

*City of San Jose*

## ***Coyote Valley Specific Plan***

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### **Summary of Task Force Meeting On January 10, 2005 151 West Mission Street, Room 202 A and B**

#### **Task Force Members Present:**

Mayor Ron Gonzales (co-chair), Councilmember Forrest Williams (co-chair), Supervisor Don Gage, Chuck Butters, Eric Carruthers, Jim Cunneen, Helen Chapman, Russ Danielson, Craig Edgerton, Phaedra Ellis-Lamkins, Dan Hancock, Doreen Morgan, Christopher Platten, Ken Saso, Steve Schott Jr. and Steve Speno.

#### **Task Force Members Absent:**

Gladwyn D'Souza, Neil Struthers, and Terry Watt.

#### **Technical Advisory Committee (TAC) Members Present:**

Michele Beasley (Greenbelt Alliance), David Bischoff (Consultant for the City of Morgan Hill), Beverly Bryant (Home Builders Association of Northern California), Tedd Faraone (Coyote Valley Alliance for Smart Planning), Mike Griffis (SCC Roads & Airports), Jane Mark (SCC Parks & Recreation), Mary Hughes (SV Habitat for Humanity), Dunia Noel (LAFCO), Pat Sausedo (NAIOP), and Kerry Williams (Coyote Housing Group).

#### **City and other Public Agencies Staff Present:**

Rachael Gibson (Office of Supervisor Don Gage), Emily Moody (Council District 2), Keith Stamps (Council District 2), John Mills (Council District 6), Ana Maria Rosato (Council District 10), Laurel Prevetti (PBCE), Salifu Yakubu (PBCE), Susan Walsh (PBCE), Darryl Boyd (PBCE), Mike Mena (PBCE), Sylvia Do (PBCE), Perihan Ozdemir (PBCE), Regina Mancera (PBCE), Gerry De Guzman (Public Works), Luke Vong (DOT), and Rebecca Flores (Housing).

## **Consultants:**

Doug Dahlin (Dahlin Group), Roger Shanks (Dahlin Group), Jack Hsu (Dahlin Group), Ken Kay (KenKay Associates), Jim Musbach (Economic & Planning Systems), Jim Thompson (HMH Engineers), Tom Armstrong (HMH Engineering), and Eileen Goodwin (Apex Strategies).

## **Community Members Present:**

Mayor Dennis Kennedy, Jerry Amaro, Richard Barbari, Dawn Cameron, Roger Costa, Consuelo Crosby, Jo Crosby, Gerry De Guzman, Gail DeSmet, Gary DeSmet, Richard DeSmet, Marty Estrada, Jack Faraone, Art Gonzales, George Gonzales, Bob Groff, Virginia Holtz, Irene Hsu, Kaneen, Rick Linqvist, Josh LoBue, Vic LoBue, Christ Marchese, Vernon Medicine Cloud, Bill Miller, Eric Morley, Tim Muller, Brenda McHenry, Ashley Neufeld, Patti O'Connell, Wayne O'Connell, Rob Oneto, Greg Pansetta, Don Piazza, Kirsten Powell, Paul Quijada, Peter Raap, Dorine Ravizza, Michael Ravizza, Janice Rombeck, Annie Saso, Pauline Seebach, Jeff Shroeder, Pete Silva, Sharon Simonson, and Don Weden.

### **1. Welcome:**

The meeting convened at 5:30 p.m. with co-chair Forrest Williams welcoming everyone in attendance to the 28<sup>th</sup> Coyote Valley Specific Plan (CVSP) Task Force meeting.

### **2. Acceptance of December 13, 2004 Task Force Meeting Summary:**

Co-chair Forrest Williams called for a motion to accept the meeting summary for the December 13, 2004 Task Force meeting. The motion passed unanimously.

### **3. Discussion of CVSP Infrastructure Costs**

Laurel Prevetti, Deputy Director of the Planning, Building and Code Enforcement Department, welcomed everyone to the Task Force meeting. She explained that the purpose of the meeting was to discuss CVSP infrastructure costs, funding principles and financial feasibility. Laurel also noted that the Task Force would consider accepting the proposed land use concepts towards the end of the meeting.

Jim Thompson, with HMH Engineers, presented the CVSP infrastructure costs. He described the existing conditions of hydrology and flood control, and explained the objective of floodplain management. Jim indicated that the California Regional Water Quality Control Board has strengthened their C-3 requirements for improving water quality and water quantity for

stormwater controls in new and redevelopment projects. He explained how the CVSP resolves floodplain and the C-3 issues. Jim indicated that the probable infrastructure construction cost is \$911,328,000. With \$152,434,000 in potential funding from outside sources, the estimated CVSP construction cost is \$758,894,000. Jim explained that since this is still a conceptual plan, preliminary estimates might change. Discussion and comments on this item are combined with the next item.

