

II. SETTING AND HISTORY

A. Project Area

Regional Location

Coyote Valley is located in Santa Clara County at the southern tip of the urbanized portion of the nine-county San Francisco Bay Area. It is also at the southern edge of the economic region known as Silicon Valley. Located approximately 13 miles south of downtown San José and 7 miles north of downtown Morgan Hill, Coyote Valley is connected to the region by Highway 101, which forms the area's eastern boundary, and by Monterey Highway and Santa Teresa Boulevard, which extend through the Valley.

Size and Character

Coyote Valley is roughly 6 miles long and 2 miles wide. It runs northwest by southeast and is defined by the foothills of the Santa Cruz Mountains to the west and the foothills of the Diablo Range to the east. Tulare Hill, Coyote Peak, and the hills of the Laguna Seca formation enclose the north end of the Valley, creating a clear physical break between the urban fabric of San José and rural Coyote Valley. The 6,800-acre planning area generally occupies the flat valley floor formed by these foothills.

The enclosure created by the foothills provides a distinctive sense of scale and definition to the Valley, as well as a dramatic visual backdrop that contributes to its unique sense of place. Coyote Creek and its tributary, Fisher Creek, are the key natural features on the Valley floor, with the riparian vegetation along Coyote Creek providing a pleasing contrast to the grasslands that make up most of the Valley.

Coyote Valley is predominantly rural in character, despite its proximity to Silicon Valley and the region's largest city. The Valley currently consists primarily of open space and agricultural lands, with scattered rural residential and agriculture-related development, particularly in the southern half of the Valley. Other existing uses in the Valley include IBM's Santa Teresa campus, the PG&E electrical substation, the new Metcalf Energy Center, the Riverside Golf Course, the County's 800+-acre Coyote Creek Parkway, and a handful of commercial and industrial uses along Monterey Highway, including the unincorporated town of Coyote, with its bar, post office, lumber yard, Grange Hall, and bait shops.



Coyote Valley is situated at the southernmost edge of the urbanized portion of the San Francisco Bay region.



Foothills on west side of Coyote Valley



Lush vegetation along Coyote Creek

Jurisdictional Context

When discussing Coyote Valley’s jurisdictional boundaries and land use characteristics, the Valley is commonly divided into three sections: north, mid, and south.

North Coyote Valley

The northernmost section of the Valley includes approximately 1,440 acres. This J-shaped area extends south from Tulare Hill to just north of Laguna Avenue, and west from the Monterey Highway to the Santa Teresa Hills. The North Valley is in the San José City Limits and the City’s current Urban Service Area, which means that urban services such as water and sewer will be provided to this area as development occurs. The City of San José’s General Plan designates the North Valley for Campus Industrial uses.

