



Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: Councilmember Donald Rocha
SUBJECT: EVERGREEN BALLOT INITIATIVE
DATE: October 13, 2017

Approved

Don Rocha
PH

Date

10-13-17

RECOMMENDATION

That in addition to the items proposed for study by Mayor Liccardo and Councilmember Arenas, the City Council also provide the following direction:

1. When analyzing the issues put forward in my colleagues' memo, staff should, where appropriate, attempt to compare the effects of the proposed ballot initiative with potential industrial development scenarios that could be built on the site under the current General Plan designation. At the very least, staff should consider an industrial development scenario that builds to the maximum capacity allowed under the current General Plan. Staff should also conduct an analysis of what kinds of industrial development, potentially at lesser densities than maximum build-out, would be economically viable in the real world, and conduct a comparative analysis for development types that staff believes may be viable.
2. In addition to analyzing "traffic congestion" as outlined in item 7 of my colleagues' memo, staff should also analyze the Vehicle Miles Traveled (VMT) generated by the proposed initiative and by any industrial development scenarios that are analyzed.
3. In addition to analyzing "the availability and location of housing and the ability of the city to meet its regional housing needs," staff should also analyze the new housing demand, both market-rate and affordable, that would be induced by the proposed initiative and by any industrial development scenarios that are analyzed.
4. In the interest of providing the Council with contextual information, staff should provide information about the amount of industrial development capacity currently available in San Jose. In particular, it would be useful to have information about both the New Edenvale and Old Edenvale growth areas, which are relatively near the Evergreen site. Staff should provide information on the amount of industrial development built, amount of development entitled and the amount of unused development capacity still available in both of the Edenvale growth areas.

ANALYSIS

I'm grateful to the Mayor and Councilmember Arenas for bringing forward their proposal to study the proposed Evergreen ballot initiative. I'm a big believer that analysis from our professional staff is critical to understanding consequential land use issues.

I'm supportive of studying all the issues outlined in my colleagues' memo. With this memo I'm proposing a few additional items for study. First, I think that the analysis proposed by my colleagues would be most useful if it compared an industrial development scenario with the proposed initiative. A comparative analysis would allow us to understand the economic, housing, traffic and environmental tradeoffs between the two different types of development. It may have been my colleagues' intent to ask for a comparison, but I wanted to raise the issue just to confirm my understanding.

The difficulty with a comparative analysis is that no industrial project has been proposed, so it's difficult to know what to study. The current General Plan allocates capacity for 10,000 jobs over the entire 368 acre Evergreen Campus Industrial Area. A rough calculation would suggest that the 200 acre site subject to the ballot initiative would have a maximum capacity of around 5400 jobs, assuming development is evenly spread across the entire growth area. (This is of course a rough guess—I would rely on staff for a final determination of what the maximum development capacity for the site would be.) I think it would make sense to analyze the maximum industrial development capacity of the site as a point of reference. It's very likely, however, that the maximum build-out of the site would not be economically viable in the real world, so it would also be useful for staff to assess whether there are any industrial uses that might be viable on the site, and analyze those as well.

Second, I propose that we analyze VMT in addition to traffic congestion. As we've recently discussed, VMT is a useful measure of traffic and environmental impacts. Third, I propose that we analyze the additional demand for housing that would be generated by both the proposed initiative and any industrial scenarios we evaluate. From our past discussion of impact fees, we know that both market-rate residential development and commercial and industrial development induce demand for additional housing. Again, it may have been my colleagues' intent that these issues be studied, but I wanted to confirm that was the case.

Finally, I think it would be useful to have context as to how much industrial development capacity is available in San Jose, and in particular how much is available in Edenvale. Edenvale is relatively close to the Evergreen site and makes for a good point of comparison in my opinion.

I appreciate that we are giving staff quite a bit of work on this issue, but I would like to request that, if possible, staff try to get the analysis back to us before the ballot measure proponents submit signatures and lock in their proposal. The Council may recall that when signatures were being collected for an initiative that would have established a new business tax in San Jose, Councilmember Peralez and I put out a memo suggesting that we have staff conduct analysis of the issue and attempt to find a compromise position that would avoid a contested ballot measure. We succeeded in that effort and developed a compromise measure that passed at the ballot last November. I have no idea whether a compromise is either possible or desirable in this case, but if the analysis returns quickly enough we might have the opportunity to consider that option.