#### **4. Discussion of CVSP Financing Principles and Financial Feasibility**

Jim Musbach, with Economic and Planning Systems (EPS), discussed the financing principles and financial feasibility. He explained how landowners would be compensated for their “fair share” of land dedication. Jim discussed infrastructure financing issues, preliminary cost allocation, feasibility test, preliminary feasibility measures and next steps. The estimated total infrastructure cost is \$1,668,251,000 and the estimated project-funded infrastructure cost is \$1,496,000,000. He concluded that these cost estimates indicate that the CVSP plan is financially feasible.

Co-chair Williams asked for comments on Agenda Items 3 and 4 and the following were provided from the Task Force:

- Does the CVSP include South Almaden? *Laurel responded in the negative.*
- How does cost change over time factor into the financing plan? *Jim Thompson indicated that all costs are present value dollars. An economic analysis of future values would be done when work is done on the phasing plan.*
- Do public infrastructure costs include financing for a health care facility? *Jim Musbach responded in the negative. He indicated that public infrastructure costs include financing for typical city services such as libraries, fire stations and a community police facility.*
- Can the market support a cost of \$850,000 per residential acre? *Jim Musbach responded in the affirmative and indicated that the cost was based on conservative estimates.*
- Would homebuilders realistically choose to invest in Coyote Valley based on \$850,000 per acre? *Dan Hancock explained that the answer to this question is not simple because it depends on timing, support, etc. If Coyote Valley were owned by a single entity, then \$850,000 per acre could be realistic for forward-looking large developers.*
- Recommend including County costs in the infrastructure cost estimates.
- Concern regarding the future financial assessment of the Plan.
- Indication that costs will change, but that you have to start somewhere.
- Indication that the Plan would create value as it evolves.
- Indication that this is a “fully loaded” project and not much more costs could be added to the developers.
- Indication that upfront infrastructure costs are key to phasing.
- In Table 1, where did the 171 acres of existing public land come from? *Jim Musbach indicated that the 3,613 total acres does not include the 171 acres of existing public land.*

- What do the 3:1 and 4:1 ratios in Table 4 represent? *Jim Musbach indicated that City policy requires a 4:1 lean to value ratio for bond issuance. The City requires four times the actual cost to underwrite financial funding for bonds. The 3:1 ratio is what is typically required, and is included in Table 4 as a general measure of project feasibility.*
- How would the Plan adjust if the unit cost per square footage for commercial were higher than residential? *Jim Musbach explained that costs could be adjusted over time depending on market changes, etc. If the commercial market recovers, it could support higher land value.*
- Does the \$55,000 per residential unit sustain affordable housing? *Jim Musbach indicated that \$55,000 is just an average cost per residential unit. Affordable housing would be subsidized. The affordable housing strategy for the plan will be discussed in the spring.*
- Indication that phased implementation allows maximizing bond capacity.
- Indication that commercial and industrial land uses have different infrastructure costs since they do not pay for schools, community centers, libraries, etc.
- Recommend consulting with bond underwriters and councils.

Co-chair Williams asked for comments from the public on these items and the following were provided:

- Brenda McHenry, with the League of Women Voters, asked if the Task Force considered the negative impacts of the CVSP to the City as a whole.
- Richard DeSmet, with the Coyote Valley Alliance for Smart Planning, questioned why the lake is proposed in planning area A when planning areas G and J are already like swamps. He indicated that the \$15 million cost for Greenbelt acquisition only represents 1% of the \$1.5 billion total estimated cost for project-funded infrastructure costs. Richard said that this figure is a consequence of leaving the Greenbelt out of the planning process.
- Michele Beasley, with the Greenbelt Alliance, suggested that the Greenbelt should be focused on promoting agriculture and conservation. A variety of funding sources should be created to permanently protect the Greenbelt as much as possible. She indicated that LAFCO's mitigation policies should not be ignored because it is one way of ensuring that the Greenbelt is protected. Michele also suggested that the City should take a slower approach with Coyote Valley and recommended developing in North San Jose where infrastructure currently exists.
- Wayne O'Connell recommended a line item in infrastructure cost for structured parking. He noted that structured parking is important since Coyote Valley is planned as a pedestrian-friendly community.
- Jerry Amaro, with Victory Outreach Church (VOC), said that he would like to see the 62.6% for private land use in Table 1 broken down into specific land uses. He wants answers from the City and County regarding the Greenbelt.