Mid-Coyote Valley

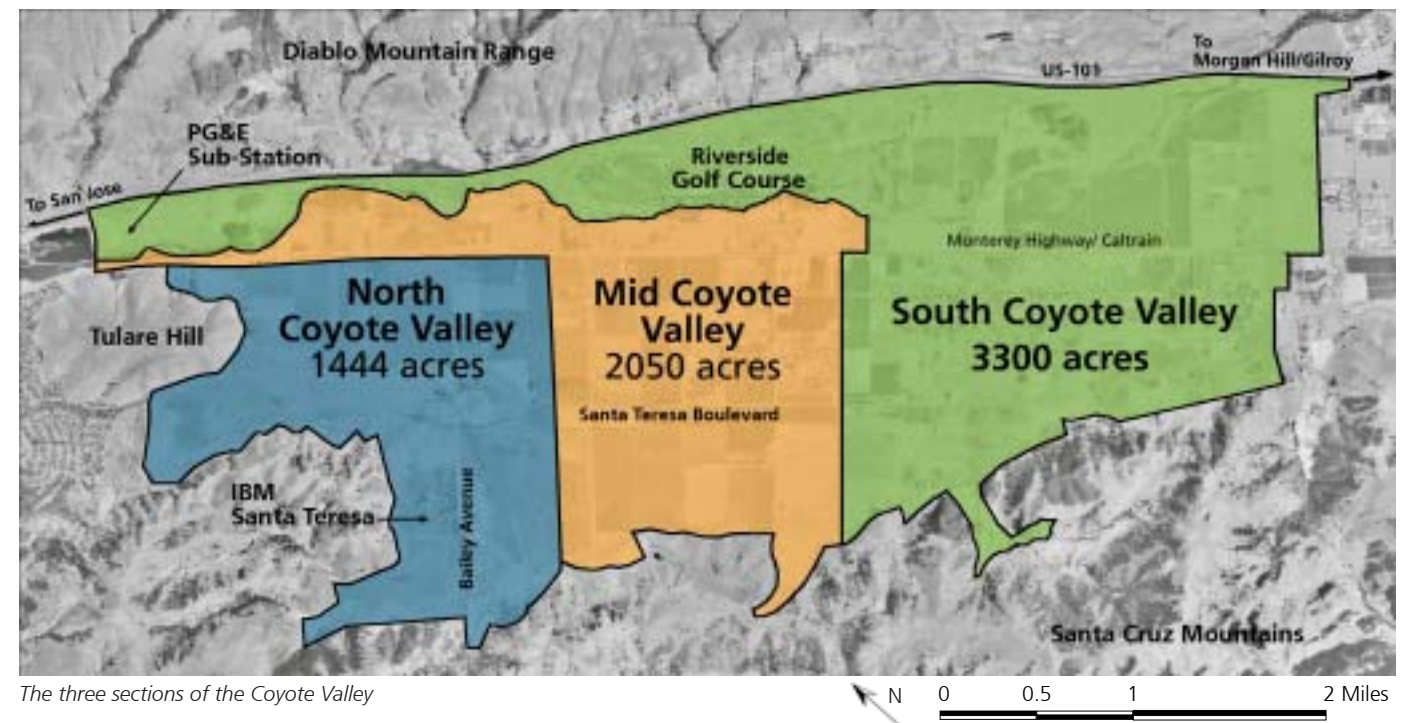
The midsection of the Valley includes approximately 2,050 acres. The Mid-Valley generally extends from Laguna Avenue south to Palm Avenue, and east from the Santa Teresa Hills to Coyote Creek. The Mid-Valley also includes a narrow strip of land between Coyote Creek and Monterey Highway that extends north to Metcalf Road. With the exception of a narrow band of parcels that front on Monterey Highway, the Mid-Valley is outside the City Limits and Urban Service Area,

but within the City’s Greenline/Urban Growth Boundary. This latter designation signifies San José intent to eventually extend urban services to the area. The City’s General Plan designates the Mid-Valley as Urban Reserve, with the expectation that it will ultimately accommodate residential development.

South Coyote Valley

The southernmost section of Coyote Valley includes roughly 3,300 acres. The area extends south from Palm Avenue to the Morgan Hill City Limit, and east from the Santa Teresa Hills to Highway 101. The South Valley also includes a strip of land between Coyote Creek and Highway 101 that extends north from Palm Avenue to Metcalf Road.

Most of the South Valley is unincorporated. However, a narrow band of parcels along the Monterey Highway and a couple of larger parcels between Monterey Highway and Highway 101 are also within the San José City Limits. While it lies within the City of San José’s Sphere of Influence, the South Valley is outside the City’s Greenline/Urban Growth Boundary. The South Valley is designated as the Coyote Greenbelt in the San José, Morgan Hill, and Santa Clara County General Plans and is intended to serve as a permanent non-urban buffer between the two cities.



