CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

CITY COUNCIL STAFF REPORT

File Nos.	C26-008 & ER26-088
Applicant	650 Harry Road LLC
Location	East side of Harry Road, approximately 300 feet northeast of the Harry Road and Camden Avenue intersection (650 & 20500 Harry Road; APN 701-30-002, 701-30-003, 701-31-003, & 701-31-005)
Existing Zoning	A(PD) Planned Development Zoning District, File No. PDC80-165
Proposed Zoning	IP Industrial Park & OS Open Space
General Plan	Industrial Park & Open Space, Parklands and Habitat
Council District	10
Historic Resource	N/A
Annexation Date	December 23, 1980 (Castillero No. 4)
CEQA	Determination of Consistency with the Envision San José 2040 General Plan EIR (Resolution No. 76041) and the Envision San José 2040 General Plan Supplemental EIR (Resolution No. 77617), and Addenda thereto.

APPLICATION SUMMARY:

Conforming Rezoning from an A(PD) Planned Development Zoning District on an overall 600.16-gross-acre site to the IP Industrial Park Zoning District on an approximately 35-gross-acre portion of the site and to the OS Open Space Zoning District on an approximately 565-gross-acre portion of the site.

RECOMMENDATION:

1. Consider the Determination of Consistency with the Envision San José 2040 General Plan EIR (Resolution No. 76041) and the Envision San José 2040 General Plan Supplemental EIR (Resolution No. 77617), and Addenda thereto, in accordance with CEQA; and
2. Approve an ordinance rezoning an overall 600.16-gross-acre site to the IP Industrial Park Zoning District on an approximately 35-gross-acre portion of the site and to the OS Open Space Zoning District on an approximately 565-gross-acre portion of the site.

PROJECT DATA

GENERAL PLAN CONSISTENCY			
General Plan Designation	**Industrial Park & Open Space, Parklands and Habitat** **☒ Consistent**		
Consistent Policies	**Implementation Policies IP-1.1, IP-1.4, IP-1.7, IP-1.8, IP-8.2, and IP-8.3**		
SURROUNDING USES			
	General Plan Land Use	**Zoning (Santa Clara County Zoning Districts)**	**Existing Use**
North (Santa Clara County Unincorporated Land)	Open Hillside	HS Hillside	Electrical substation, Open Space
East (Santa Clara County Unincorporated Land)	Open Hillside	HS Hillside	Santa Teresa County Park
South (Santa Clara County Unincorporated Land)	Open Space, Parklands and Habitat	A Exclusive Agriculture, RR Rural Residential	RV & Boat Storage, Single-Family Residential, Orchard
West (Santa Clara County Unincorporated Land)	Open Hillside	RR Rural Residential	Open Space, Single-Family Residential

RELATED APPROVALS	
Date	**Action**
10/28/1980	PDC80-165: Prezoning to zone the property as an A(PD) Planned Development Zoning District to allow research and parking uses on approximately 36 acres, recreation on 4 acres, and open space for the remaining portion of the site.
12/12/1983	PD82-079: Planned Development Permit for the construction of the IBM Research Facility.
12/5/1985	PD85-049: Planned Development Permit to allow the construction of a 152 square foot gatehouse and 68 square foot shelter addition to existing IBM Facility.
3/23/2012	PDA85-049-01: Planned Development Permit Amendment to allow landscape modifications consisting of the removal of one (1) White Poplar tree, approximately 48-inches in circumference, and three (3) Coast Live Oak trees, between 18 and 36-inches in circumference.

PROJECT DESCRIPTION

Site Description and Surrounding Uses

The subject site is located on the east side of Harry Road approximately 300 feet northeast of the Harry Road and Camden Avenue intersection (Attachment A). The site is accessed by Harry Road at the southwest corner of the site and from Bernal Road at the northeast corner of the site. Adjacent uses include an electrical substation and open space to the north, Santa Teresa County Park to the east, and open space and single-family residential to the west. Uses to the south include RV and boat storage, single-family residential, and orchard. There is currently no application on file for the development of the site.

Background

On June 8, 2026, the applicant's representative, Erik Shoennauer with The Schoennauer Company, filed an application on behalf of the applicant, 650 Harry Road LLC, for a conforming rezoning of an approximately 600.16-gross-acre site from the A(PD) Planned Development Zoning District (File No. PDC80-165) to the IP Industrial Park Zoning District on an approximately 35-gross-acre portion of the site and to the OS Open Space Zoning District on an approximately 565-gross-acre portion of the site. The rezoning would bring the site into conformance with the General Plan Land Use/Transportation Diagram land use designation of Industrial Park and Open Space, Parklands, and Habitat. It would allow a broader range of uses than those permitted by the existing Planned Development Zoning District, including the base A Agricultural Zoning District.

