-gross-acre site.

### **BACKGROUND**

On October 29, 2019, the applicant, Pat Mapelli, on behalf of the property owner Graniterock Company, submitted an application for a General Plan Amendment to amend the Envision San José 2040 General Plan Land Use/Transportation Diagram land use designation from Combined Industrial Commercial to Heavy Industrial on an approximately 22.36-gross acre site.

On January 11, 2020, the applicant, submitted the following applications to be reviewed concurrently:

- Planned Development Rezoning to rezone an approximately 22.36-gross acre site, located at the northern terminus of Granite Rock Way from the IP Industrial Park and IP(PD) Planned Development Zoning Districts to an HI(PD) Planned Development Zoning District.
- Planned Development Permit to allow the demolition of four buildings totaling approximately 15,072 square feet and the removal of 30 trees (9 ordinance-size, 21 non-ordinance-size, and 35 replacement trees) to allow the expansion and modernization of the existing Graniterock facility, including lengthening the existing on-site rail infrastructure, continuation of the concrete and aggregate recycling use, installation of a concrete truck washout and reclaiming system, installation of a truck wash system to abate truck traffic dusting, vehicle and truck parking to accommodate site operations, relocation of an existing maintenance shop and construction equipment storage facility, and construction of the following on an approximately 22.36-gross-acre site:
  - a. A new rail car offloading system,
  - b. Nine 122-foot-high aggregate silos,
  - c. A new concrete facility,
  - d. A cementitious rail car unloading, storage and distribution facility,

- e. A new asphalt facility,
- f. A new warehouse and storage facility, and
- g. A quality assurance/quality control facility with office space.

The project consists of the redevelopment and expansion of the existing concrete plant, aggregate and construction materials distribution facility, and recycling yard operations. The project also includes the addition of an asphalt plant and cementitious distribution facility. The existing equipment storage and maintenance yard would be removed from the site. The expanded facility would operate 24 hours per day, seven days per week. To facilitate the project, the project includes the removal of 30 trees (nine ordinance-size, 21 non-ordinance-size, and 35 replacement trees). More specifically, the project consists of the following elements:

#### *Aggregate Distribution Facility*

The site currently receives aggregate from the A.R. Wilson Quarry in Aromas, California (approximately 45 miles south of the site) via railcar and truck. The railcars arrive on-site between the hours of 12:00 AM and 5:00 AM and are stored on an on-site spur track with a 25-railcar capacity located in the northern portion of the site along Monterey Road. The railcars are then unloaded by employees during the typical operating hours of the facility (6:00 AM to 8:00 PM) and the aggregate is stockpiled in open piles. This aggregate is then sold to customers and loaded onto haul trucks for distribution or is used on-site to make concrete, which is then sold and distributed by truck to customers.

A new railcar offloading system and nine 122-foot-high silos would be constructed in the northern portion of the site to enable aggregate to be offloaded, handled, and stored in a fully enclosed environment, instead of the open piles which are utilized now. The project would also include air handling systems within the facility to abate dusting from the offloading and storage operation. Aggregate customers would also be able to drive under the silos 24 hours per day and self-load the product on demand. Currently, there is a single railcar unloading operation capable of unloading a railcar at the rate of 400 tons per hour. In order to increase the unloading rate and efficiency of the facility, a double railcar unloading operation would take its place capable of unloading at a combined rate of 2,000 tons per hour. The on-site spur track would be expanded to the eastern portion of the site to accommodate up to 55 railcars. Graniterock would move the railcars within the site with its own private locomotive to position the cars over the unloading pit and then move them out of the way for the next set of railcars.

Overall, the annual throughput of the aggregate distribution facility would increase from 150,000 tons per year to 1,300,000 tons per year, with 715,000 tons per year used on-site to produce asphalt and concrete and 585,000 tons per year exported commercially. This operation is anticipated to happen continuously 24 hours per day, 7 days per week.

#### *Asphalt Plant*

The project would construct a new asphalt plant in the central portion of the site. The asphalt plant would reach a maximum height of 98 feet. Aggregate would be conveyed directly from the

newly constructed silos to the aggregate distribution facility for the asphalt manufacturing operation. As a result, all materials would be handled within a fully enclosed environment. Piping between the oil tank farm and asphalt tank will run below grade, in a concrete raceway with steel plates over the top. The annual throughput of the asphalt plant would be 750,000 tons per year. The asphalt plant is expected to operate 24 hours per day, 7 days per week.

#### *Cementitious Distribution Facility*

The project would construct a new cementitious railcar unloading, storage and distribution facility in the northern portion of the site. The facility would reach a maximum height of 65 feet. Cementitious materials would be handled within a fully enclosed system, combined with air abatement devices to mitigate air and noise emissions. The annual throughput of the cementitious distribution facility would be 100,000 tons per year, with 70,000 tons per year used on-site to produce concrete and 30,000 tons per year exported commercially. The cementitious distribution facility would operate from 6:00 am to 6:00 pm

#### *Concrete Plant*

A new concrete plant would be constructed in the central portion of the site to replace the existing concrete facility on the site. The concrete plant would reach a maximum height of 113 feet. The new concrete plant would enable aggregate to be conveyed directly from the newly constructed silos associated with the aggregate distribution facility and cementitious distribution facility so that all materials could be handled within an enclosed environment. A modern concrete truck washout and reclaiming system would be installed to reclaim leftover concrete, sand, and water for reuse. The maximum annual throughput of the concrete plant would increase from 70,000 cubic yards per year to 300,000 cubic yards per year. The concrete plant is expected to operate 24 hours per day, 7 days per week.

#### *Recycle Yard*

Currently, a recycle yard consisting of open-air piles of construction materials such as recycled asphalt and concrete, soil, sand, and other materials is located in the central portion of the site. These materials are delivered via truck, sorted and processed on-site, and exported via truck to the end users. Under the proposed project, the recycle yard would shift to the eastern portion of the site and receive the same amount of materials (650,000 tons per year). However, instead of exporting all the materials as is the practice under existing conditions, the project would utilize 350,000 tons per year for on-site asphalt processing, resulting in a reduction in the export of recycled materials. Recycling operations would occur Monday through Saturday 7:00 am to 4:00 pm.

#### *Equipment Storage and Maintenance Yard*

The eastern portion of the project site is currently utilized for equipment storage and maintenance. These operations would be removed from the site, and the area would be utilized for the relocated recycle yard and the new rail spurs.

#### *Ancillary Facilities*

A new one-story 10,000-square-foot materials warehouse and storage facility would be constructed in the western portion of the site to support existing and proposed site operations. Additionally, a new two-story 5,500-square-foot quality assurance/quality control (QA/QC) facility with office space would be constructed in the southern portion of the site to support existing and proposed site operations.

## **ANALYSIS**

Analysis of the General Plan Amendment, Rezoning, and Planned Development Permit, including conformance with the Envision San José 2040 General Plan, Municipal Code, Industrial Design Guidelines, applicable City Council Policies, and a summary of the CEQA clearance is contained in the attached staff report to the Planning Commission (see Attachment)

The recommendation in this memorandum aligns with one or more Climate Smart San José goals. The project would facilitate job creation within the City limits. The project is expected to increase the number of employees from 28 to 92.

## **EVALUATION AND FOLLOW-UP**

Should the City Council adopt the resolution certifying the Environmental Impact Report and approve the General Plan Amendment, Rezoning and Planned Development Permit, the applicant would be allowed to proceed to the Department of Public Works and the Building Division for grading and building permits, respectively.

## **COORDINATION**

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

## **PUBLIC OUTREACH**

This memorandum will be posted on the City's Council Agenda website for the April 11, 2023, City Council meeting. 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 March 5, 2021. A formally noticed Community Meeting was held on Monday, January 25, 2021, to introduce the proposed project to the community. A notice of the public hearing was distributed to the owners and tenants of all properties located within 1,000 feet of the project site and posted on the City website. The hearing notice was also posted in a newspaper of record (San Jose Post Record) on March 3, 2023. The staff report is also posted on the City's website. Staff has also been available to respond to questions from the public.

## **PLANNING COMMISSION RECOMMENDATION AND INPUT**

On March 22, 2023, the Planning Commission held a Public Hearing to consider the resolution to certify the Environmental Impact Report and approve the General Plan Amendment, Rezoning, and Planned Development Permit. The Planning Commission recommended that the City Council adopt the resolutions certifying the Environmental Impact Report, approve the resolution amending the General Plan designation, adopt the ordinance rezoning the site, and approve the resolution approving the Planned Development Permit.

### *Staff Presentation*

Alec Atienza, Planning Project Manager, and Maira Blanco, CEQA Project Manager, provided a brief presentation on the proposed project. Staff presentation included an overview of the project's conformance with the Envision San José 2040 General Plan, the Municipal Code, Industrial Design Guidelines, City Council Policy 6-30: Public Outreach, and CEQA.

### *Public Hearing*

Erik Schoennauer, the applicant's representative provided a brief introduction and presentation. The presentation included information on the history of the site, the existing site operations, and the details of the proposed project. The applicant group requested that the Planning Commission recommend approval of the project to the City Council.

One member of the public spoke in support of the project on behalf of Stucco Supply Co. and the Monterey Corridor Business Association.

