



Memorandum

**To: RULES AND OPEN
GOVERNMENT COMMITTEE**

From: Mayor Sam Liccardo
Vice Mayor Magdalena Carrasco
Councilmember Raul Peralez
Councilmember Lan Diep

**Subject: BERRYESSA URBAN
VILLAGE**

Date: October 17, 2018

Approved:

RECOMMENDATION

Direct staff to consider the following as the Berryessa Urban Village planning process begins:

1. Explore expanding the boundaries of the Berryessa Urban Village and reconsidering land use designations to better capture additional opportunities for employment—particularly for office and research & development along Mabury and Berryessa Roads.
2. Study ways to preserve the remaining industrial properties that may be included within the Urban Village, while allowing additional commercial capacity.

BACKGROUND

The planning process will soon begin on this important transit-oriented Urban Village with the first community workshop scheduled on November 15th. The Berryessa BART Station, scheduled to open by December 2019, will become one of the new transit gateways to San José and the first rail connection of the Bay Area's largest city to the BART system.

Our taxpayers are investing more than \$2.3 billion to bring BART to Berryessa Station.

Maximizing this investment to mitigate future congestion and reduce future greenhouse gas emissions require ensuring that we have land uses that support the transit. We have ample evidence from a \$2 billion light rail system that failing to build dense, transit-supporting development near transit systems will leave us with empty trains and poor farebox return.

Although a proposed rezoning on the 60.7-acre Flea Market property calls for allowing up to 3,450 housing units and up to 3.4 million square feet for commercial uses, there is considerable skepticism about whether the market will support an isolated development of 3.4 million square feet of high-rise office and R&D development amid blocks of largely industrial uses, such as RV lots, recycling sites, and storage.

Of greater concern, transit ridership critically depends upon density, and many of those sprawling industrial uses have relatively few employees that will need transportation. The one security guard

working at the RV storage lot may well choose to use BART, but the same site could provide employment opportunities for thousands of people, proximate to a BART station and a freeway exit. That freeway interchange at Mabury and 101 provides additional impetus for us to reconsider the density of land uses in the area. A critically-needed interchange will almost certainly cost more than \$100 million, and funding that project depends upon development fees generated by development activity in the area. Moreover, we can expect that there will be amenities sought by the community through this planning process, and enabling greater development capacity will ensure our ability to pay for those resident-serving amenities.

An initial analysis of the boundaries of the Berryessa Urban Village shows that there are some sites surrounding the current boundary that would benefit from inclusion. While increasing the commercial capacity of the area, this redevelopment could also help to better position the area as an attractive gateway to the City.

Currently, there are many light and heavy industrial uses on the sites surrounding the Urban Village. While we should carefully adhere to our Envision 2040 General Plan goal of preserving employment lands, we should do so in the context of modern changes in industry and workforce. We would also do well to explore examples in other cities, such as the Brooklyn Yards in New York and several sites in San Francisco that provide examples of creative means of integrating new commercial development within industrial sites.