

JOHNSON DRIVE ECONOMIC DEVELOPMENT ZONE

FREQUENTLY ASKED QUESTIONS

1. What is the Johnson Drive Economic Development Zone (JDEDZ)?

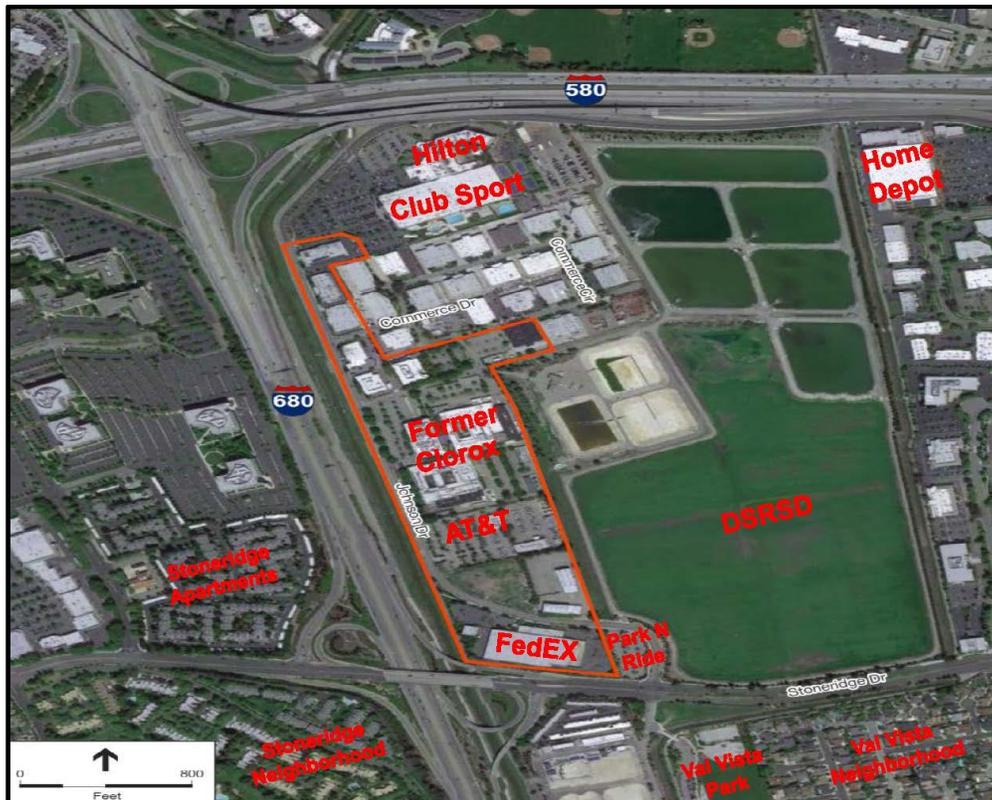
The JDEDZ is a proposal to spur investment in 40 acres of mostly underutilized vacant land situated along Johnson Drive near I-680 and Stoneridge Drive. The EDZ concept was endorsed by the Pleasanton City Council in April 2014, at which time the City Council also initiated the pursuit of a pilot project EDZ along Johnson Drive. The property has long been used for industrial purposes, serving as a key site for Clorox Corporation.

The goal of the JDEDZ is to:

- transform the area into a thriving commercial corridor that capitalizes on its location at the intersection of the I-580 and I-680 freeways; and
- create opportunities for new uses and services in the community, generating new tax revenue to support City services and programs without increasing anyone's taxes by broadening the City's economic activities.

Similar to other City planning efforts, the JDEDZ will employ a combination of changes in land use rules and design guidelines to ensure high-quality development and comprehensive transportation improvements.

Aerial Photo of Johnson Drive Economic Development Zone



2. Why is the City interested in developing an EDZ?

The City is interested in exploring options that will develop this vacant land to its full potential and add value to the existing businesses within the EDZ. The City is seeking to change the land use rules that govern development on the site to encourage new uses that will diversify the City's land use and economic base in order to offer a wider range of services and to continue to evolve and grow the City's economy. This approach is consistent with various policies in the City's General Plan, which seeks to:

- encourage comprehensive planning of underutilized areas (Land Use Element, Policy 6);
- enhance Pleasanton's economic base (Economic and Fiscal Element, Goal 2, Policy 1); and
- maintain a diverse and stable revenue system (Economic and Fiscal Element, Policy 18).

3. How were the boundaries of the JDEDZ drawn?

Staff evaluated sites throughout the City to determine whether they would be suitable for an EDZ, and quickly focused on Johnson Drive as the most appropriate area because of its large cluster of available properties suitable for new business growth, its location near a major freeway interchange, and the fact that it is not immediately adjacent to a residential neighborhood, thus minimizing impacts on residents.

