

EDENVALE AREA DEVELOPMENT POLICY

The following Area Development Policy supercedes the policy adopted in June 2005.

Purpose

The City of San Jose has adopted an Area Development Policy for the Edenvale Redevelopment Area in conformance with the provisions of General Plan Level of Service Policy #5. The primary reasons for adoption of this Area Development Policy are to manage the traffic congestion associated with near term development in the Edenvale Redevelopment Area, promote General Plan goals for economic development and particularly high technology driving industries, encourage a citywide reverse commute to jobs at southerly locations in San Jose, and provide for transit-oriented, mixed-use residential and commercial development to increase internalization of automobile trips and promote transit ridership.

In addition to build-out of the industrial square footage in the New Edenvale Redevelopment area, this policy specifically provides for the development of the underutilized 18-acre IBM site on the northeast corner of Poughkeepsie and Cottle Roads with approximately 222,000 square feet of commercial uses, development of up to 450,000 square feet of commercial uses and up to 1.0 million square feet of industrial square footage on the iStar site, and for the build-out of the Hitachi campus mixed-use project of approximately 332 acres with up to 2930 attached dwelling units, and 460,000 square feet of commercial while maintaining up to 3.6 million square feet of industrial R&D/office space (Area 5).

This Area Development Policy allows ongoing industrial development in the Redevelopment Area, and provides for new mixed-use, commercial and residential development with associated park and recreational uses. Key provisions of the policy are to:

- Ensure the construction of major gateway infrastructure facilities through a cooperation agreement between the City and the Redevelopment Agency
- Allocate the development potential created by the proposed infrastructure improvements and link these allocations to milestone activities
- Define the maximum industrial building floor area ratio (FAR) allowable in parts of New Edenvale to achieve the development potential
- Allow the Level of Service of signalized intersections in the area to temporarily exceed the Citywide LOS standards
- Describe the major transportation infrastructure required and the steps needed to develop both the infrastructure and the remaining vacant and underutilized properties

This policy allows interim congestion at intersections in the area to temporarily exceed the LOS standards of the citywide LOS Policy. However, the conditions of the transportation system will be returned to a level that is better than or equivalent to background conditions once all mitigation is constructed.

Applicability and Implementation of this Policy

This Area Development Policy addresses development anticipated in Edenvale on both sides of U.S. Highway 101 in the next 5-10 year period. On the east side of U.S.101 is that portion of the Edenvale Redevelopment Area known as New Edenvale. For the purposes of this discussion, New Edenvale is divided into three subareas, which are illustrated on Attachment A. The total amount of additional development allowed to occur in this area is 5.494 million square feet of additional industrial floor space from the date of the Policy's original approval. In order to allocate this square footage potential across the entire area, the policy includes a base maximum floor area ratio (FAR) of 0.35 for development in Area 1, and 0.40 for Areas 3 and 4.

The 5 million square feet originally envisioned includes provision for a small "pool" of transferable square footage that would be reserved to provide some flexibility for existing users or secured tenants who have been ongoing contributors to the area's transportation improvements. A secured tenant is defined as a business entity or individual that has signed a lease for building space. The maximum base building area allocation for each parcel in New Edenvale is shown on Attachment B. These are the maximum amounts of development that may occur on each parcel exclusive of any additional allocation from the pool. Allocation of additional square footage from this pool is solely at the discretion of the Director of Planning. The actual building area allocations (project FARs) are established at the time of approval of a development permit.

Transferred development potential

With the 2006 approval of the iStar development proposal, 494,000 square feet of potential industrial development previously entitled on the site in Old Edenvale on the west side of U.S. 101 was allowed to be "transferred" to the east side of U.S. 101 to be available to increase the FAR possible for future development on individual sites in Areas 1 and 3. The transportation analysis prepared to address this square footage transfer indicated that an additional improvement to add a lane would be needed on the southbound off-ramp at Route 85/Bernal Road. The Redevelopment Agency has committed to contribute to the design, with the cost of the improvement (estimated to be approximately \$1,000,000) to be borne proportionally by a square footage fee for allocation of up to 494,000 square feet of industrial development at the time of approval of a development permit.