The Planned Development Zoning District (File No. PDC80-165) showed the overall site area as 605-gross-acres. On May 30th, 1984, IBM granted fee ownership to the City of San Jose to an approximately 0.888-gross-acre portion of the westerly land of PARCEL TWO B for Harry Road. On August 31st, 1984, IBM granted fee ownership to the Santa Clara Valley Water District to an approximately 4.03-gross-acre portion of the southerly land of PARCEL TWO B, TWO A, and TWO C.

ANALYSIS

The project was analyzed for conformance with the following: 1) the Envision San José 2040 General Plan; 2) the Zoning Ordinance; and 3) the California Environmental Quality Act (CEQA).

Envision San José 2040 General Plan Conformance

The subject site is designated Industrial Park and Open Space, Parklands and Habitat on the Land Use/ Transportation Diagram of the Envision San José 2040 General Plan[1] (Attachment B).

[1] https://www.sanjoseca.gov/home/showdocument?id=22359

The Industrial Park designation is an industrial designation intended for a wide variety of industrial users such as research and development, manufacturing, assembly, testing and offices. This designation is differentiated from the Light Industrial and Heavy Industrial designations in that Industrial Park uses are limited to those for which the functional or operational characteristics of a hazardous or nuisance nature can be mitigated through design controls. Hospitals may be appropriate within this designation, if it can be demonstrated that they will not be incompatible with Industrial Park uses or other nearby activities. Areas identified exclusively for Industrial Park uses may contain a very limited number of supportive and compatible commercial uses, when those uses are of a scale and design providing support only to the needs of businesses and their employees in the immediate industrial area. These commercial uses should typically be located within a larger industrial building to protect the character of the area and maintain land use compatibility. Additional flexibility may be provided for retail and service commercial uses, including hotels within North San José and the Edenvale Development Policy area through the City's discretionary review and permitting process. One primary difference between this use category and the "Light Industrial" category is that, through the Zoning Ordinance, performance and design standards are more stringently applied to Industrial Park uses.

The Open Space, Parklands, and Habitat designation is intended for low intensity uses. Lands in this designation are typically devoted to open space, parks, recreation areas, trails, habitat buffers, nature preserves and other permanent open space areas. This designation is applied within the Urban Growth Boundary to lands that are owned by non profits or public agencies that intend their permanent use as open space, including lands adjacent to various creeks throughout the City.

Analysis: The existing A(PD) Planned Development Zoning District allowed for research, parking, recreation, and open space uses. The IP Industrial Park Zoning District and OS Open Space Zoning district would allow the project site to be consistent with the Industrial Park and Open Space, Parklands and Habitat designations, and allow additional industrial and agriculture/resource uses in conformance with the General Plan designations.

The rezoning is consistent with the following General Plan goal and policies:

1. Goal IP-8: Use rezoning of property to directly implement the land use designations as shown on the Land Use/Transportation Diagram. By City Council policy, the rezoning of property should ordinarily conform to the Envision General Plan.

   Analysis: The proposed Industrial Park and Open Space Zoning Districts conform to the Industrial Park and Open Space, Parklands and Habitat land use designations, consistent with the goal.

2. Implementation Policy IP-1.1: Use the *Envision General Plan* Land Use/Transportation Diagram designations to indicate the general intended land use, providing flexibility to allow for a mix of land uses, intensities, and development forms compatible with a wide variety of neighborhood contexts and to designate the intended roadway network to be developed over the timeframe

of the *Envision General Plan.* Use the Zoning designation to indicate the appropriate type, form, and height of development for particular properties.

Analysis: The subject site's land use designation of Industrial Park is intended for a wide variety of industrial uses, and the designation of Open Space, Parklands, and Habitat is intended for low intensity uses such as open space, parks, and recreation areas. Future development would be subject to the development standards outlined in the San José Zoning Code for the IP Industrial Park Zoning District and for the OS Open Space Zoning District.

3. Implementation Policy IP-1.4: For contiguous properties in single ownership that have multiple land use designations, the boundary between designations may be undulating or "wavy" line. When such boundary occurs on the Land Use/Transportation Diagram it means that some flexibility may be allowed in the location of the designated uses. The same general land area and allocation of uses should be maintained, but the designated uses may be relocated on the site if they are compatible with surrounding land use designations, and do not impact the viability of developing the rest of the site. This policy also applies to a single property with multiple land use designations.

   Analysis: The subject property has two General Plan Designations. The two Zoning boundaries (IP Industrial Park and OS Open Space) do not exactly match the boundaries of the General Plan designations, so the "wavy" line policy is being utilized to create new zoning boundaries that better align with the existing development on site.