Also, interest in the former Clorox site, recently vacated, presented an opportunity to be more proactive in the City's planning process. The JDEDZ boundaries were identified based on existing land use conditions and consultation with property owners. The overall size and scale of the JDEDZ were intentionally limited in order to focus on properties with the most potential for change, and to reflect the desire of the City to proceed in a cautious and thoughtful manner.

4. What types of development may be allowed in the JDEDZ? Will there be a Costco? Hotel?

No specific development is proposed as part of the JDEDZ. Rather, the City is evaluating the merits of transforming the underlying land use rules and transportation infrastructure in the area to attract different types of businesses than are currently allowed. The existing "General and Light Industrial" zoning allows primarily for warehousing and light-industrial uses, with some limited office development – uses that were once more popular in the area but that don't realize the potential of the site's highly-visible and freeway-accessible location. The proposed JDEDZ would allow for the development of a broader range of retail, visitor-serving, and office uses, including hotels, bookstores, department stores, food markets, gymnasiums, specialty stores, and club retail uses. The club retail use could include a Costco, or a similar tenant, and although the City has had conversations with Costco regarding property in the JDEDZ, no club retail operator (including Costco) has submitted an application to build a new retail facility within the JDEDZ. Major hotel operators have also expressed interest in developing hotels within the JDEDZ area, but also have not submitted an application to the City.

5. *What is the approval process for specific development projects within the JDEDZ?*

The draft JDEDZ includes a list of land uses that will be permitted by right (i.e., allowed to operate on the site, subject to set performance standards regarding traffic, parking, landscaping, design, etc.) or conditional use permit (subject to review and approval by the Planning Commission and possibly the City Council).

As currently proposed within the JDEDZ:

- Permitted uses include department stores, hardware stores, offices, club retail, and some restaurants which could be approved at the City staff level, but would be appealable to Planning Commission and ultimately City Council.
- Conditionally permitted uses include churches, assisted living facilities, gymnasiums, and some financial services institutions. Planning Commission approval of conditional uses may be appealed to City Council.

As part of the planning process, the City is also evaluating a higher level of review for some or all potential uses to allow for additional input on the part of the Planning Commission and/or City Council. This will be discussed further by two bodies as part of deliberations on the project.

6. *Who is funding the various JDEDZ studies?*

In cities across California, including Pleasanton, the development community is expected to help pay for the cost of processing development proposals. To ensure that the largest property owner in the proposed EDZ contributes to the costs of the planning review process, the City signed an agreement requiring Johnson Drive Holdings I, managed by Nearon Enterprises, to pay for all consultant costs accrued by the City in evaluating the fiscal, economic, transportation, engineering, and environmental implications of the JDEDZ.

To prevent property owner influence in the public planning process, the property owner turns over the necessary consultant fees to the City. Although the consultant costs are being funded by a property owner, all consultant work is being solely managed, directed, and peer-reviewed by the City. This same process is undertaken by the City for other major development projects requiring extensive technical studies.

7. *Will existing businesses within the JDEDZ be affected?*

The JDEDZ is being developed to ensure that property owners within the JDEDZ will be able to continue leasing and operating existing businesses for as long as desired. Protecting existing businesses is a primary goal of the proposed JDEDZ, and existing land uses are “grandfathered” in as part of the overall proposal. The City is currently exploring ways to allow for some degree of expansion or replacement of existing businesses that do not conform to the uses desired as part of the JDEDZ, while still retaining the JDEDZ’s redevelopment and growth potential.

8. Will the City be offering incentives to promote redevelopment of the JDEDZ?

A portion of the new City revenues projected to be generated by new business activities within the JDEDZ may be used to fund traffic improvements along Johnson Drive, Stoneridge Drive, and I-680. The City currently estimates that these improvements may total \$15-\$16 Million. Combining funds to be provided by the JDEDZ developer, potentially State or Federal transportation funds, and City traffic impact fee contributions or waivers or deferrals, would allow these traffic improvements to be built.

The financial responsibility for these improvements will be identified in the Development Agreement (DA), an agreement between a property owner and/or applicant and the City that specifies future investments to be made by the applicant in exchange for a legally-binding right to develop a project. Because some of the freeway-related improvements require Caltrans (State) approval, the City will work closely with Caltrans to ensure the improvements are adequately designed and progress expeditiously through the approval process.

9. What are some potential benefits of the JDEDZ?

The JDEDZ would allow for a rebirth of this highly visible and underutilized area, which could have positive effects on the City's tax base. The Fiscal Impact Analysis prepared for the project (included in Appendix C of the Draft Supplemental Environmental Impact Report [DSEIR] is available here <http://www.cityofpleasantonca.gov/JDEDZSEIRSept2015> and indicates that existing development in the JDEDZ site provides minimal net fiscal benefit to the City (\$84,800 annually) due to old buildings, vacant land, and uses that do not generate high levels of tax revenue. In addition, developing the site in accordance with existing land use rules would also generate minimal net fiscal benefit to the City (\$338,500 annually), chiefly because these rules do not allow for high-revenue-generating uses.

