



# City of Morgan Hill

## Legislation Details (With Text)

**File #:** 15-537      **Version:** 1      **Name:**  
**Type:** Staff Report      **Status:** Second Reading  
**File created:** 8/20/2015      **In control:** City Council  
**On agenda:** 9/2/2015      **Final action:** 9/2/2015  
**Title:** ZA-15-12: BUTTERFIELD-MWEST: A ZONING AMENDMENT APPLICATION REQUESTING APPROVAL TO REZONE THE PROPERTY FROM AN INDUSTRIAL PLANNED UNIT DEVELOPMENT TO THE R-3 MEDIUM DENSITY RESIDENTIAL DISTRICT TO SUPPORT THE FUTURE DEVELOPMENT OF MULTI-FAMILY RESIDENTIAL UNITS. THE PROJECT SITE, IDENTIFIED BY ASSESSOR PARCEL NUMBERS 726-25-061; -066, -067, -078, AND -079 ARE LOCATED ON THE SOUTHEAST CORNER OF THE INTERSECTION OF JARVIS DRIVE AND MONTEREY HIGHWAY; MWEST PROPCO XXIII, LLC; S.Z. AND MARY A. JAFRI, OWNERS. CEQA: AN ENVIRONMENTAL IMPACT REPORT (EIR) HAS BEEN PREVIOUSLY PREPARED.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. ZA-15-12\_PC\_StaffReport, 2. Applicant GPA Presentation, 3. MWest Proposal Letter, 4. Illustrative Land Use Plan, 5. MWest\_Letter\_5-1-2015, 6. ZA-15-12\_Ordinance, 7. Rezoning Parcel-Legal Descip, 8. 28 Supplement 1, 9. 28 Staff Presentation

Date	Ver.	Action By	Action	Result
9/2/2015	1	City Council	extended	Pass
9/2/2015	1	City Council	waived reading of the Ordinance	Pass
9/2/2015	1	City Council	introduced	Pass

## CITY COUNCIL STAFF REPORT MEETING DATE: SEPTEMBER 2, 2015

PREPARED BY: Andrew Crabtree, Director/Community Development

APPROVED BY: City Manager

**ZA-15-12: BUTTERFIELD-MWEST: A ZONING AMENDMENT APPLICATION REQUESTING APPROVAL TO REZONE THE PROPERTY FROM AN INDUSTRIAL PLANNED UNIT DEVELOPMENT TO THE R-3 MEDIUM DENSITY RESIDENTIAL DISTRICT TO SUPPORT THE FUTURE DEVELOPMENT OF MULTI-FAMILY RESIDENTIAL UNITS. THE PROJECT SITE, IDENTIFIED BY ASSESSOR PARCEL NUMBERS 726-25-061; -066, -067, -078, AND -079 ARE LOCATED ON THE SOUTHEAST CORNER OF THE INTERSECTION OF JARVIS DRIVE AND MONTEREY HIGHWAY; MWEST PROPCO XXIII, LLC; S.Z. AND MARY A. JAFRI, OWNERS. CEQA: AN ENVIRONMENTAL IMPACT REPORT (EIR) HAS BEEN PREVIOUSLY PREPARED.**

## RECOMMENDATION(S)

1. Open/Close Public Hearing;
2. Waive the first and second reading of the Zoning Amendment Ordinance for ZA-15-12; and
3. Introduce Zoning Amendment Ordinance.
4. Confirm “master plan” (concept plan) goal

## **COUNCIL PRIORITIES, GOALS & STRATEGIES:**

### **Ongoing Priorities**

Maintaining fiscal responsibility

### **2015 Focus Areas**

Stimulate Economic Development

#### **REPORT NARRATIVE:**

As discussed in the attached July 28, 2015 Planning Commission Staff Report, the proposed Zoning Amendment from Industrial Planned Unit Development to the R-3 Medium Density Residential Zoning District would conform to the City's General Plan and the Zoning Ordinance.