To the southwest side of U.S. 101 is the remainder of the Edenvale Redevelopment Area commonly known as Old Edenvale, with the primarily R&D industrial/office area shown as Area 2. Within this broader Redevelopment Area, and to the north of State Route 85, mixed-use residential and commercial development is proposed to occur in addition to existing entitlements of industrial development on the Hitachi campus plus the residual portion of the IBM campus, approximately 350 acres delineated as Area 5. Development in Area 5 will be in accordance with conditions and phasing identified in approved zoning and development permits, up to a

maximum of 3.6 million square feet of R&D industrial/office, 682,000 square feet of commercial uses, and 2930 attached dwelling units.

Required Infrastructure

An infrastructure improvement plan has been formulated, based on specific levels of development on all of the properties in New Edenvale considered ready for development at this time, and accounting for additional commercial and residential development to occur in Old Edenvale. Three major regional transportation projects have been identified as necessary to provide adequate access into New Edenvale:

- Widening the Silicon Valley Boulevard Bridge over Coyote Creek
- Improving the interchange at U.S. 101 and Hellyer Avenue
- Improving the interchange at U.S. 101 and Blossom Hill Road/Silver Creek Valley Road

The Redevelopment Agency has funded the design and construction of the Silicon Valley Boulevard Bridge which is currently in operation. An extension of Hellyer Avenue and related improvements in Area 3 were financed by an improvement district formed by the property owners in Area 3 and those improvements are currently in operation. As of June 2005, the design work for the U.S. 101/Hellyer Avenue and U.S. 101/Blossom Hill Road/Silver Creek Valley Road interchanges has been funded by the Redevelopment Agency, with the drawings at the 65% design phase.

Local improvements to the street system on the east side of U.S. 101, as listed on Attachment C, will be required to accommodate traffic from build out of the 5 million square-feet. Those improvements have been allocated to Areas 1, 3 and 4 according to the amount of development they are required to serve and their importance to the overall traffic level of service in the area. The entire local improvement mitigation package is being constructed by private developers concurrent with the development of the Edenvale Area. The local improvements are shown in Attachment C.

Two major regional transportation projects are necessary to provide adequate access for mixed use and residential development on the southwest side of U.S.101 within Area 5.

- Constructing a loop ramp from northbound Cottle Road to northbound State Route 85
- Improving the interchange at Great Oaks Boulevard and State Route 85

These projects will be funded by the developers of the mixed use, residential and commercial development within Area 5. In addition, traffic mitigation improvements to the Blossom Hill/U.S.101/Silver Creek Valley Road interchange to provide required capacity for new residential and commercial trips from approved development in Area 5 will also be funded by the project developers.

Local area improvements to the street system on the southwest side of U.S.101 will also be

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required to accommodate the addition of commercial square footage and residential development to the existing entitlements for industrial R&D square footage. These improvements must be constructed by private developers in conformance with the build out of approved zonings and development permits, including phasing if applicable. These local area improvements are shown in Attachment D.

Schedule for Implementation

This Policy requires specific infrastructure improvements be constructed at specific levels of development, and describes how and when the infrastructure will be constructed. The policy will allow the Level of Service of some nearby intersections to deteriorate to levels in excess of the City's Transportation Level of Service Policy for a temporary period of time. The length of time traffic will operate below the standards of the citywide policy will depend on the rate at which the industrial projects are developed, and the timing required for regional infrastructure improvements to be designed and constructed.