B. The Context

Regional Context

Silicon Valley's Role

Coyote Valley is part of the larger San Francisco Bay Area economy, the most productive metropolitan region in the U.S. according to the Bay Area Council. From 1993 through 2000, a large portion of this productivity came from Silicon Valley, the birthplace of the Internet and the high tech industry. Although the current downturn in the economy has had a severe impact on the area, the once burgeoning high tech industry not only changed the way we communicate and conduct business, but it fundamentally reshaped the economy and the urban landscape of the South Bay.

Projections by the Association of Bay Area Governments (ABAG) and the Bay Area Council indicate that the economic vitality of the San Francisco Bay Area and the high tech industry is expected to rebound, but critical shortcomings in housing, transportation, and public schools will continue to plague the region. If not addressed, these issues could threaten the region's prosperity as high-performing companies and workers leave for communities that are more affordable and offer a higher quality of life.

According to ABAG projections, Silicon Valley could grow by 250,000 new residents and 190,000 new jobs by 2010. This represents an almost 11 percent increase in population and a

13 percent increase in employment. While these levels of growth are significant, they are less than those seen during the 1990s—2 percent less for population and almost 12 percent for employment.

Shortage of Affordable Housing

Housing production in Silicon Valley generally has not kept pace with recent job growth. While the average annual rate of job growth during the last ten years was 2.5 percent, it was less than 1 percent for new housing. In the "Projections 2000" report, ABAG estimated that approximately 82,500 more housing units were needed to allow everyone working in Silicon Valley to also have a home in the region, a deficit that ABAG estimated could

grow to 150,000 homes by 2010 if the pace of home and job production were to continue. Although job growth in Silicon Valley is relatively flat at this time, ABAG projects that Santa Clara County will see the largest increase in jobs in the Bay Area during the next 25 years. The County is projected to add 303,500 jobs, with almost 132,000 of those in the San José area.

In spite of the recent decline in jobs, but relatively robust housing production, housing costs in the South Bay continue to rise. The median price of a single-family home in Santa Clara County was \$575,000 in June 2002—the highest of any region in California with the exception of the South

Coast of Santa Barbara County. The housing affordability gap continues to be one of the major local issues, with less than 21 percent of Bay Area households able to afford a median-priced home.

Long Commutes and Traffic Congestion

The cost of housing in Santa Clara County forces workers to commute from more affordable areas in the Bay Area and beyond. The Metropolitan Transportation Commission (MTC) estimates that of the approximately 1,043,000 average daily commute trips in Santa Clara County, roughly 21 percent (215,000 daily commute trips) begin outside the County. Of these trips, 71 percent begin within the remaining eight Bay

Urban Growth in the Bay Area

The adjacent diagrams illustrate the pattern of urbanization over the past 150 years, and what could occur if an alternative to sprawl is ignored.



1850



1900

Area counties, while 29 percent (62,350 trips) begin outside of the Bay Area entirely—presumably in counties such as Santa Cruz, San Benito, Monterey, San Joaquin, and Stanislaus. One indicator of how housing affordability has affected commuting and associated driving patterns, is that the vehicle miles traveled per person per weekday have increased by 62 percent since 1970. According to the Metropolitan Transportation Commission, Bay Area traffic is projected to increase another 30 percent by 2025—more than twice the rate of population growth. Coyote Valley receives regular mention on the rush-hour traffic reports as being one of the worst traffic congestion areas in the Bay Area.

Vacant Office Space and Empty Parking Lots

Unlike housing, office and R&D development kept pace with job growth in Silicon Valley throughout the boom years. Millions of square feet of new office space were developed to accommodate the approximately 290,000 new jobs created in the 1990s. Built for the boom, much of this space is now empty as high tech companies and related businesses are cutting back. Approximately 39.6 million square feet of office and R&D space is currently vacant in Silicon Valley—a vacancy rate that is estimated as approaching 40 percent—with no expectation of being absorbed anytime soon. As a result, lease rates have fallen by 47 percent since the peak of the economic boom in early 2000. The decrease in office occupancy has resulted in underutilized surface parking space.