### *Commissioner Discussion*

Commissioner Lardinois asked the applicant if the project would increase the number of jobs at the facility. Mr. Schoennauer stated that there are currently approximately 29 jobs on site. That number would be increased to 75 jobs and up to 92 jobs during peak demand times.

Commissioner Cantrell asked if there were any records of issues, citations, or code enforcement cases at the site for their current operation. Environmental Planning staff confirmed that there were no odor complaints submitted to the Bay Area Air Quality Management District over the course of the last year. Commissioner Cantrell also asked if there was any guarantee that these improvements will be constructed. Deputy Director Michael Brilliot stated that if the applicant moves forward with the project, they will be required to adhere to all conditions of their permit. The applicant confirmed that they intend to construct the improvements.

Commissioner Ornelas-Wise asked if there were any trees to be removed or replaced along the frontage of Monterey Road or adjacent to the West Wind drive-in theater. Staff confirmed that approximately 137 trees would be preserved on site, including the existing trees along Monterey Road. Staff also confirmed the trees on the southeast side of the site are on the drive-in theater property, not the Graniterock Property, and would remain. Commissioner Ornelas-Wise also asked what the current hours of operation at the site are. Mr. Schoennauer confirmed that the site has always operated as a 24-hour facility. The primary purpose for these operating hours is that

Union Pacific Railroad only delivers materials overnight. Additionally, the facility needs to be available to receive and provide materials to meet the construction needs of the surrounding areas.

Commissioner Young spoke in support of the project and thanked the owner for keeping the industrial facility within the City of San José.

Commissioner Rosario asked if there were any plans to develop the VTA Park and Ride lot across Monterey Road to the east. Deputy Director Michael Brilliot confirmed that staff is in the process of developing the Capitol Caltrain Station Area Plan, which would allow some kind of residential development in that area.

Commissioner Lardinois asked how new residential development is reviewed when it is adjacent to existing industrial land. Cassandra Van Der Zweep, supervising Environmental Planner, stated that there are existing General Plan policies that support “protecting” existing industrial uses. Studies will be required to determine if placing residences near existing heavy industrial uses would be appropriate.

Commissioner Young made a motion to recommend approval of the project. Commissioner Ornelas-Wise seconded the motion.

The motion to recommend City Council approval of the project passed 8-0-1 (Casey absent).

## **CEQA**

The City of San José, as the lead agency for the proposed project, prepared a Draft Environmental Impact Report (DEIR), which was circulated for public review and comment from September 20, 2022, to November 4, 2022. A First Amendment to the DEIR was prepared that provided responses to public comments submitted during the public circulation period and revisions to the text of the DEIR. The First Amendment together with the DEIR and its appendices, and information added by the City, constitute the Final Environmental Impact Report (FEIR) for the proposed project.

The EIR identified potential environmental impacts to Biological Resources, Cultural Resources, Greenhouse Gas Emissions, and Hazards and Hazardous Materials, and these impacts would be reduced to less than significant levels with the implementation of the identified mitigation measures. The Draft EIR determined there would be no significant and unavoidable impacts due to the implementation of the project.

## *Alternatives*

The DEIR analyzed two selected project alternatives, the No Project-No Development Alternative and the Reduced Throughput Alternative that could lessen the significant effects of the project and achieve the project objectives, in accordance with CEQA Guidelines Section 15126.6.

The No Project-No Development alternative would avoid all project impacts; however, CEQA Section 15126.6(c)(2) requires that when the no-project alternative is the environmentally superior alternative another alternative shall be identified. Therefore, the Reduced Throughput Alternative would be the environmentally superior alternative as it would reduce GHG emissions without the need for mitigation. The mitigation proposed by the project would achieve the same reduction in emissions. Therefore, the net benefit of this alternative is negligible when compared to the proposed project.

### *DEIR Circulation Comments*

Eleven comments were received during public circulation including four from regional and local agencies and seven from members of the public, organizations, and businesses. City staff prepared responses in a First Amendment/Response to Comments document addressing the following topics:

- Air Quality
  - Concern with the project's significant greenhouse gas emissions and proposed mitigation measures to reduce the GHG impact.
  - Request to have the Project Sponsor submit an Air District permit application parallel to the City's permit.
  - Truck and railcar trip increase but are not adequately quantified.
- Transportation
  - Request to provide project trips during the off-peak period and address any potential impacts.
  - Project's fair-share contribution to improve and maintain affected portion of Hillsdale Avenue.
  - Consider improving pedestrian facilities at the Capitol Drive-In access on Hillcap Avenue and at Capitol and Snell.
  - EIR did not sufficiently analyze transportation impacts, specifically missing analysis of the project's impacts on high-speed rail operations and did not consider the project's impact to planned future high-speed rail service volumes (i.e., California High-Speed Rail Authority, San José to Merced Project)
- Hazards and Hazardous Materials
  - Identification of groundwater monitoring wells and proper permitting for modification and destruction of well(s), and coordination with the utility company to protect facilities.
- Project Description
  - Clarification regarding total project square footage, 24-hour operation, and total number of rail cars proposed.



- Opposition to project and proposed tree removal.
- Cultural Resources and Tribal Cultural Resources
  - Recommendations to reduce potential impacts to as-yet uncovered tribal cultural resources.

*DEIR Circulation Unnecessary*

Staff responded to the comments and questions received during public circulation of the Draft EIR in the First Amendment document. None of the comments raised represent new significant information that would warrant recirculation of the Draft EIR pursuant to CEQA Guidelines Section 15088.5(a). The recirculation of an EIR is required when significant new information is added to the EIR after public notice is given of the availability of the Draft EIR for public review but before certification. “Information” can include changes in the project or environmental setting as well as additional data or other information. New information added to a Draft EIR is not “significant” unless the Draft EIR is changed in a way that deprives the public of meaningful opportunity to comment on a substantial adverse environmental effect of the project or a feasible way to mitigate or avoid such an effect (CEQA Guidelines Section 15088.5).

The First Amendment was posted to the City’s Environmental Review Documents website on March 14, 2023, and all commenters were notified via email of the document’s availability. On March 21, 2022, staff also posted an errata memorandum to the City’s Environmental Review Documents website which addresses a comment staff received on March 6, 2022, regarding potential environmental impacts to a residential unit at Snell Ministorage, a self-storage facility located adjacent to the project site. The memorandum also outlines minor revisions and edits to the First Amendment concerning the long-range transportation analysis and replaces Appendix G with the 2022 General Plan Amendment Transportation Analysis. The (DEIR), First Amendment, and errata memorandum with attachments are available for public review on the City’s website:

<https://www.sanjoseca.gov/your-government/departments-offices/planning-building-code-enforcement/planning-division/environmental-planning/environmental-review/active-eirs/graniterock-capitol-modernization-project>.

HONORABLE MAYOR AND CITY COUNCIL

April 3, 2023

**Subject: GP19-010, PDC20-023, PD20-013 & ER20-236**

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### **PUBLIC SUBSIDY REPORTING**

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/

CHRISTOPHER BURTON

Secretary, Planning Commission

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

The principal author of this memorandum is Planning Project Manager, Alec Atienza. For questions, please contact at (408) 535-7688. *(The principal author is the department contact)*

### **ATTACHMENT**

Planning Commission Staff Report



# Memorandum

**TO:** PLANNING COMMISSION  
**SUBJECT:** GP19-010, PDC20-023, PD20-013 & ER20-236

**FROM:** Christopher Burton  
**DATE:** March 22, 2023

**COUNCIL DISTRICT: 7**

<b>Type of Permit</b>	General Plan Amendment (File No. GP19-010) Planned Development Rezoning (File No. PDC20-023), Planned Development Permit (File No. PD20-013)
<b>Proposed Land Use</b>	Heavy Industrial
<b>New Residential Units</b>	N/A
<b>New Industrial Square Footage</b>	Approximately 21,486 square feet
<b>Additional Policy Review Items</b>	None
<b>Demolition</b>	Approximately 15,072 square feet of existing industrial buildings
<b>Tree Removals</b>	30 trees (9 ordinance-size, 21 non-ordinance-size, and 35 replacement trees)
<b>Project Planner</b>	Alec Atienza & Laura Maurer
<b>CEQA Clearance</b>	Graniterock Capitol Site Modernization Project Environmental Impact Report (EIR)
<b>CEQA Planner</b>	Maira Blanco

## RECOMMENDATION

Staff recommends that the Planning Commission recommend that the City Council take all of the following actions:

1. Adopt a resolution certifying the Graniterock Capitol Site Modernization Project Environmental Impact Report and adopt a Mitigation Monitoring and Reporting Plan, in accordance with the California Environmental Quality Act (CEQA).
2. Adopt a resolution approving the General Plan Amendment to amend the Envision San José 2040 General Plan Land Use/Transportation Diagram land use designation from Combined Industrial Commercial to Heavy Industrial.
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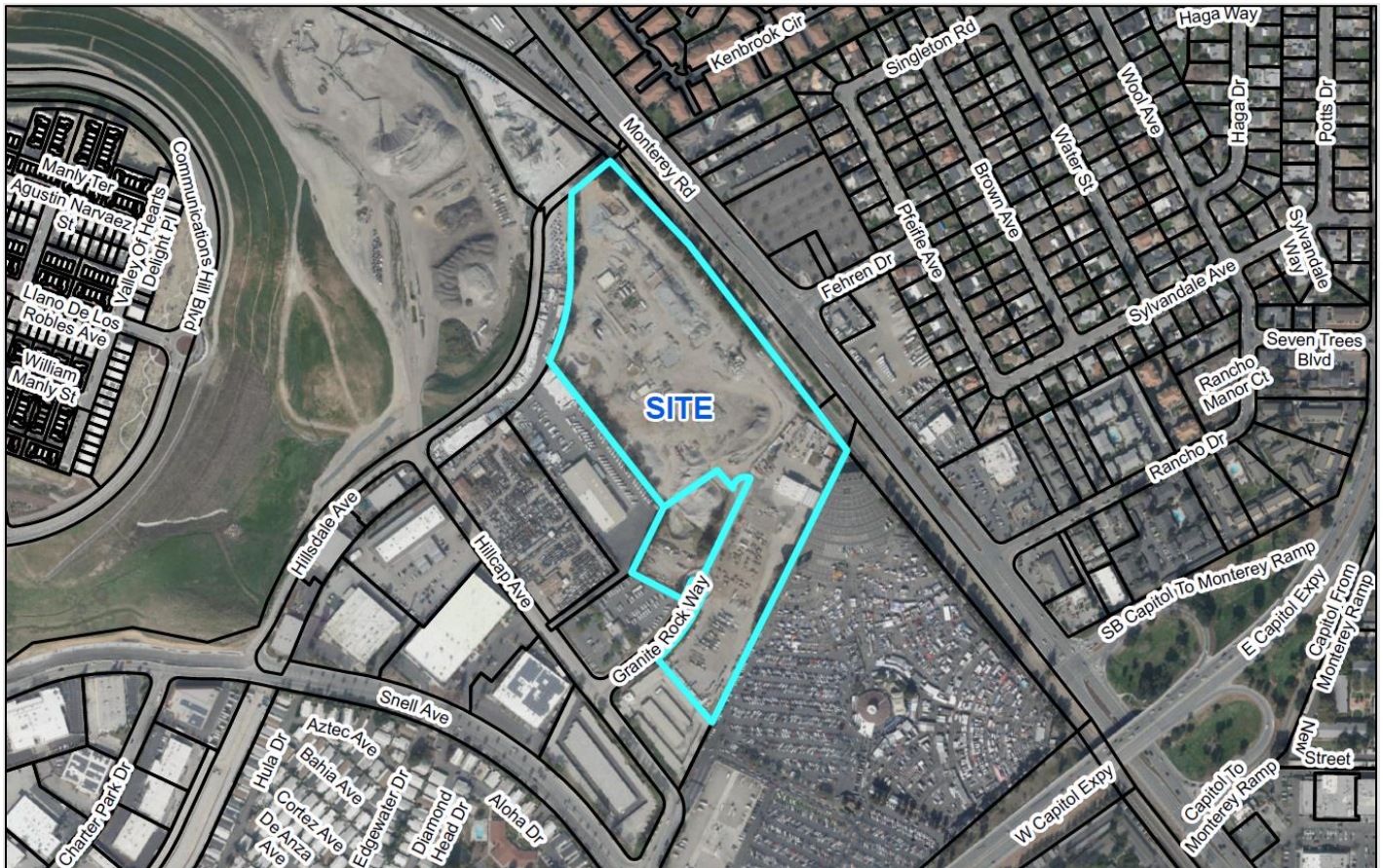
#### PROPERTY INFORMATION

<b>Location</b>	Northern terminus of Granite Rock Way (120 Granite Rock Way)
<b>Assessor Parcel No. (APN)</b>	462-17-024 & 025
<b>Existing General Plan</b>	Combined Industrial/Commercial
<b>Proposed General Plan</b>	Heavy Industrial
<b>Growth Area</b>	Communications Hill Specific Plan
<b>Existing Zoning</b>	IP(PD) Planned Development and IP Industrial Park
<b>Proposed Zoning</b>	HI(PD) Planned Development
<b>Historic Resource</b>	No
<b>Annexation Date</b>	June 1, 1976 (Monterey Park No_80)
<b>Council District</b>	7
<b>Acreage</b>	22.36 gross acres
<b>Proposed Density</b>	N/A

#### PROJECT SETTING AND BACKGROUND

As shown on the Aerial Map below (Figure 1), the subject site is located at the northern terminus of Granite Rock Way. The site is comprised of two lots (APN: 462-17-024 & 025). The project site is bounded by a concrete plant to the north, railroad tracks and Monterey Road to the east, the West Wind Capitol Drive-In Theater to the south, and a mix of light and heavy industrial uses to the west. The site is currently developed with an existing recycling, manufacturing, and distribution facility for aggregate, asphalt, concrete, and other construction materials (Graniterock facility). The subject site was previously located in unincorporated Santa Clara County. On June 1, 1976, the Graniterock facility was incorporated into the City of San Jose with the approval of an annexation (Monterey Park No\_80) and Planned Development

rezoning (File No. PDC75-080). The construction of the facility, including the recycling facility and concrete and asphalt batch plant, was approved on October 23, 1979 with the approval of a Building Permit (File No. 19833).



**Figure 1 Aerial Map**



SURROUNDING USES			
	General Plan	Zoning District	Existing Use
<b>North</b>	Industrial Park	N/A Unincorporated Santa Clara County	Concrete Plant
<b>South</b>	Combined Industrial/Commercial	A(PD) Planned Development Zoning District	Drive-In Theater/Flea Market
<b>East</b>	N/A (Railroad/Monterey Road)	N/A (Railroad/Monterey Road)	Railroad right-of-way/Monterey Road
<b>West</b>	Combined Industrial/Commercial	IP Industrial Park/Unincorporated Santa Clara County	Toilet Supplier, Tow Yard, Recycling Plant

On October 29, 2019, the applicant, Pat Mapeli, on behalf of the property owner Graniterock Company, submitted an application for a General Plan Amendment to amend the Envision San José 2040 General Plan Land Use/Transportation Diagram land use designation from Combined Industrial Commercial to Heavy Industrial on an approximately 22.36-gross acre site.

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  - A new asphalt facility,
  - A new warehouse and storage facility, and
  - A quality assurance/quality control facility with office space.

## EXISTING AND PROPOSED OPERATIONS

The project consists of the redevelopment and expansion of the existing concrete plant, aggregate and construction materials distribution facility, and recycling yard operations. The project also includes the addition of an asphalt plant and cementitious distribution facility. The existing equipment storage and maintenance yard would be removed from the site. The expanded facility would operate 24 hours per day, seven days per week. Refer to the project Operations Plan (Exhibit L). To facilitate the project, the project includes the removal of 30 trees (nine ordinance-size, 21 non-ordinance-size, and 35 replacement trees). More specifically, the project consists of the following elements:

### Aggregate Distribution Facility

The site currently receives aggregate from the A.R. Wilson Quarry in Aromas, California (approximately 45 miles south of the site) via railcar and truck. The railcars arrive on-site between the hours of 12:00 AM and 5:00 AM and are stored on an on-site spur track with a 25-railcar capacity located in the northern portion of the site along Monterey Road. The railcars are then unloaded by employees during the typical operating hours of the facility (6:00 AM to 8:00 PM) and the aggregate is stockpiled in open piles. This aggregate is then sold to customers and loaded onto haul trucks for distribution or is used on-site to make concrete, which is then sold and distributed by truck to customers.

A new railcar offloading system and nine 122-foot-high silos would be constructed in the northern portion of the site to enable aggregate to be offloaded, handled, and stored in a fully enclosed environment, instead of the open piles which are utilized now. The project would also include air handling systems within the facility to abate dusting from the offloading and storage operation. Aggregate customers would also be able to drive under the silos 24-hours per day and self-load product on demand. Currently there is a single railcar unloading operation capable of unloading a railcar at the rate of 400 tons/hour. In order to increase the unloading rate and efficiency of the facility, a double railcar unloading operation would take its place capable of unloading at a combined rate of 2,000 tons per hour. The on-site spur track would be expanded to the eastern portion of the site to accommodate up to 55 railcars. Graniterock would move the railcars within the site with its own private locomotive to position the cars over the unloading pit and then move them out of the way for the next set of railcars.

Overall, the annual throughput of the aggregate distribution facility would increase from 150,000 tons per year to 1,300,000 tons per year, with 715,000 tons per year used on-site to produce asphalt and concrete and 585,000 tons per year exported commercially. This operation is anticipated to happen continuously 24-hours per day, 7 days per week.

### Asphalt Plant

The project would construct a new asphalt plant in the central portion of the site. The asphalt plant would reach a maximum height of 98 feet. Aggregate would be conveyed directly from the newly constructed silos to the aggregate distribution facility for the asphalt manufacturing operation. As a result, all materials would be handled within a fully enclosed environment. Piping between the oil tank farm and asphalt tank will run below grade, in a concrete raceway with steel plates over the top. The annual throughput of the asphalt plant would be 750,000 tons per year. The asphalt plant is expected to operate 24 hour per day, 7 days per week.