The improvements that would be necessary to support this level of development include infrastructure funded by the City and/or its Redevelopment Agency, local improvements paid for by private developers, and area improvements financed through improvement districts. While some of the local area improvements will be conditions of approval of specific developments and therefore must proceed with the developments themselves, major infrastructure components involving multiple regional agencies could be delayed through a number of causes. Building permits will only be issued for the cumulative amount of development indicated when specific actions are taken by public agencies, as shown:

Allowed Development Action	Required Action
Industrial	
Approval of development permits for up to 5.0 million sq ft of additional industrial/R&D uses in New Edenvale	City Council approval of this policy and the Redevelopment Agency's formal commitment to fund the Silicon Valley Boulevard Bridge, interchange improvements at Route 101/Hellyer Avenue and Route 101/Blossom Hill/Silver Creek Valley Road and award of a construction contract for the Silicon Valley Boulevard Bridge (Phase II). The latter is operational.
Approval of development permits for up to 5.494 million sq ft of additional industrial/R&D uses in New Edenvale	Redevelopment Agency's formal commitment to contribute to the design, and award of a construction contract to construct improvement to the Route 85/Bernal southbound offramp
Approval of development permits for more than	Completion of a new area-wide traffic study that analyzes full industrial build-out, the construction of all related gateway

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5.494 million of additional sq ft of industrial/R&D uses in New Edenvale	infrastructure and the improvement to Route 85/Bernal southbound offramp, and shows additional traffic capacity is available for additional development permits to be issued.
Commercial	
Approval of development permits for up to 1,132,000sq ft of commercial in Area 5	City Council approval of this policy
Prior to approval of development permits for more than 1,132,000 sq ft of commercial in Area 5	Completion of the SR 85/Cottle Road loop ramp Completion of SR 85/Great Oaks off-ramp improvements
Residential	
Prior to issuance of first Development permit	Signed agreement with City for SR 85/Cottle Road loop ramp Signed agreement with City for SR 85/Great Oaks off-ramp improvements (if necessary)
Prior to building permits for more than 500 units	Approved Project Study Report for SR 85/Cottle Road loop ramp Approved Project Study Report (or equivalent) for SR 85/Great Oaks off-ramp improvements
Prior to building permits for more than 1000 units	Completed Environmental Analysis for SR 85/Cottle Road loop ramp Completed Environmental Analysis for SR 85/Great Oaks off-ramp improvements
Prior to building permits for more than 1500 units	Complete plans and specifications for SR85/Cottle Rd loop ramp Complete plans and specifications/Encroachment permit for SR85/Great Oaks off-ramp improvements
Prior to building permits for more than 2000 units	Commence construction of the SR85/Cottle Rd loop ramp Commence construction of the SR 85/Great Oaks off-ramp improvements
Prior to building permits for more than 2930 units	Complete construction of the SR85/Cottle Rd loop ramp Complete construction of the SR 85/Great Oaks off-ramp improvements

At a point in time when interest is high for development in the Edenvale Redevelopment Area, implementation of this Area Development Policy allows development to occur in a reasonably paced fashion and at appropriate levels of intensity, while managing associated traffic congestion.