The Fiscal Impact Analysis indicates that full redevelopment of the proposed JDEDZ would generate approximately \$1.7 million to \$2.6 million annually. Other potential benefits of the JDEDZ could include additional shopping opportunities and hotel rooms that will allow residents and visitors to spend locally and stay in the Pleasanton. In addition, the JDEDZ is expected to generate new jobs, which would likely increase local economic activity.

A Fiscal Impact Analysis was proposed that analyzes the effects of the JDEDZ on City revenues and costs (see Appendix C of the DSEIR). Staff is currently undertaking an expanded study of the project's economic effects from a wider range of retail and commercial uses, which will be released to the public when it is available. The study will look broadly at impacts on local businesses and overall costs/benefits of the project to the community. This section of the FAQ will be updated when the Response to Comments and Final Supplemental Environmental Impact Report are published.

10. What are some of the potential impacts of the JDEDZ?

The City analyzed the potential environmental effects of the JDEDZ in the DSEIR which was published in July 2015 and for which the public comment period was extended beyond the required 45 days to 67 days. Comments are now being accepted until November 23, 2015. The DSEIR,

available here <http://www.cityofpleasantonca.gov/JDEDZSEIRSept2015> evaluates the potential effects of the JDEDZ in a range of impact areas. Most impacts (aesthetics, noise, biological resources, cultural resources, geology and soils, hazards and hazardous materials, land use and planning, population and housing, public services and utilities, and recreation) would not be substantial. However, like most sizable land use changes in the Bay Area, the JDEDZ is expected to exceed air pollution levels established by the Bay Area Air Quality Management District. Similarly, without mitigation, the JDEDZ would result in traffic congestion in the area. Although these impacts are typical of large development projects in the region, the City is exploring all feasible means of mitigation, including transportation demand management programs to reduce overall vehicle emissions and traffic.

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11. How will the City ensure that required transportation improvements are implemented?

As identified in the DSEIR, the JDEDZ may require construction of transportation system improvements, including new through and turn lanes along Stoneridge Drive and Johnson Drive and an expanded I-680 northbound on-ramp. The financial responsibility for these improvements will be identified in the Development Agreement (DA), an agreement between a property owner and/or applicant and the City that specifies future investments to be made by the applicant in exchange for a right to develop a project. Because some of the freeway-related improvements require Caltrans (State) approval, the City will work closely with Caltrans to ensure the improvements are adequately designed and progress expeditiously through the approval process.

12. How is the City involving the public in decision-making about the JDEDZ?

The City is undertaking an extensive public involvement effort to get input on the proposed JDEDZ and DSEIR. In addition to direct mailers, newspaper articles, Twitter notifications, Facebook posts, Nextdoor.com notifications, flyers posted at public facilities, verbal reminders at public meetings, and updates on the City's website, there are many opportunities to learn about meetings and provide comments on the JDEDZ. Previous and prospective meetings include:

- April 15, 2014 – City Council hearing to authorize initiation of the Economic Development Zone Program and pilot program on Johnson Drive (<http://www.cityofpleasantonca.gov/JDEDZCCARApr152014>)
- September 23, 2015 – Planning Commission hearing to receive comments on the DSEIR (Staff Report: <http://www.cityofpleasantonca.gov/JDEDZPCSRSept2315>); PowerPoint Presentation: <http://www.cityofpleasantonca.gov/JDEDZPCPptSept2315>)
- October 22, 2015 – Neighborhood Meeting on the JDEDZ (PowerPoint Presentation: <http://www.cityofpleasantonca.gov/JDEDZNeighMtgPptOct2215>)

- November 12, 2015 – Community Meeting on the JDEDZ (Multi-Purpose Room, Hart Middle School, 4433 Willow Road, 6:00-7:30 p.m.)
- Winter/Spring 2016 – Joint Planning Commission/City Council Workshop on JDEDZ
- Spring 2016 – Planning Commission hearing regarding JDEDZ/Final SEIR adoption and certification
- Spring 2016 – City Council hearing regarding JDEDZ/Final SEIR adoption and certification

The City is also accepting written comments on the DSEIR through November 23, 2015. Comments can be directed to Eric Luchini, Associate Planner, by phone at (925) 931-5612, by e-mail at eluchini@cityofpleasantonca.gov, or by mail at City of Pleasanton Planning Division, P.O. Box 520, Pleasanton, CA 94566.

13. How do I get more information?

Please visit the City's Planning Division webpage, which links to the DSEIR, other information about the project, and notice of upcoming meetings:

<http://www.cityofpleasantonca.gov/gov/depts/cd/planning/default.asp>

Project meetings will also be announced on the City's Twitter account (@pleasantonca) and on Facebook (<https://www.facebook.com/CityofPleasanton>).

Also, please be sure to check back to this page from time-to-time for updates to the FAQ.