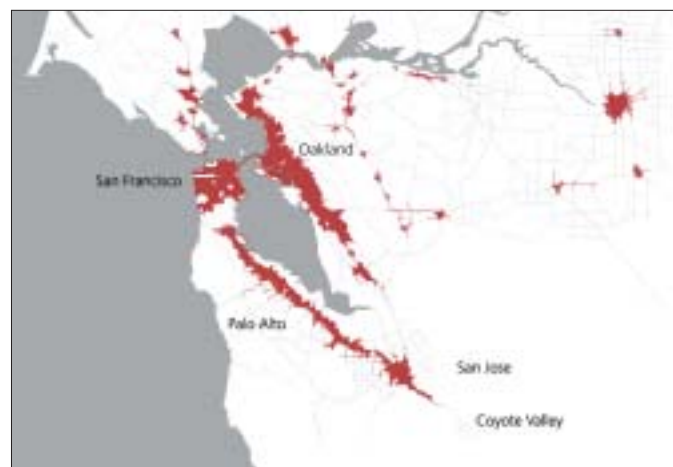
The 39.6 million square feet of empty office space translates into a surplus of almost 1,000 acres of pavement devoted to parking. In spite of the current surplus in office space, regional leaders are confident that there will be need for new office and R&D space in the coming years and decades.

A Vanishing Agricultural Heritage

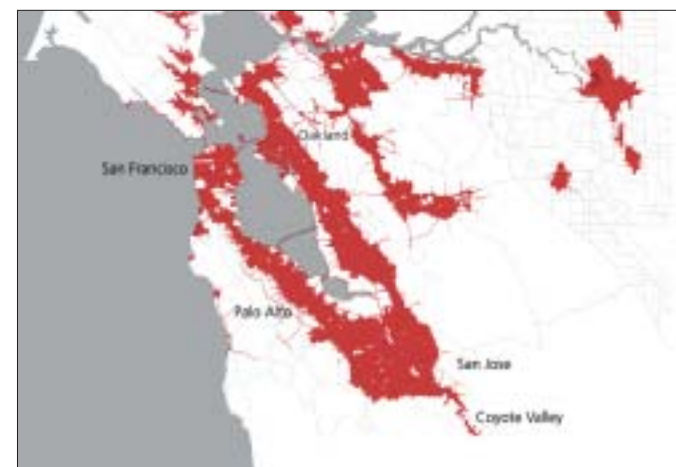
As the demand for new housing and commercial development to house the Bay Area's burgeoning population grows, so does the pressure to convert the area's agricultural land to urban uses. California lost almost half a million acres of farmland between 1988 and 1998, a rate that is equivalent to creating three new cities the geographic size of Modesto every year.

Locally, Santa Clara County is losing agriculture and its infrastructure nearly twice as fast as the state average. Between 1998 and 2000, the County experienced the conversion of 4,700 acres, or about 1 percent, of its agricultural land. Over the last 50 years, Santa Clara County has paved over 97 percent of its farmland. As of 2000, the County had approximately 433,000 acres remaining in agriculture, of which Coyote Valley represents about 1.5 percent.

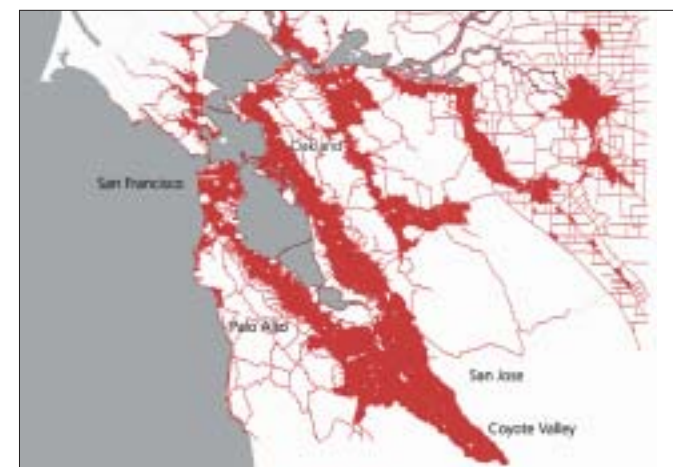
Much like water, urban development tends to move along the path of least resistance. In the case of the Bay Area, that means along the flat coastal plains and inland valleys where development can be accommodated most easily, but also where soils are most fertile.