### Cementitious Distribution Facility

The project would construct a new cementitious railcar unloading, storage and distribution facility in the northern portion of the site. The facility would reach a maximum height of 65 feet. Cementitious materials would be handled within a full enclosed system, combined with air abatement devices to mitigate air and noise emissions. The annual throughput of the cementitious distribution facility would be 100,000 tons per year, with 70,000 tons per year used on-site to produce concrete and 30,000 tons per year exported commercially. The cementitious distribution facility would operate from 6:00 am to 6:00 pm

### Concrete Plant

A new concrete plant would be constructed in the central portion of the site to replace the existing concrete facility on the site. The concrete plant would reach a maximum height of 113 feet. The new concrete plant would enable aggregate to be conveyed directly from the newly constructed silos associated with the aggregate distribution facility and cementitious distribution facility so that all materials could be handled within an enclosed environment. A modern concrete truck washout and reclaiming system would be installed to reclaim left-over concrete, sand and water for reuse. The maximum annual throughput of the concrete plant would increase from 70,000 cubic yards per year to 300,000 cubic yards per year. The concrete plant is expected to operate 24 hours per day, 7 days per week.

### Recycle Yard

Currently, a recycle yard consisting of open-air piles of construction materials such as recycled asphalt and concrete, soil, sand and other materials is located in the central portion of the site. These materials are delivered via truck, sorted and processed on-site, and exported via truck to the end users. Under the proposed project, the recycle yard would shift to the eastern portion of the site and receive the same amount of materials (650,000 tons per year). However, instead of exporting all the materials as is the practice under existing conditions, the project would utilize 350,000 tons per year for on-site asphalt processing, resulting in a reduction in export of recycled materials. Recycling operations would occur Monday through Saturday 7:00 am to 4:00 pm.

### Equipment Storage and Maintenance Yard

The eastern portion of the project site is currently utilized for equipment storage and maintenance. These operations would be removed from the site, and the area would be utilized for the relocated recycle yard and the new rail spur

### Ancillary Facilities

A new one-story 10,000-square-foot materials warehouse and storage facility would be constructed in the western portion of the site to support existing and proposed site operations. Additionally, a new two-story 5,500-square-foot quality assurance/quality control (QA/QC) facility with office space would be constructed in the southern portion of the site to support existing and proposed site operations.

## **ANALYSIS**

The proposed General Plan Amendment, Planned Development Rezoning and Planned Development Permit are analyzed with respect to conformance with:

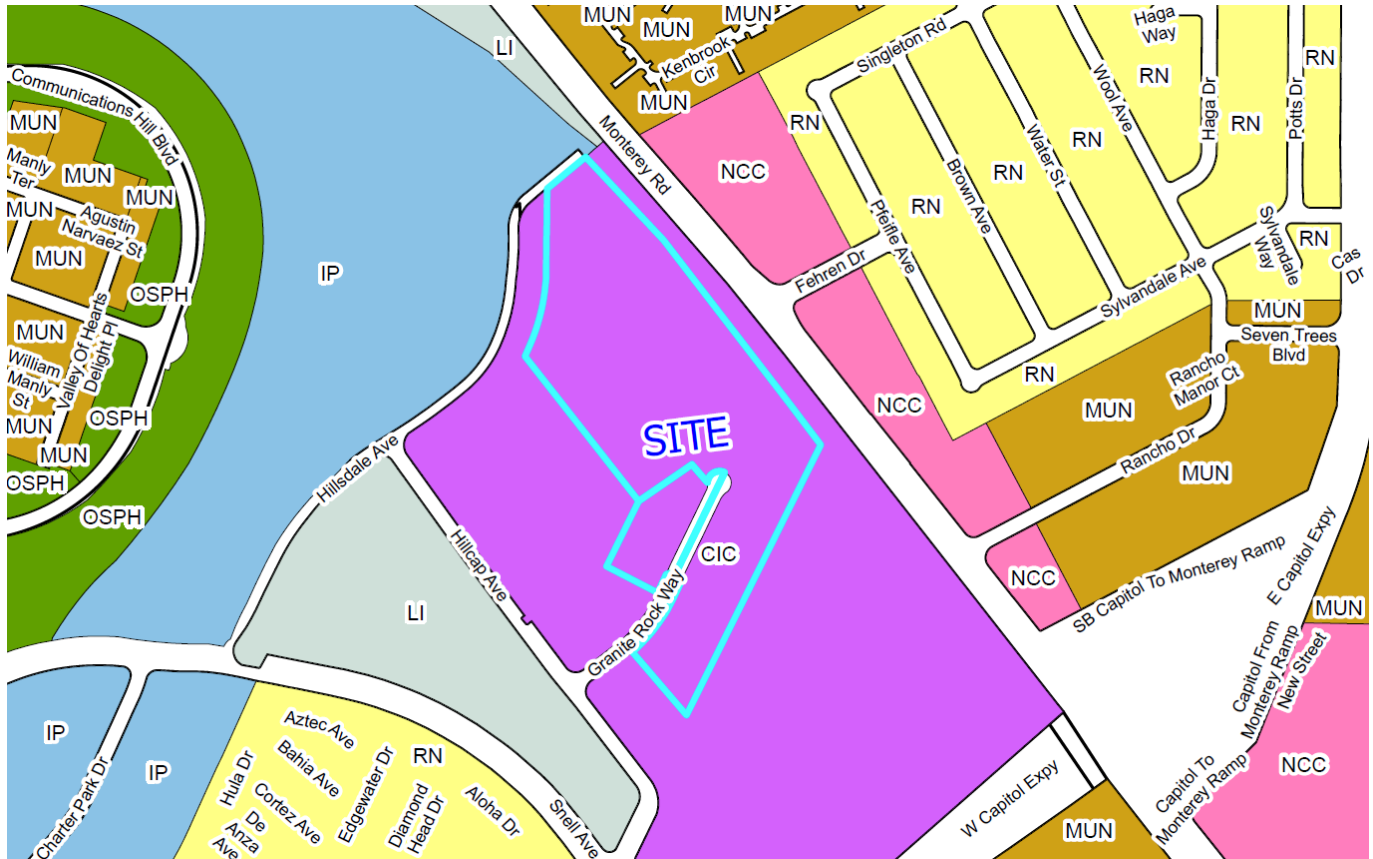
1. Envision San José 2040 General Plan
2. Communication Hill Specific Plan



3. San José Municipal Code
4. Industrial Design Guidelines
5. California Environmental Quality Act (CEQA)

### Envision San José 2040 General Plan Land Use Conformance

#### Existing Land Use Designation



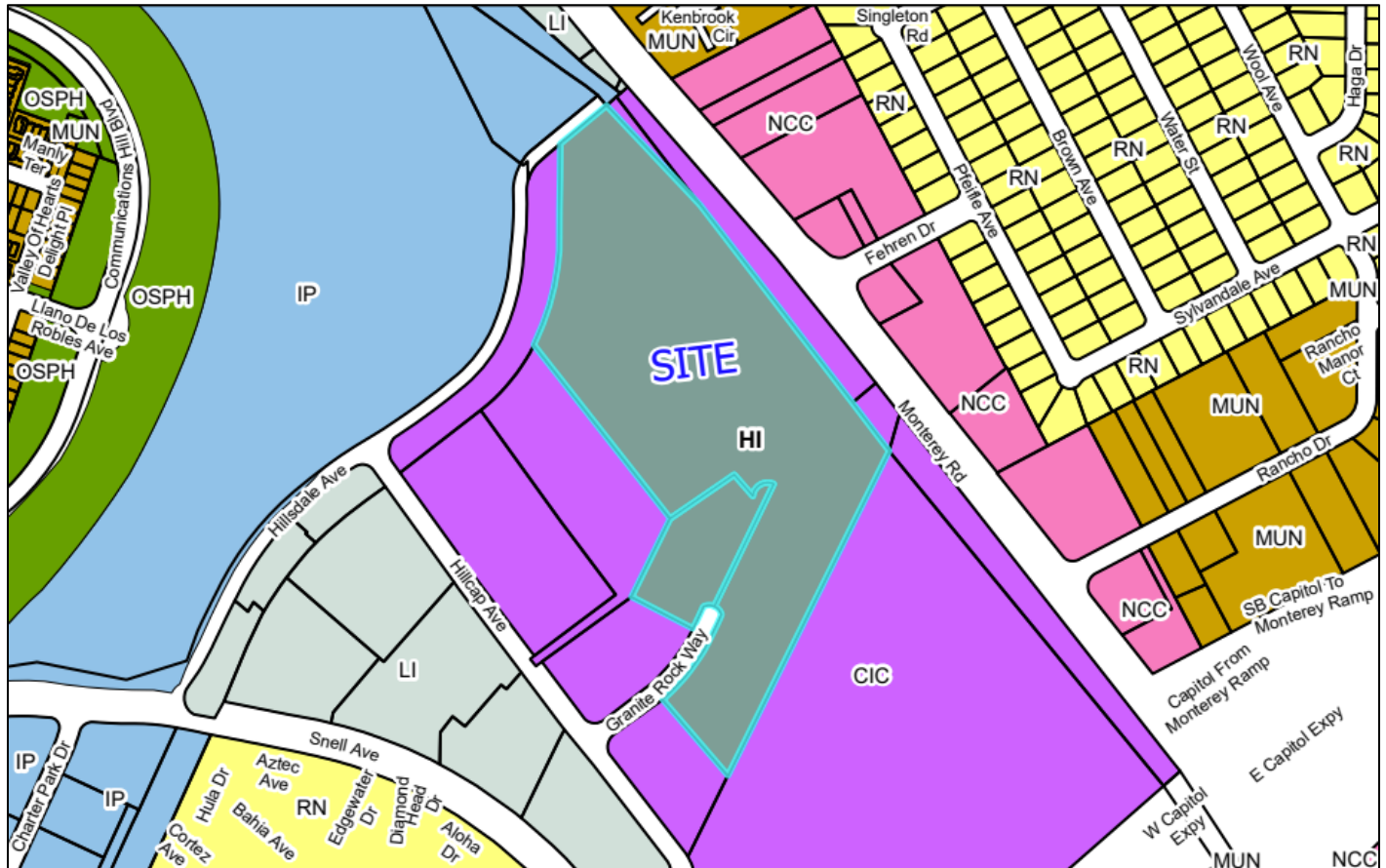
**Figure 2 Existing General Plan Land Use Map**

As shown in Figure 2 above, the project site, which is comprised of two parcels, has an Envision San José 2040 General Plan designation is **Combined Industrial/Commercial**, which has an FAR up to 12.0 (1 to 24 stories).