A General Plan Amendment (File No. GPA-14-04) was approved (City Council Resolution 15-102) for the subject property on May 6, 2015, changing the designation of approximately 19.5 acres from Industrial to Multi-Family Medium. Approval of the proposed rezoning would bring the Zoning designation for the site into conformance with the site's Multi-Family Medium General Plan Land Use designation and allow the applicant to compete in the upcoming Residential Development Control System (RDCS) competition.

At the Planning Commission hearing, the Commission discussed the City Council's direction that, subsequent to the approval of the General Plan Amendment for the subject site, the applicant should work with the Planning Commission to develop a Master Plan for the entire site that addresses the amount of housing units and the parameters (including timeline) for development of the industrial portion of the site. The Commission discussed the timing of the request, intended to allow the project to compete in the upcoming (2015) RDCS process and concluded that it would be premature to approve the rezoning and allow the project to compete in the RDCS prior to completion of the master planning process directed by the City Council.

The Planning Commission recommended that the City Council not approve the Zoning Amendment until completion of the Master Plan process.

### **Master Plan / Concept Plan**

The framework for the master planning process for the site was established with Council's approval of the General Plan Amendment (GPA-14-04), which defined the area that will become residential and the areas that remain industrial.

As further described in the attached Planning Commission Staff Report, the Council indicated that the Master Plan process should:

- Include a dialogue with the Business Park and residential neighbors;
- Address various commitments made by the applicant; and
- Be completed prior to November 2015

Staff requests Council confirmation that the primary goal is to develop a plan that establishes how the

residential and industrial components of the project can be developed in a well-integrated manner and how the project as whole can be designed to adequately address interface concerns with surrounding residential and industrial uses. Both Staff and MWest believe that the plan needs to be flexible enough to allow for changing market conditions and to capitalize on opportunities for the long-term viability of the entire site.

*Industrial Development Agreement:*

City staff and MWest representatives have been drafting and discussing a concept plan, and on a parallel track are negotiating and drafting an industrial land development agreement and conceptual project site plan for Planning Commission and City Council consideration. It is the intent of the development agreement to memorialize the commitments made by MWest at the May Council meeting and in its April 7 and May 1, 2015 letters (attached, and outlined below) and provide for specific milestones that keep industrial and residential portions of the project moving at a coordinated pace.

Commitments from MWest written correspondence and presentations to City Council and Planning Commission:

IND US TRI AL		
	Description	Item # In Letter
	Submittal of PD Zoning, Development of 600,000 SF industrial park (six lots)	Item I
I	Business Ready Investment: Industrial	Item II
	Engage a qualified and motivated developer to update	Item VI
	Actively market 38.5 industrial acreage with outreach plan	Item VII
	Comprehensively study detention pond at site	Item VIII
	Establish a process of entitlement for industrial	Item IX. a
	Request to establish a suitable industrial Community Facilities District for Butterfield Road as well as the internal access roads	Item IX. b
	Construction of interior roads to support industrial	Item IX. c
	May assist with the conversion of industrial park/recreation use	Item IX.d
	Funding and construction of 700 parking spaces	Item IX.e
	Appropriate transitions and buffers between industrial and residential	Item IX. f
	Bicycle and pedestrian connections between neighborhood and industrial , including Butterfield Blvd.	Item IX. g