1950



2000



2050 as it may be if sprawl continues.

City Context

A History of Planned Development

The concept of urban development in Coyote Valley is not new. As previously discussed, the North Valley is within San José's City Limits and Urban Service Area, and the Mid-Valley is within the City's Urban Growth Boundary. The Valley has been slated for urban development since 1983 when the San José City Council amended its General Plan to create the North Coyote Valley Campus Industrial Area in the North Valley and designated the Mid-Valley area as Urban Reserve.

North Valley Campus Industrial Area

The City's Campus Industrial land use designation is intended to support the development of large, high-quality, single-user industrial sites in the North Valley. In 1985, a Master Development Plan (MDP) was adopted for the North Valley area that established public infrastructure and private development standards. Subsequent to the adoption of the MDP in 1985, permits for several development proposals were approved by the City. None of these was ever implemented, however, due to the downturn in the economy in the late 1980s and early 1990s. Between 1998 and 1999, in response to renewed development interest, the City adopted additional General Plan amendments for the North Valley area. These amendments accommodated changes to the roadway network,

altered the approach to flood management, reduced minimum parcel standards, and increased building height limits.

The primary uses permitted under the MDP include administration, research and development, and manufacturing. MDP development standards include: 10-acre minimum parcel size, 30 percent maximum building coverage, 25 percent minimum landscaped area, 0.40 average Floor Area Ratio (FAR), and variable building setbacks depending on building height (e.g., taller buildings have greater setbacks). Based on these standards, the General Plan assumes approximately 50,000 jobs and 16.7 million square feet of floor area can be accommodated in the North Valley.

In November 2000, the City approved development entitlements for the 689-acre Coyote Valley Research Park (CVRP), which occupies the area north of Bailey Road and east of the IBM campus. The entitlements allow for development of approximately 6.6 million square feet of office, research and development, and assembly and light industrial space that would accommodate roughly 20,000 employees. Originally, Cisco Systems, Inc. was going to be sole tenant of the CVRP, but due to the economic downturn Cisco has since withdrawn as a prospective tenant. The combination of Cisco's withdrawal from the CVRP and a slow

economy has delayed initiation of the infrastructure improvements needed to begin the research park. Although no development in the CVRP is imminent, the San José City Council recently approved plans to move forward with construction of the Bailey Avenue interchange with Highway 101, in order not to lose \$18 million in previously committed state funding.

In 2001, development applications also were submitted for business park development within the North Valley Industrial Campus Area on the approximately 300-acre Sobrato property located south of Bailey Avenue and west of Santa Teresa Boulevard. These applications have since been withdrawn.

Mid-Valley Urban Reserve

Designated as the Coyote Valley Urban Reserve (CVUR), the Mid-Valley is intended to accommodate the residential development that will be needed to support the employment center proposed for the North Valley. The City's General Plan specifies that future development of Mid-Coyote will be considered only in conjunction with development in North Coyote Valley. The City is required to prepare a specific plan to guide the development in North and Mid-Coyote Valley and the preservation of the South Valley as a permanent greenbelt.



Downtown San Jose is situated approximately thirteen miles north of Coyote Valley.