4. Implementation Policy IP-1.7: Ensure that proposals to rezone and pre-zone properties conform to the Land Use/Transportation Diagram, and advance *Envision General Plan* vision, goals and policies.

   Analysis: The IP Industrial Park Zoning District is a conforming district to the Industrial Park land use designation and the OS Open Space Zoning District is a conforming district to the Open Space, Parklands and Habitat land use designation, pursuant to Section 20.120.110[2] of the San José Zoning Code.

5. Implementation Policy IP-1.8: Use standard Zoning Districts to promote consistent development patterns when implementing new land use entitlements. Limit use of the Planned Development Zoning process to unique types of development or land uses which cannot be implemented through standard Zoning Districts, or to sites with unusual physical characteristics that require special consideration due to those constraints.

   Analysis: The subject site would be rezoned to the IP Industrial Park and OS Open Space Zoning Districts, which are conventional zoning districts. The IP Industrial Park Zoning District is intended for a wide variety of industrial users such as research and development, manufacturing, assembly, testing, and offices. The OS Open Space Zoning district is intended to provide for the public peace, health, safety, and welfare by conserving open space to ensure the continued availability of land for the preservation of natural resources, for the

[2] https://library.municode.com/ca/san_jose/codes/code_of_ordinances?nodeId=TIT20ZO_CH20.120ZOCHAM_PT2ORCOGEPL_20.120.110COGEPL

managed production of resources, for outdoor recreation, and for the enjoyment of scenic resources, and by protecting the people and property in the City of San José against physical environmental hazards. There are no unusual physical characteristics of the site that require special consideration necessitating a Planned Development Zoning District.

6. Implementation Policy IP-8.2: Use the City's conventional zoning districts, contained in its Zoning Ordinance, to implement the Envision General Plan Land Use/ Transportation Diagram. These districts include a range of allowed land uses, development intensities, and standards within major land use categories (residential, commercial and industrial) together with zoning districts for other land uses such as mixed-use and open space. The various ranges of allowed use and development intensity correspond generally to the respective *Envision General Plan* land use designations, while providing greater detail as to the appropriate land uses and form of development.

   Analysis: Any future development at the subject site would be required to conform to the development standards of the IP Industrial Park and the OS Opens Space Zoning Districts. The allowed uses and development standards for the IP Industrial Park Zoning District generally correspond to the Industrial Park land use designation and would implement the goals and policies of the Envision General Plan. The allowed uses and development standards for the OS Open Space Zoning District generally correspond to the Open Space, Parklands and Habitat land use designation and would implement the goals and policies of the Envision General Plan.

7. Implementation Policy IP-8.3: For the review of privately or public initiated rezoning applications, consider the appropriateness of the proposed zoning district in terms of how it will further the Envision General Plan goals and policies as follows:

   a. Align with the Envision General Plan Land Use / Transportation Diagram designations.
   b. Retain or expand existing employment capacity.
   c. Preserve existing retail activity.
   d. Avoid adverse land use incompatibilities.
   e. Implement the Envision General Plan goals and policies including those for Urban Design.
   f. Support higher density land uses consistent with the City's transition to a more urban environment.
   g. Facilitate the intensification of Villages and other Growth Areas consistent with the goal of creating walkable, mixed-use communities.
   h. Address height limits, setbacks, land use interfaces and other design standards to provide for the intensification of land uses adjacent to already developed areas.

   Analysis: As discussed above, the IP Industrial Park Zoning District conforms to the Industrial Park land use designation in the General Plan, and the OS Open

Space Zoning District conforms to the Open Space, Parklands, and Habitat land use designation in the General Plan. The site is currently developed under an A(PD) Planned Development Zoning District that only allows specific uses including research, parking, recreation, and open space. The change in zoning allows additional uses and results in development standards that align with the site's General Plan Land Use Designations.

Zoning Ordinance Conformance

The rezoning to the IP Industrial Park and OS Open Space Zoning Districts (Attachment C) conforms with Table 20-270 in Section 20.120.110[3] of the San José Zoning Code, which identifies the IP Industrial Park Zoning District as a conforming district to the General Plan Land Use/ Transportation Diagram land use designation of Industrial Park, and identifies the OS Open Space Zoning District as a conforming district to the General Plan Land Use/ Transportation Diagram land use designation of Open Space, Parklands and Habitat. Attachment D, Attachment E, Attachment F, and Attachment G are available for reference.