This category allows a significant amount of flexibility for the development of a varied mixture of compatible commercial and industrial uses, including hospitals and private community gathering facilities. Properties with this designation are intended for commercial, office, or industrial developments or a compatible mix of these uses. This designation occurs in areas where the existing development pattern exhibits a mix of commercial and industrial land uses or in areas on the boundary between commercial and industrial uses. Development intensity can vary significantly in this designation based on the nature of specific uses likely to occur in a particular area. In order to maintain an industrial character, small, suburban strip centers are discouraged in this designation, although larger big-box type developments may be allowed because they mix elements of retail commercial and warehouse forms and uses. While this designation potentially accommodates a wide variety of uses and building forms, more specific guidance

should be provided through the application of the Zoning Ordinance in order to establish use and form standards that will promote the development of a cohesive employment area across multiple adjoining properties that share this designation.

### Proposed Land Use Designation



**Figure 3 Proposed General Plan Land Use Map**

As shown in Figure 3 above, the project site, is proposing an Envision San José 2040 General Plan land use designation of **Heavy Industrial**, which has an FAR up to 1.5 (1 to 3 stories).

This category is intended for industrial users with nuisance or hazardous characteristics which for reasons of health, safety, environmental effects, or welfare are best segregated from other uses. Extractive and primary processing industries are typical of this category. Office and research and development uses are discouraged under this designation in order to reserve development sites for traditional industrial activities, such as heavy and light manufacturing and warehousing. The Heavy Industrial designation is also the appropriate category for solid waste transfer and processing stations, if those sites meet other Envision General Plan policies. Very limited scale retail sales and service establishments serving nearby businesses and their employees may be considered appropriate where such establishments do not restrict or preclude the ability of surrounding Heavy Industrial land from being used to its fullest extent and are not of a scale or design that depend on customers from beyond normal walking distances. Any such uses should be clearly incidental to the industrial users on the property and integrated within an industrial building.

### General Plan Conformance

The proposed General Plan land use designation of Heavy Industrial is **consistent** with the following Envision San José 2040 General Plan policies:

1. Diverse and Innovative Economy Policy IE-1.1: To retain land capacity for employment uses in San José, protect and improve the quantity and quality of all lands designated exclusively for industrial uses, especially those that are vulnerable to conversion to non-employment uses.
2. Fiscal Sustainability Policy FS-4.5: Maintain and expand the total amount of land with either a Light Industrial or Heavy Industrial designation. Do not add overlays or other designations that would allow for non-industrial, employment uses.
3. Industrial Lands Goal LU-6 - Industrial Preservation: Preserve and protect industrial uses to sustain and develop the city's economy and fiscal sustainability.
4. Industrial Lands Policy LU-6.5: Maintain and create Light Industrial and Heavy Industrial designated sites that are at least one acre in size in order to facilitate viable industrial uses.
5. Industrial Lands Policy LU-7.1: Encourage industrial supplier/service business retention and expansion in appropriate areas in the City.
6. Industrial Preservation LU-7.3: Encourage the use of industrially planned land to provide locations for various forms of recycling services (e.g., collection, handling, transfer, processing, etc.), for the support facilities required by these services (e.g., service yards, truck storage and service) and for companies that manufacture new products out of recycled materials in order to support the City's Solid Waste Program.
7. Broad Economic Prosperity Policy IE-6.2: Attract and retain a diverse mix of businesses and industries that can provide jobs for the residents of all skill and education levels to support a thriving community.
8. Fiscal Sustainability Policy FS-2.3: 3 Encourage development of industrial areas and redevelopment of existing older or marginal industrial areas (e.g. areas which could support intensified employment activity), particularly in locations that facilitate efficient commute patterns. The use of redevelopment tax increment financing to provide necessary public improvements is one means of encouraging this economic development and revitalization.

*Analysis: The project site is currently a concrete recycling facility operating on the site since the 1970's, which is considered a heavy industrial use. The proposed Heavy Industrial General Plan land use designation would therefore bring the land use designation in line with the current use as well as allow the proposed changes to the facility for continued and expanded use, subject to the proposed Planned Development Zoning and Planned Development Permit. The above-mentioned General Plan policies support preservation and expansion of industrial lands. The proposed Heavy Industrial General Plan land use designation would keep and expand an existing heavy industrial use. The expanded facility will provide additional employment opportunities for workers with a wide range of skills and educational levels. For all these reasons, the proposed change is consistent with and furthers these General Plan policies identified above.*

The proposed Planned Development Zoning of HI(PD) and the associated Planned Development Permit are **consistent** with the following Envision San José 2040 General Plan policies:

1. 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. These development standards and other site design issues implement the design standards set forth in the Envision General Plan and design guidelines adopted by the City Council. The second phase of this process, the Planned Development permit, is a combined site/architectural permit and conditional use permit which implements the approved Planned Development zoning on the property.
2. 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 and to promote the health and safety of individuals at the new development site.
3. Land Use Policy LU-6.5: Maintain and create Light Industrial and Heavy Industrial designated sites that are at least one acre in size in order to facilitate viable industrial uses.

*Analysis: The Planned Development Zoning rezoning would allow for specifically tailored development standards to facilitate the redevelopment and modernization of the site and allow the continued operation of the facility. The Planned Development Zoning includes reduced building setbacks to the public right-of-way in order to accommodate the necessary uses on site and to better align with the building placement requirements of the Industrial Design Guidelines. The Zoning District also establishes a maximum height limit of 175 feet for the project equipment (i.e. asphalt and concrete mixers) to allow the installation of the necessary equipment for the continued and future operation of the facility. The project retains a heavy industrial use in the City. The project consists of the redevelopment and expansion of the existing concrete plant, aggregate and construction materials distribution facility, and recycling yard operations. In order to upgrade and modernize the facility, the project includes the demolition of the existing temporary building and storage structures for the construction of a new permanent warehouse and office building. The proposed project also includes the addition of an asphalt plant and cementitious distribution facility. Additionally, the project includes the installation of a truck wash system to abate truck traffic dusting. The entire site, with the exception of the landscaped areas, would be paved to further control and reduce dust. The project also preserves 137 trees on site to maintain existing screening to the surrounding properties.*

### **Communications Hill Specific Plan**

The project site is located within the boundaries of the [Communications Hill Specific Plan](#). Within the identified industrial areas of the Plan, the site is specifically located within the Hillcap Road area. The Plan proposes to maintain the existing industrial uses on the south side of Hillcap Road and does not provide guidance on project design or building heights. Therefore, staff must defer to the previously approved Planned Development Zoning for the site, the Zoning Code, and the Industrial Design Guidelines for guidance on redevelopment of industrial areas for this portion of the Plan.