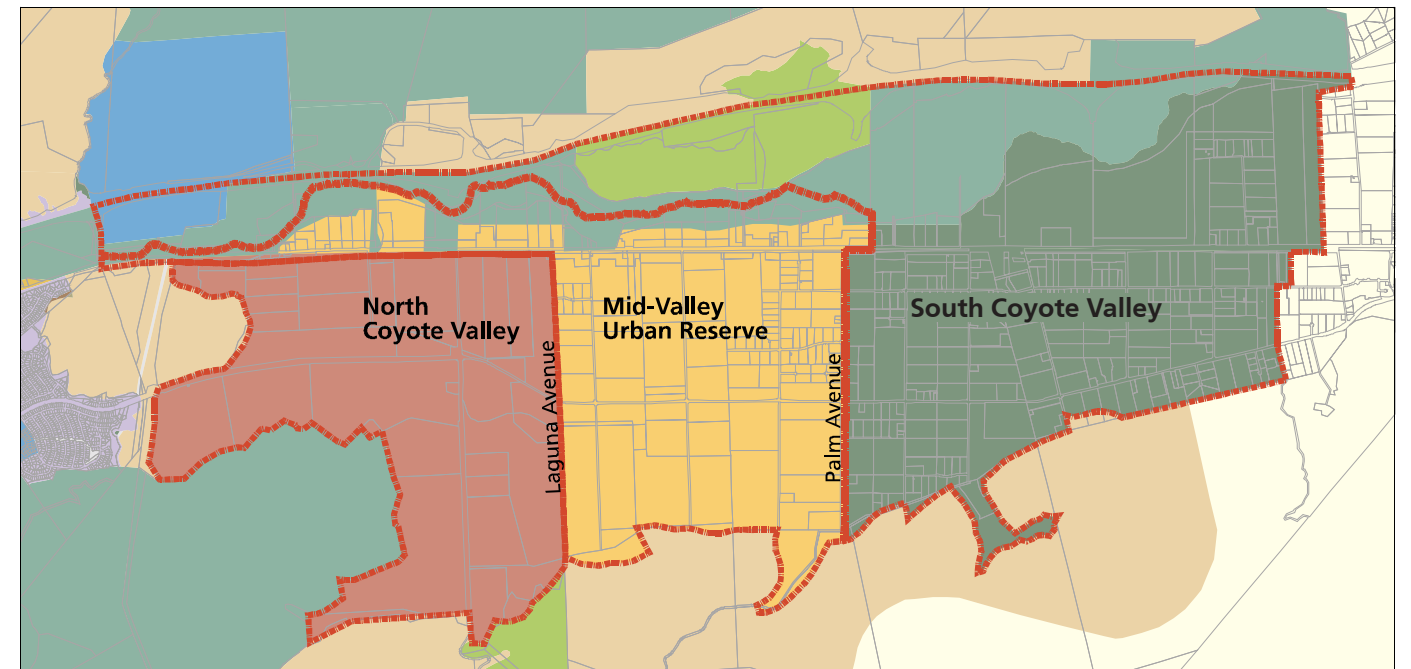
The General Plan identifies two triggers that must be met before the City can approve any development in the Mid-Valley and indicates that they can only be changed as part of a comprehensive General Plan update:

1. 5,000 new jobs are added in North Coyote Valley, as supported by the issuance of building permits to accommodate such jobs, to the existing 2,000 jobs already in North Coyote associated with the Santa Teresa IBM campus.
2. The City's fiscal condition is stable, predictable, and adequate in the long term based on a five-year economic forecast that shows balanced budgets, the maintenance of City services at least at 1993 levels, and reasonable certainty that the City's fiscal relationship with the State will not change significantly over the 5-year economic forecast period.

Specific Plan

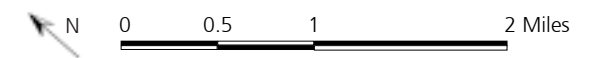
The City's General Plan was recently amended to allow the preparation of a specific plan in advance of these triggers being satisfied. Previously, neither development nor preparation of a specific plan could begin until they were satisfied. Consistent with this amendment, the City Council, on August 20, 2002, initiated the Coyote Valley Specific Plan process by approving a 20-member Task Force.