Other Uses in Industrial areas

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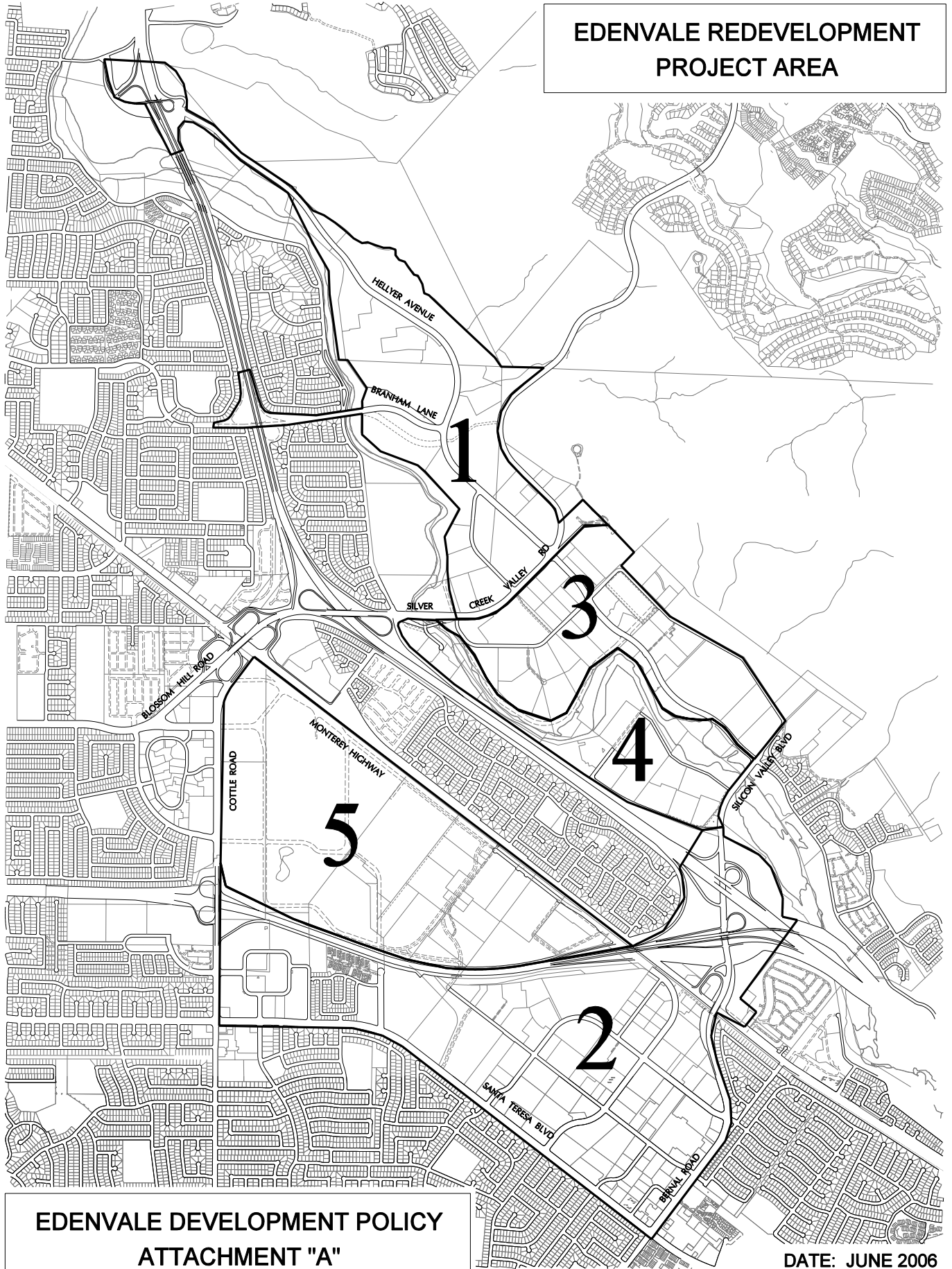
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New Edenvale industrial area east of U.S.101 (Areas 1,3 and 4): Uses other than industrial park/R&D/office can be approved under the City's Zoning Code, including "interim uses," providing that a traffic analysis performed for the proposed project determines that the number and distribution of automobile trips associated with the new use would not exceed the trips associated with the type and level of development allocated to the site under this Policy.

Old Edenvale (Area 2): Uses other than industrial park/R&D/office can be approved under the City's Zoning Code, including "interim uses," providing that a traffic analysis performed for the proposed project determines that the number and distribution of automobile trips associated with the new use would not exceed those of the existing approved use on the site. Uses for which a traffic analysis shows additional trips or a redistribution of trips, or intensification/expansion of the industrial use on the site which would increase automobile trips, can be approved under the Citywide LOS Policy.

Mixed-Use Development Area (Area 5): Uses in Area 5 shall be in accordance with approved zonings and development permits.

**EDENVALE REDEVELOPMENT
PROJECT AREA**



**EDENVALE DEVELOPMENT POLICY
ATTACHMENT "A"**

DATE: JUNE 2006