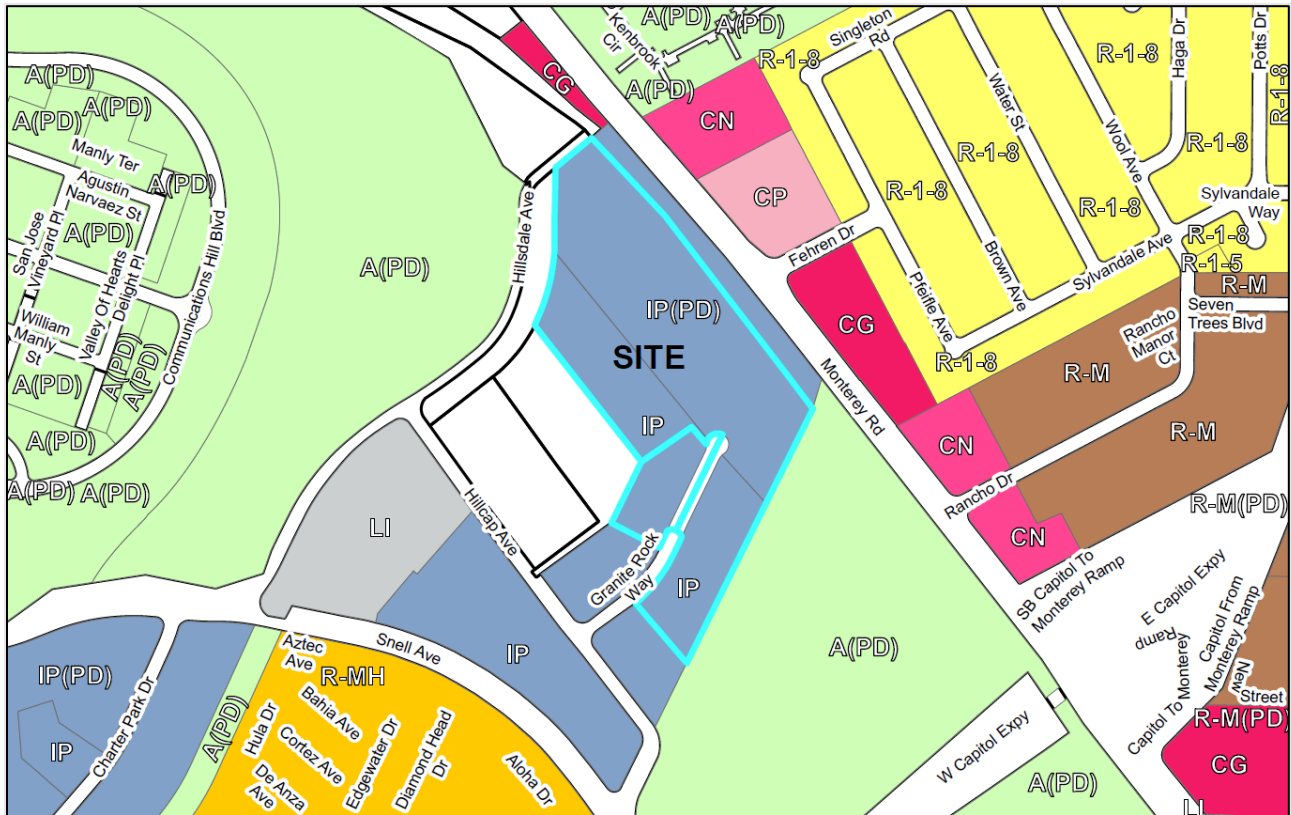
### **Municipal Code Conformance**

#### General Development Plan

The project is currently located in the IP(PD) and IP Industrial Park Zoning Districts. The project includes a rezoning to the HI(PD) Planned Development Zoning District (File No. PDC20-023). Subject to the project's Development Standards (Exhibit G), the newly created HI(PD) Planned Development Zoning District would



allow for uses that conform with the HI Heavy Industrial Zoning District, in alignment with the amended General Plan Land Use Designation of Heavy Industrial. The Planned Development Zoning District allows for processing facilities, as a permitted use with the issuance of a Planned Development Permit.



**Figure 4 Existing Zoning Map**

### Setbacks and Height

The table below highlights the proposed Development Standards as outlined in the General Development Plan of the HI(PD) Planned Development Zoning District (File No. PDC20-023). See the attached Exhibit G for the full proposed Development Standards.

Development Standard	Required	Proposed
Minimum Lot Size	6,000 square feet	22.36 acres
Front Setback (from Granite Rock Way)	Minimum 10 feet	12 feet
Side Setback	0 feet from property line, or 25 feet from residential district whichever is greater	2 feet (east), 9 feet (southwest), 20 feet (west)
Rear Setback (from Union Pacific ROW)	0 feet from property line, or 25 feet from residential district, whichever is greater	20 feet
Parking Front Setback (from	Minimum 15 feet	22 feet

Granite Rock Way)		
Parking Side Setback	0 feet	9 feet
Parking Rear Setback (from Union Pacific ROW)	0 feet from property line or 25 feet from residential district, whichever is greater	20 feet
Maximum Building Height	50 feet	36 feet, 6 inches
Maximum Equipment Height (i.e. asphalt and concrete mixers)	175 feet	168 feet

As shown on the Planned Development Permit plan set (Exhibit F), the project conforms with all required height and setback standards pursuant to the General Development Plan of the Planned Development Zoning District. The Planned Development Zoning also allows for height exceptions for equipment such as asphalt and concrete mixing structures. This Planned Development Zoning establishes the maximum height limit of such equipment at 175 feet.

#### Vehicle Parking

Use	Ratio	Required
Processing Facility	1 per employee of largest shift, plus 1 per facility vehicle (28 employees and 40 work trucks)	68 spaces
<b>Total Provided</b>		<b>75 spaces</b>

Pursuant to the General Development Plan of the HI(PD) Planned Development Zoning District, the project is required to provide vehicle parking consistent with Chapter 20.90 of the Zoning Code, as amended. Pursuant to [Section 20.90.060](#) of the Zoning Code, the project is required to provide 68 vehicle parking spaces. A total of 75 vehicle parking spaces are provided, in excess of the code requirement. In addition to 75 vehicle parking spaces, 40 truck parking spaces are provided for facility operations.

#### Bicycle Parking

Use	Ratio	Required
Processing Facility	1 per 10 full-time employees (28 employees)	3 spaces
<b>Total Provided</b>		<b>8 spaces</b>

Pursuant to the General Development Plan of the HI(PD) Planned Development Zoning District, the project is required to provide bicycle parking consistent with Chapter 20.90 of the Zoning Code, as amended.

Pursuant to [Section 20.90.060](#) of the Zoning Code, the project is required to provide three bicycle parking spaces. A total of 8 bicycle parking spaces are provided in bicycle racks, near the entrance of the office/quality assurance building. Therefore, the project exceeds the required amount of bicycle parking spaces.

#### Noise

Pursuant to the General Development Plan of the HI(PD) Planned Development Zoning District, the project is subject to the performance standards of the HI Heavy Industrial Zoning District. Pursuant to [Table 20-135, Section 20.50.300](#) of the Zoning Code, the maximum allowed noise level for industrial uses adjacent to property used or zoned for industrial purposes is 70 decibels and 60 decibels for industrial uses adjacent to property used or zoned for commercial purposes.

A noise report (Exhibit I) was prepared by Illingworth & Rodkin, Inc. dated February 18, 2021. Based on the noise study provided, the project would include the installation of new noise generating equipment including rail loading/unloading, the asphalt plant, concrete plant, dust collectors, conveyors, elevators, mixers, hoppers, and truck traffic. While the project site is not adjacent to residences, the noise still measured potential impacts that the nearest noise sensitive residences located approximately 250 feet to the north of site across the Union Pacific Railroad and Monterey Road. The expanded facility would operate 24 hours per day, seven days per week. Currently, the site receives aggregate from the A.R. Wilson Quarry in Aromas, California via railcar and truck between the hours of 12:00 AM and 5:00 AM. Typical operating hours for the facility are from 6:00 AM to 8:00 PM. The noise and vibration assessment accounted for the 24-hour use, but it was assumed that not all processes would occur at all hours on all days (i.e., the noisiest environment would occur during the typical operating hours, Monday through Friday 6:00 AM to 8:00 PM). The hours assumed in the noise model were confirmed by the applicant and therefore, the noise assessment and Environmental Impact Report have accurately analyzed the noise impacts from the proposed project. The noise study found that operational noise would not exceed 55 decibels at the nearest residences. Additionally, the project would not exceed 60 decibels at the nearest commercial uses (Clarion Inn and Capitol Hill Inn) to the east. The noise study also found that the noise levels would not exceed 65 decibels at the nearest industrial uses to the south and west of the project site, below the maximum threshold of 70 decibels.

Therefore, the project conforms with the noise requirements of the HI(PD) Planned Development Zoning District. The Planned Development Permit (Exhibit D) includes standard environmental permit conditions to reduce construction noise. Additionally, the project is within 500 feet of a residence, therefore construction hours are limited to 7:00 am to 7:00 pm Monday through Friday. The Planned Development Permit includes a condition for the appointment of a Construction Disturbance Coordinator to address any construction related complaints.

#### Tree Removals

The project is subject to the following tree replacement ratios as shown in the table below.

Table: Tree Replacement Ratios				
Circumference of Tree to be Removed <sup>1</sup>	Type of Tree to be Removed <sup>2</sup>			Minimum Size of Each Replacement Tree
	Native	Non-Native	Orchard	
38 inches or more <sup>3</sup>	5:1	4:1	3:1	15-gallon
19 to 38 inches	3:1	2:1	None	15-gallon
Less than 19 inches	1:1	1:1	None	15-gallon
<p>*x:x = tree replacement to tree loss ratio</p> <p>Note: Trees greater than or equal to 38-inch circumference measured at 54 inches above natural grade shall not be removed unless a Tree Removal Permit, or equivalent, has been approved for the removal of such trees. For Multi-Family residential, Commercial and Industrial properties, a permit is required for removal of trees of any size.</p> <p>A 38-inch tree equals 12.1 inches in diameter.</p> <p>** A 24-inch box replacement tree = two 15-gallon replacement trees</p>				

The project includes the removal of 30 trees. Of the trees to be removed, nine are ordinance-size and 21 are non-ordinance-size. A total of 137 trees would be preserved on site. None of the trees to be removed are native species. Based on the arborist report prepared by William Sowa (International Society of Arboriculture Certified Arborist), dated May 6, 2021, the trees to be removed are located either within the project building/equipment footprint, within the path of the newly laid rail spur line, within the path of required public improvements, or are dead. The trees to be removed include 13 Mexican Fan Palms, nine (9) Blue Gums, three (3) Red Ironbarks, two (2) Trees of Heaven, two (2) Black walnuts, and one (1) Canary Island Date Palm. Nine trees would be replaced at a 4:1 ratio, 12 trees would be replaced at a 2:1 ratio, and Nine trees would be replaced at a 1:1 ratio. Therefore, the removal of the 30 trees on-site requires the replacement of either 69 15-gallon trees or 35 24-inch box trees on site. The total number of replacement trees to be planted on site is 35 24-inch box trees. The trees to be replanted on site are 15 Coast Live Oaks and 20 Sierra Oaks.