The General Plan recognizes that Coyote Valley is relatively isolated from the rest of San José and future development will need to be in the form of a balanced community with jobs, housing, commercial and community facilities, schools, parks, residential services, and public transit. According to the General Plan, this new community would include the North Coyote Valley Campus Industrial Area as a key job center, the Coyote Valley Urban Reserve as the primary new residential area, and the South Coyote Valley as a permanent greenbelt separating San José from Morgan Hill. The specific plan land use program will be guided by General Plan policy to accommodate approximately 50,000 jobs and at least 25,000 homes in Coyote Valley. Other key objectives of the specific plan include the creation of affordable housing, the development of a phasing program for jobs and housing, and the preparation of a capital improvements program to ensure adequate services and facilities to the future community.



City Of San Jose General Plan Land Use

- Agriculture
- Medium Density Residential (8-16 DU/AC)
- Medium Low Density Residential (8.0 DU/AC)
- Non-Urban Hillside
- Private Open Space
- Private Recreation
- Public Park & Open Space
- Public/Quasi-Public
- Mid-Valley Urban Reserve



Source: City of San Jose GIS, 2002

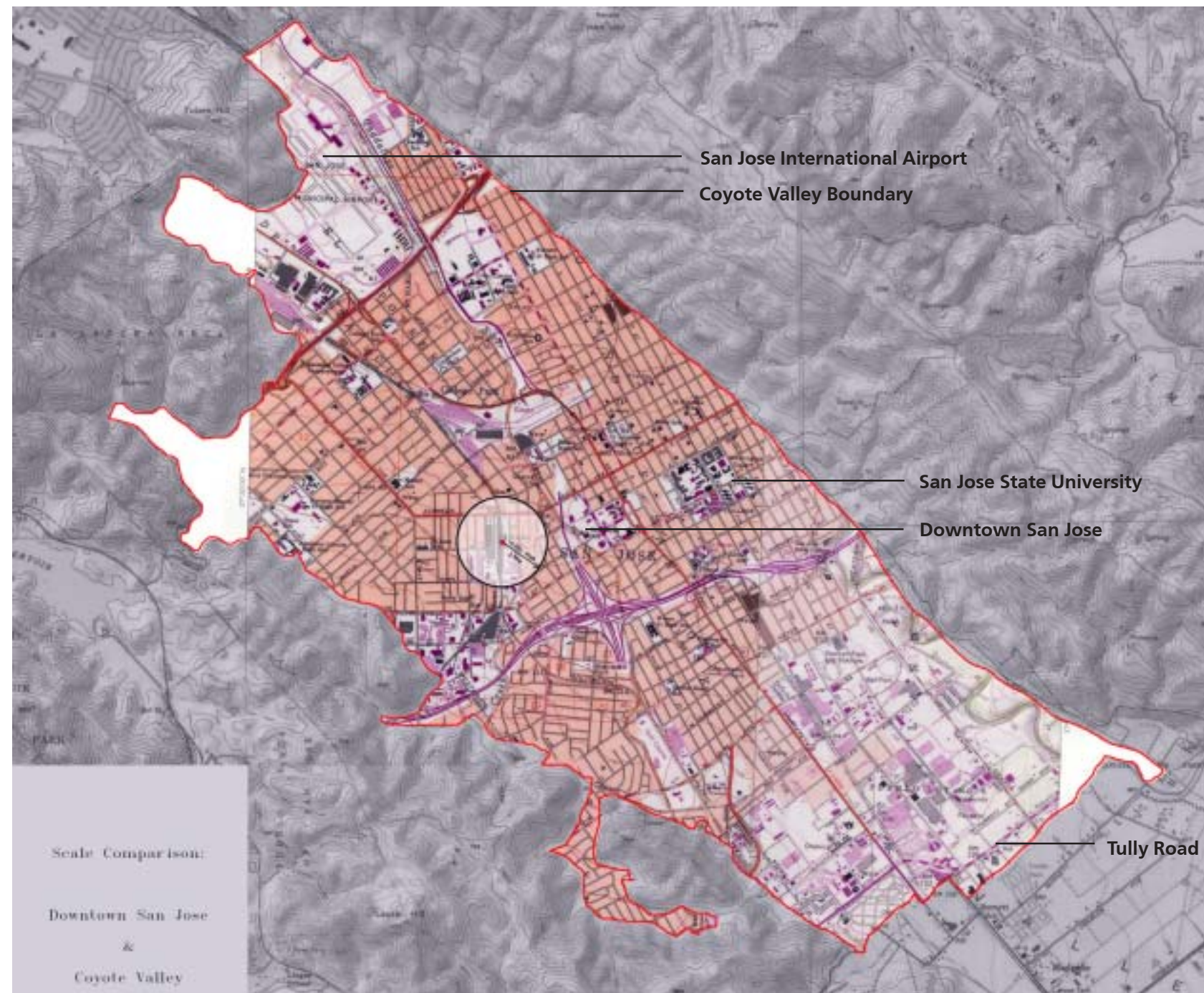
The large-scale segregation of land uses, the conceptual underpinning of sprawl, is embedded in the City of San Jose's General Plan land use designations for Coyote Valley. While the concept of the South Valley as Greenbelt is preserved, the Vision assumes the artificial distinction between the North and Mid Valley will be eliminated in favor of a more integrated approach.