	Develop a Transportation Demand Management program to encourage use of public means of transportation and reduce vehicle trips.	Item IX. h
	Seek to establish a bus stop on the proposed route.	Item IX. i
	Explore feasibility of a incorporating transit into the development.	Item IX. j
<b>RE SID EN TIA L</b>		
I I .	Process entitlements (PD Zoned) for up to 5 acres of apartments and up to 5 acres of commercial.	Item III
I I I .	Comprehensively study detention pond site.	Item VIII
I V .	Establish a process of entitlement for future development.	Item IX. a
V .	Request to establish a suitable site for a Community Facilities District for the proposed Road as well as the internal access roads.	Item IX. b
V I .	Appropriate transitions and buffers between different land uses.	Item IX. f
V I I .	Bicycle and pedestrian connections between neighborhood and industrial, including Butterfield Blvd.	Item IX. g
V I I I .	Develop a Transportation Demand Management program to encourage use of public means of transportation and reduce vehicle trips.	Item IX. h
I X .	Seek to establish a bus stop on the proposed route.	Item IX. i
<b>DE TE NTI ON PO ND</b>		
X .	Explore converting 7.6-acre development to future industrial & residential use.	Item IV

X I .	Application of 7.6-acre detention efficiency	
X I I .	May assist with the conversion of park/recreation use	Item IX.d
X I I I .	Funding and construction of 7	Item IX.e
<b>PA RK</b>		
	Explore converting 7.6-acre detention future industrial & residential use	
	Process entitlements (PD Zoning) for apartments and up to 5 acres	Item III.
	May assist with the conversion of park/recreation use	Item IX.d

**Staff Zoning Amendment Recommendation Rationale:**

Staff recommends approval of the proposed Zoning Amendment from Industrial Planned Unit Development to the R-3 Medium Density Residential Zoning District for the following reasons: 1) to bring the subject site into conformance with the underlying Multi-Family Medium General Plan Land Use designation, 2) so that the aforementioned industrial development agreement will memorialize MWest's commitments, include specific milestones related to coordinating progress of the residential and industrial development, and provide the City the ability to assure timely progression of the entire project, and 3) any Residential Development Control System development agreement will also include specific milestones related to MWest's industrial land development and the ability for the City to assure both projects progress in a timely manner.

**COMMUNITY ENGAGEMENT: Inform**

A 10 day public hearing notice was published in the August 21, 2015 edition of the Morgan Hill Times and notices were mailed to property owners within approximately one-thousand feet of the project site, in excess of the three-hundred foot noticing required pursuant to Government Code Sections 65090-65096.

**ALTERNATIVE ACTIONS:**

Defer action on the proposed rezoning until the applicant has completed a concept plan process with the Planning Commission and City Council.

**PRIOR CITY COUNCIL AND COMMISSION ACTIONS:**

On July 28, 2015 the Planning Commission considered and recommended that the City Council not approve the Zoning Amendment until completion of the "Master Plan" process.

## **FISCAL AND RESOURCE IMPACT:**

No budget adjustment required. This project is part of the Community Development Department work plan and the City has collected application fees to cover costs associated with the project.

## **CEQA (California Environmental Quality Act):**

Project, Description of CEQA requirements

An Environmental Impact Report (EIR) was previously prepared for the project and certified by the City Council, along with a Statement of Overriding Considerations, together with an Addendum thereto on May 6, 2015. An EIR was warranted because not all potential significant impacts on the environment for the project could be mitigated to less than significant levels. Transportation impacts to US 101, Vehicle Miles Travelled (VMT) and energy impacts from annual gasoline consumption, and a cumulative increase in transportation energy demand would remain significant and unavoidable because there is no feasible mitigation to reduce these impacts to less than significant.

Mitigation measures to be implemented by the project address potential aesthetics, cultural resources, hazards and hazardous materials, hydrology, geological, noise, biological (burrowing owls, nesting birds & trees), and air quality (construction and operational) impacts. These are included in the project's Mitigation Monitoring and Reporting Program (MMRP).

## **LINKS/ATTACHMENTS:**

1. Planning Commission Staff Report July 28, 2015
  - A. Applicant's Presentation for GP Amendment
  - B. Applicant's Proposal Letter April 7, 2015
  - C. Applicant's Illustrative Land Use Plan
2. Correspondence - MWest May 1, 2015
3. Zoning Amendment Ordinance
4. Exhibit A - Legal Description and Map