- Paul Quijada, with VOC, stated that he wants answers to his questions about the Greenbelt. He would like to know what the land uses for the Greenbelt are.
- Marty Estrada, with VOC, indicated that the City excludes the concerns of Greenbelt property owners. He has not received any answers regarding the Greenbelt since the December 9, 2004 community meeting. *Supervisor Don Gage indicated that he scheduled a meeting with the Greenbelt property owners in late December, but it got cancelled. He will reschedule the meeting.*

## **5. Confirmation of Design Principles and CVSP Land Use Distribution**

Laurel went over the second CVSP Progress Report the City Council will review on Tuesday, January 25, 2005. She indicated that the City Council acceptance of the Land Use Concept would initiate the preparation of future analysis associated with the CVSP.

The Task Force provided the following comments:

- What does the Task Force need to do? *Laurel explained that the Task Force would consider the acceptance of the CVSP Land Use Concept so that the second Progress Report could be presented to the City Council.*
- What does “sustainability” mean? *Laurel defined “sustainability” as using water efficiently, conserving natural resources, using green building principles, etc. She indicated that zoning and design guidelines would incorporate sustainable elements.*
- Indication that the CVSP seems more realistic after reviewing the Plan’s financial feasibility.
- Optimistic about the Plan and pleased that the financing is feasible.
- Will support the plan as long as we keep working with the Morgan Hill Unified School District. Still concerned about school safety, enrollment size and school acreage.
- Indication that the time is now to plan for Coyote as well as North San Jose and Downtown. Future employees need choices.
- Recommend preserving flexibility in the plan to preserve and enhance parks and trails.
- Indication that the County is working on a Master Plan for existing parks and trails systems. Recommend that the City and County Parks and Recreation work together.
- Concern regarding phasing and equity in areas east of Monterey Highway.
- Comment that the consultants and staff have done a good job.
- Pleased to see that there is a line item for the Greenbelt land acquisition in the financing plan.
- Concerned that the \$15 million for Greenbelt land acquisition is a small figure for preserving the area.
- Indication that the CVSP would create quality. Does not want “another Calpine or IBM” that the City would have to plan around.
- Indication that infrastructure costs can still be adjusted later.
- Recommend being mindful of existing properties.

- Indication that the CVSP is on the way towards creating a world-class community.
- Recommend the City Council to endorse the Land Use Concept.

Co-chair Williams asked for comments from the public and the following were provided:

- Beth Wyman, with Friends of the Coyote Valley Greenbelt (FROG), urged that the CVSP include a mitigation fund for strategic land acquisition in the Greenbelt. She indicated that a dedicated fund benefits property owners who wish to farm, those who wish to sell, and future residents and businesses. Funding is necessary in assuring a permanent Greenbelt.
- Dennis Figueroa recommended creating a protocol to explain how outside investors can get involved in the Plan
- Kirsten Powell, with the MHUSD, indicated the size of the proposed school sites do not meet state standards. She recommended that the City and MHUSD work together regarding the joint-use agreements of playfields. *Mayor Gonzales indicated that he would follow-up with MHUSD about state standards for the size of school sites.*
- Jo Crosby indicated that the Alviso sewage treatment plant and the Santa Clara Valley Water District (SCVWD) could not accommodate 50,000 more residents in planning areas A through L. He recommended looking at Coyote Valley with a regional perspective. Jo also indicated that the Plan is not feasible without the Greenbelt and yet it only receives 1% of the total funding. He said that agriculture is not viable in the Greenbelt and suggested that the City create a more realistic Plan.
- Consuelo Crosby indicated that there has not been anything on the Greenbelt since the December 13, 2004 Task Force meeting. She explained that Eric Carruthers was the only Task Force member willing to solve problems associated with the Greenbelt.

Eric Carruthers made a motion to accept the CVSP design principles and land use distribution with a recommendation that the plan remain flexible to adjustment in response to refined costs or other information. Jim Cunneen seconded the motion. The Task Force passed the motion unanimously.

Staff will present a Progress Report to the City Council on January 25, 2005, and Mayor Gonzales encouraged the Task Force to attend the City Council meeting.

## **6. Public Comments**

Mayor Gonzales asked for comments from the public and the following were provided:

- Richard DeSmet indicated that since the Task Force voted in favor of the CVSP Land Use Concept, they would be responsible for the Greenbelt. He explained that Greenbelt property owners are unhappy with the CVSP at all community meetings and that most Task Force members did not attend these meetings. He requested that staff tell the City Council that the Greenbelt property owners are 100% against the Plan.

## **7. Adjourn**

The meeting was adjourned at approximately 7:00 p.m. The next Task Force meeting will take place on February 7, 2005.

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