### Industrial Design Guidelines Consistency

The project was submitted on January 11, 2020, prior to the adoption of the Citywide Design Standards and Guidelines on March 24, 2021. Therefore, the project is subject to the following provisions of the [Industrial Design Guidelines](#):

- Interfaces
  - Activities generating noise, traffic, dust, or odor and activities using hazardous materials should be located adjacent to similar activities on adjacent properties whenever possible. The location of these activities in proximity to residential or other sensitive uses, such as schools or offices, should be avoided. Solutions to interface issues are suggested in the Sections on Service Facilities and on Parking and Circulation.
  - Public entrances and primary building elevations should be oriented toward public streets wherever possible. Only active building elevations, never blank walls or loading areas, should face public streets.



- Long, uninterrupted facades should be avoided by adding windows and openings, recessed portals, wall off-sets, varying color and texture, building articulation and architectural details.

*Analysis: The subject site is not adjacent to any residential uses. The site is bounded by a concrete plant to the north, railroad tracks and Monterey Road to the east, the West Wind Capitol Drive-In Theater to the south, and a mix of light and heavy industrial uses to the west. The asphalt plant, aggregate terminal, and concrete plant are all located at the northwestern end of the site, furthest from adjacent uses and screened with perimeter landscaping. The project also includes the installation of a truck wash system to abate truck traffic dusting. Additionally, the entire site would be paved to further control and reduce dust. The primary building entrance is located nearest to the public street at Granite Rock Way. The primary entrance is directly accessible from the street and sidewalk. All visitor and employee parking is located behind the building and screened with landscaping. The building includes variation in materials, colors, wall plane, changes in window pattern and changes in roof line.*

- Landscaping

- All areas not covered by structures, service yards, walkways, driveways and parking spaces should be landscaped
- The choice, placement and scale of plants should relate to the project site and architecture. Planting should be used to shade and screen, to accent focal points and entries, to contrast with or reinforce building design, to break up paving or wall expanses, and to define on-site circulation.
- Provide a minimum 5-foot landscape strip, unless a greater perimeter landscape area is recommended based on the Specific Development Type.

*Analysis: The project includes a detailed landscaping plan with a variety of trees, shrubs, and ground cover. The project preserves a majority of the trees on site to maintain existing screening to properties to the north, south, and west. All trees to be planted on site are native species. The project includes a perimeter landscape strip that ranges in width from nine feet to 20 feet.*

- Service Yards

- Generally, centrally located service yards are encouraged; however, dispersal of service facilities on the site may be necessary if dictated by a particular use. Service yards should include loading areas, garbage dumpsters, trash compactors, recycling, hazardous materials storage, equipment and materials storage, and, if appropriate, utility cabinets, utility meters and transformers.
- Service yards should be easily accessed for service vehicles and tenants. They should be located to minimize conflicts with other site uses and should not create a nuisance for adjacent properties.
- Service yards, storage areas and maintenance equipment should be enclosed and screened from off-site view. Screening devices can be a combination of buildings, walls, landscaping and/or berming.

*Analysis: The project includes the construction of a 16-foot by 15-foot fully covered trash enclosure, which is located at the western portion of the site, away from the primary site operations. Additionally, the outdoor truck parking area is also located at the western portion of the site, to avoid conflicts with general site operations in the remaining portion of the site. The service areas are easily accessible from the primary vehicular entrance along Granite Rock Way and internal drive*

*aisles serving the site. As discussed above, the project includes a detailed landscaping plan, which includes the planting of a variety of trees, shrubs, and ground cover. As discussed above the majority of the trees on site are to be preserved, thereby preserving the existing screening of all service yards and recycling areas from the adjacent properties.*

- **Trash Enclosures**

- Trash/recycle enclosures should be constructed with masonry walls and the enclosure gate should be of metal with heavy duty hardware. Chain link is not appropriate. Finishes and colors for enclosures should be compatible with the buildings.
- The height of trash/recycle enclosures should be at least 6 feet and should be adequate to conceal its contents.

*Analysis: The project includes the construction of a 16-foot by 15-foot trash enclosure. The enclosure is 6 feet high and includes metal doors. The enclosure is constructed of a concrete block wall with a corrugated metal roof.*

- **Outdoor Storage**

- Enclosed or outdoor storage areas should be identified, planned and included in the site and building design of the project. Outdoor storage should only occur within approved storage areas which are permanently screened from view.

*Analysis: As shown on the project plans, the project continues to utilize an approximately 4-acre outdoor recycling area where aggregate is loaded and unloaded from the rail spur. Additionally, the project includes a truck parking area for up to 40 trucks at the southern end of the site. Both storage areas are fully screened with existing fencing and trees.*

## **Permit Findings**

In order for this application to be approved, the Planning Commission must be able to make all required findings for a Planned Development Permit, Demolition Permit, and Tree Removal Permit.

### **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 City Council, the Planning Commission must determine that:

1. The Planned Development Permit, as issued, is consistent with and furthers the policies of the General Plan; and

*Analysis: As discussed in the General Plan Land Use Conformance section above, the project is consistent with the General Plan Land Use Designation of Heavy Industrial. The Heavy Industrial Land Use Designation allows for the continued use of the site as a processing facility. The project consists of the redevelopment and expansion of the existing concrete plant, aggregate and construction materials distribution facility, and recycling yard operations. The project also includes the addition of an asphalt plant and cementitious distribution facility. The expansion of the facility provides additional employment opportunities for workers with a wide range of skills and educational levels. The facility is adjacent to the Capitol Caltrain Station, providing employees with the opportunity to utilize public transportation to access the site.*

2. The Planned Development Permit, as issued, conforms in all respects to the Planned Development Zoning of the property; and

*Analysis: The project conforms with the Development Standards of the General Development Plan for the Planned Development Zoning District (File No. PDC20-023). The newly created HI(PD) Zoning District would allow for uses that conform with the HI Heavy Industrial Zoning District, as amended, which includes the existing and proposed use as a processing facility. Special and Conditional Uses would be subject to the approval of a Planned Development Permit. As discussed in the Municipal Code Conformance section above, the project conforms with all required lot sizes, setbacks, heights, and parking requirements of the Planned Development Zoning District. Additionally, as discussed above, the project is consistent with all applicable noise requirements and tree removal replacement requirements.*

3. The Planned Development Permit, as approved, is consistent with applicable City Council Policies, or counterbalancing considerations justify the inconsistency; and

*Analysis: Council Policy 6-30: Public Outreach Policy was implemented in order to inform the public of the project. An on-site sign has been posted on the project frontage since March 5, 2021. A notice of the public hearing was distributed to the owners and tenants of all properties located within 1,000 feet of the project site and posted on the City website. Staff has also been available to respond to questions from the public. A formally noticed Community Meeting was held on January 25, 2021 to introduce the project to the community.*

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 interrelationship between the orientation, location, mass and scale of the building volumes and elevations of the project buildings and other uses on-site are appropriate, compatible, and aesthetically harmonious. The project includes the demolition of four temporary buildings and storage structures for the construction of a new office and warehouse, as well as the removal and replacement of the equipment necessary for the continued operation of the site as a processing facility. The office building is located close to Granite Rock Way, where vehicles and pedestrians enter the site from the public right of way. The warehouse would be centrally located on-site for employees to easily access and store the necessary equipment. The entire site is well screened from surrounding uses with existing landscaping and fencing.*

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 environmental impacts related to noise, vibration, dust, drainage, erosion, storm water runoff, and odor would be temporary and would only occur during construction. The project includes standard environmental permit conditions to reduce and mitigate impacts regarding air quality, biological resources, cultural resources, geology and soils, hazards and hazardous materials, water quality, and noise impacts during construction. Construction hours would be limited to between the hours of 7:00 am to 7:00 pm Monday through Friday. A Construction Disturbance Coordinator would be appointed to respond to any construction related complaints or concerns. As discussed in the Zoning*

*Ordinance Compliance section above, the project operations would not exceed the noise requirements of the Zoning Code. The project also includes equipment and design features to reduce dust resulting from operation of the site. The project includes the installation of a truck wash system to abate truck traffic dusting. Additionally, the entire site would be paved to further control and reduce dust. The project is required to conform with the City's Post-Construction Urban Runoff Management Policy (Policy 6-29) which requires implementation of Best Management Practices (BMPs) which includes site design measures, source controls and numerically-sized Low Impact Development (LID) stormwater treatment measures to minimize stormwater pollutant discharge.*

### Demolition Permit Findings

[Chapter 20.80](#) of the Municipal Code establishes evaluation criteria for the issuance of a permit to allow for demolition. These criteria are made for the project based on the above stated findings related to General Plan, Zoning and CEQA conformance and for the reasons stated below, and subject to the conditions set forth in the Resolution:

1. The failure to approve the permit would result in the creation or continued existence of a nuisance, blight or dangerous condition;
2. The failure to approve the permit would jeopardize public health, safety or welfare;
3. The approval of the permit should facilitate a project that is compatible with the surrounding neighborhood;
4. The approval of the permit should maintain the supply of existing housing stock in the City of San José;
5. Both inventoried and non-inventoried buildings, sites and districts of historical significance should be preserved to the maximum extent feasible;
6. Rehabilitation or reuse of the existing building would not be feasible; and
7. The demolition, removal or relocation of the building without an approved replacement building should not have an adverse impact on the surrounding neighborhood.