Use Regulations

The IP Industrial Park Zoning District would allow the property to be used and developed in accordance with the allowable uses in Table 20-110 in Section 20.50.100[4], which includes a wide range of industrial uses. The OS Open Space Zoning District would allow the property to be used and developed in accordance with the allowable uses in Table 20-30 in Section 20.20.100[5], which includes primarily agriculture and resource uses. This rezoning would facilitate future redevelopment of the site to be consistent with the General Plan land use designations

Development Standards

Table 20-120 in Section 20.50.200[6] establishes the development standards for the IP Industrial Park Zoning District and Table 20-40 in Section 20.20.200[7] establishes the development standards for the OS Open Space Zoning District. The approximately 35.097-gross-acre portion of the subject property to be zoned IP Industrial Park is consistent with the 10,000-square-foot minimum lot size required in the IP Industrial Park Zoning District. Any future development on this portion of the site would be required to adhere to the development standards set forth in Table 20-120 and all other applicable Municipal Code regulations. The approximately 565.063-gross-acre portion of the subject property to be zoned OS Open Space is consistent with the 20-acre minimum lot size required in the OS Open Space Zoning District. Any future development on this portion of the site would be required to adhere to the development

[3] https://library.municode.com/ca/san_jose/codes/code_of_ordinances?nodeId=TIT20ZO_CH20.120ZOCHAM_PT2ORCOGEPL_20.120.110COGEPL
[4] https://library.municode.com/ca/san_jose/codes/code_of_ordinances?nodeId=TIT20ZO_CH20.50INZODI_PT2USAL_20.50.100ALUSPERE
[5] https://library.municode.com/ca/san_jose/codes/code_of_ordinances?nodeId=TIT20ZO_CH20.20OPSPAGZODI_PT2USRE_20.20.100ALUSPERE
[6] https://library.municode.com/ca/san_jose/codes/code_of_ordinances?nodeId=TIT20ZO_CH20.50INZODI_PT3DERE_20.50.200DEST
[7] https://library.municode.com/ca/san_jose/codes/code_of_ordinances?nodeId=TIT20ZO_CH20.20OPSPAGZODI_PT3DERE_20.20.200DEST

standards set forth in Table 20-40 and all other applicable Municipal Code regulations. Any future development may also need to be evaluated under CEQA.

Senate Bill 330 Conformance

The Housing Crisis Act of 2019 (SB 330, 2019) limits the manner in which local governments may reduce the capacity for residential units that can be built on within the local agency's jurisdiction, including actions such as downzoning, changing general or specific plan land use designations to a less intensive use, reductions in height, density or floor area ratio, or other types of increased requirements that work to reduce the amount of housing capacity in the jurisdiction. An exception to this limitation is that a property may be allowed to reduce intensity of residential uses if changes in land use designations or zoning elsewhere in the jurisdiction ensure there is no net loss in residential capacity within the jurisdiction.

Analysis: This rezoning does not reduce the intensity of residential uses because the current A(PD) Planned Development Zoning does not allow residential uses.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

Pursuant to Section 15168(c)(2) of the CEQA Guidelines, as stated in the Determination of Consistency prepared for the project, the City of San José has determined that the project is pursuant to, in furtherance of, and within the scope of the Envision San José 2040 General Plan program, the impacts of which were analyzed and disclosed in the Final Environmental Impact Report for the Envision San José 2040 General Plan, for which findings were adopted by City Council Resolution No. 76041 on November 1, 2011 and Supplemental EIR adopted by City Council Resolution No. 77617 on December 15, 2015, and addenda thereto. The FPEIR, SEIR, and Addenda were prepared for the comprehensive update and revision of all elements of the City of San José General Plan, including an extension of the planning timeframe to the year 2040.

No new or more significant environmental impacts beyond those identified in the Envision San José 2040 General Plan Final Program Environmental Impact Report (FPEIR), Supplemental EIR (SEIR), and Addenda have been identified, nor have any new mitigation measures or alternatives which are considerably different from those analyzed in the FPEIR, SEIR, and Addenda been identified.

PUBLIC HEARING NOTIFICATION

Staff followed City Council Policy 6-30: Public Outreach Policy. A notice of the public hearing was distributed to the owners and tenants of all properties located within 500 feet of the project site and posted on the City website. The staff report is also posted on the City's website. Staff has been available to respond to questions from the public. Public comments received are included in Attachment H.

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

For questions, please contact John Tu, Division Manager, at (408) 535-7900.

ATTACHMENTS:
Attachment A – Aerial Map
Attachment B – General Plan Map
Attachment C – Proposed Zoning Map
Attachment D – IP Rezone Legal Description
Attachment E – IP Rezone Plat Map
Attachment F – OS Rezone Legal Description
Attachment G – OS Rezone Plat Map
Attachment H – Public Comments