*Analysis: The project includes the demolition of four buildings totaling 15,072 square feet. The approval of the demolition permit would not result in the creation or continued existence of a nuisance, blight or dangerous condition nor would it jeopardize public health, safety or welfare, as it would allow for the modernization and expansion of an existing industrial facility. The demolition permit would facilitate a project that is compatible with the surrounding neighborhood, which consists of primarily industrial uses. As previously discussed, the project is consistent with all applicable General Plan goals and policies, Planned Development Zoning requirements, applicable city council policies, and Industrial Design Guidelines. The project would not demolish any existing housing.*

*Given the scope of the project, the rehabilitation or reuse of any of the existing buildings on-site would not be feasible as the existing buildings are temporary or portable sheds and buildings. The project would include the construction of a permanent office and warehouse building in addition to the installation of the equipment required to upgrade and modernize the facility.*

*As discussed in the Environmental Impact Report, the oldest permanent structures on-site were constructed in 1979 and are less than 45 years old. No buildings or structures on-site are listed on the City's Historic Resources Inventory, nor is the site located within a historic or landmark district. The*

*buildings to be demolished are accessory structures to the existing facility and are not eligible for the California Register of Historic Places or National Register of Historic Places based on their age or architectural style. The demolition of any existing buildings on-site would not be approved until the issuance of a grading permit or building permit, whichever comes first.*

### Tree Removal Permit Findings

In order to make the Tree Removal findings pursuant to [Section 13.32.100](#) of the San José Municipal Code and recommend approval to the City Council, Planning Commission must determine that:

1. That the condition of the tree with respect to disease, danger of falling, proximity to an existing or proposed structure, and/or interference with utility services, is such that preservation of the public health or safety requires its removal.
2. That the location of the tree with respect to a proposed improvement unreasonably restricts the economic development of the parcel in question; or

*Analysis: The project includes the removal of 30 trees. Of the trees to be removed, nine are ordinance-size and 21 are non-ordinance-size. A total of 137 trees would be preserved on site. None of the trees to be removed are native species. Based on the arborist report prepared by William Sowa (International Society of Arboriculture Certified Arborist), dated May 6, 2021, the trees to be removed are located either within the project building/equipment footprint, within the path of the newly laid rail spur line, within the path of required public improvements, or are dead. The trees to be removed include 13 Mexican Fan Palms, nine (9) Blue Gums, three (3) Red Ironbarks, two (2) Trees of Heaven, two (2) Black walnuts, and one (1) Canary Island Date Palm. Nine trees would be replaced at a 4:1 ratio, 12 trees would be replaced at a 2:1 ratio, and nine trees would be replaced at a 1:1 ratio. Therefore, the removal of the 30 trees on-site requires the replacement of either 69 15-gallon trees or 35 24-inch box trees on site. The total number of replacement trees to be planted on site is 35 24-inch box trees. The trees to be replanted on site are 15 Coast Live Oaks and 20 Sierra Oaks.*

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

The City of San José, as the lead agency for the proposed project, prepared a Draft Environmental Impact Report (DEIR), which was circulated for public review and comment from September 20, 2022 to November 4, 2022. A First Amendment to the DEIR was prepared that provided responses to public comments submitted during the public circulation period and revisions to the text of the DEIR. The First Amendment together with the DEIR constitute the Final Environmental Impact Report (FEIR) for the proposed project.

The EIR identified potential environmental impacts to Biological Resources, Cultural Resources, Greenhouse Gas Emissions, and Hazards and Hazardous Materials, and these impacts would be reduced to less than significant levels with the implementation of the identified mitigation measures. The Draft EIR determined there would be no significant and unavoidable impacts due to the implementation of the project.

### Alternatives

The DEIR analyzed two selected project alternatives, the No Project/No Development Alternative and the Reduced Throughput Alternative, that could lessen the significant effects of the project and achieve the project objectives, in accordance with CEQA Guidelines Section 15126.6.

The No Project- No Development alternative would avoid all project impacts however CEQA Section

15126.6(e)(2) requires that when the no-project alternative is the environmentally superior alternative another alternative shall be identified. Therefore, the Reduced Throughput Alternative would be the environmentally superior alternative as it would reduce GHG emissions without the need for mitigation.

#### DEIR Circulation Comments

Eleven comments were received during public circulation including four from regional and local agencies and seven from members of the public, organizations, and businesses. City staff prepared responses in a First Amendment/Response to Comments document addressing the following topics:

#### Air Quality

- Concern with the project's significant greenhouse gas emissions and proposed mitigation measures to reduce the GHG impact.
- Request to have the Project Sponsor submit an Air District permit application parallel to the City's permit.
- Truck and railcar trip increase but are not adequately quantified.

#### Transportation

- Request to provide project trips during the off-peak period and address any potential impacts.
- Project's fair-share contribution to improve and maintain affected portion of Hillsdale Avenue.
- Consider improving pedestrian facilities at the Capitol Drive-In access on Hillcap Avenue and at Capitol and Snell.
- EIR did not sufficiently analyze transportation impacts, specifically missing analysis of the project's impacts on high-speed rail operations and did not consider the project's impact to planned future high-speed rail service volumes (i.e., California High-Speed Rail Authority, San José to Merced Project).

#### Hazards and Hazardous Materials

- Identification of groundwater monitoring wells and proper permitting for modification and destruction of well(s), and coordination with the utility company to protect facilities.

#### Project Description

- Clarification regarding total project square footage, 24-hour operation, and total number of rail cars proposed.
- Opposition to project and proposed tree removal.

#### Cultural Resources and Tribal Cultural Resources

- Recommendations to reduce potential impacts to as-yet uncovered tribal cultural resources.

#### DEIR Circulation Unnecessary

Staff responded to the comments and questions in the First Amendment. None of the comments raised represent new significant information that would warrant recirculation of the Draft EIR pursuant to CEQA Guidelines Section 15088.5(a). The recirculation of an EIR is required when significant new information is added to the EIR after public notice is given of the availability of the Draft EIR for public review but before certification. "Information" can include changes in the project or environmental setting as well as additional data or other information. New information added to a Draft EIR is not "significant" unless the Draft EIR is changed in a way that deprives the public of meaningful opportunity to comment on a substantial adverse



environmental effect of the project or a feasible way to mitigate or avoid such an effect (CEQA Guidelines Section 15088.5).

The First Amendment was posted on the City's website on March 14, 2023 and all commenters were notified via email of the document's availability. The Draft Environmental Impact Report (DEIR) and First Amendment are available for public review on the City's website:

<https://www.sanjoseca.gov/your-government/departments-offices/planning-building-code-enforcement/planning-division/environmental-planning/environmental-review/active-eirs/graniterock-capitol-modernization-project>

#### **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 March 5, 2021. A formally noticed Community Meeting was held on Monday, January 25, 2021 to introduce the proposed project to the community. A notice of the public hearing was distributed to the owners and tenants of all properties located within 1,000 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.

**Project Manager:** Alec Atienza

**Approved by:** /s/ Michael Brilliot, Deputy Director for  
Christopher Burton, Planning Director

<b>ATTACHMENTS:</b>	
Exhibit A:	Draft EIR Resolution
Exhibit B:	Draft General Plan Amendment Resolution
Exhibit C:	Draft Rezoning Ordinance
Exhibit D:	Draft Planned Development Permit Resolution
Exhibit E:	Planned Development Zoning Plan Set
Exhibit F:	Planned Development Permit Plan Set
Exhibit G:	Draft Development Standards
Exhibit H:	Legal Description and Plat Map
Exhibit I:	Noise Study
Exhibit J:	Arborist Report
Exhibit K:	Signed MMRP
Exhibit L:	Operations Plan
Exhibit M	Public Correspondence

<b>Owner/Applicant:</b>	<b>Applicant's Representative:</b>
Pat Mapelli Land Use Manager Graniterock Company 5225 Hellyer Avenue San Jose, CA 95138	Erik Schoennauer 90 Hawthorne Way San Jose, CA 95110

ATTACHMENT

**GP19-010, PDC20-023, PD20-013 & ER20-236**

**Links to Attachment A - M**

Click on the title to view document

Exhibit A: Draft EIR Resolution
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