C. Scale Comparisons

One of the challenges when contemplating the future of Coyote Valley is to comprehend the magnitude of what is being proposed. In terms of geographic scale and the sheer quantity of development proposed, Coyote Valley represents a huge undertaking. Discussing its development as simply an expansion of the City of San José's boundaries fails to convey the magnitude of the action being considered. In fact, the development of Coyote Valley will involve the creation of an entirely new urban center for the Bay Area.

Based on the amount of housing proposed and San José's average household size, the proposed Coyote Valley community is projected to have a population of approximately 80,000 people when development is completed. For the sake of comparison, this is larger than the existing population of the cities of Morgan Hill (33,556) and Gilroy (41,464) combined, and larger than all but three of the cities in Santa Clara County.

The adjacent figure attempts to convey the scale of the development that is being considered for Coyote Valley. A United States Geological Survey (USGS) map shows the boundaries of Coyote Valley and the surrounding topographic context. Within the Coyote Valley boundaries, a USGS map of the City of San José has been inserted to illustrate that portion of San José that would fit within Coyote Valley. As shown, Coyote Valley could accommodate the entire central portion of San José from the airport south to Tully Road, including all of the downtown.



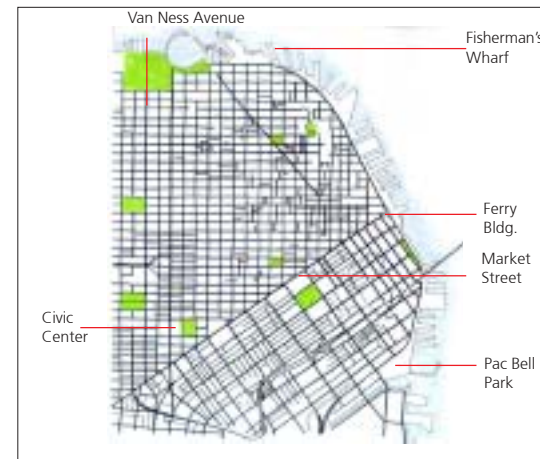
To provide a sense of scale, central San Jose is superimposed upon the Coyote Valley Area. The circle represents a 10-minute walking distance.

Scale Comparisons



Coyote Valley

The proposed urban area of Coyote Valley stretches three miles along its length and one and a half miles in width. All of the following plans are drawn to the same scale.



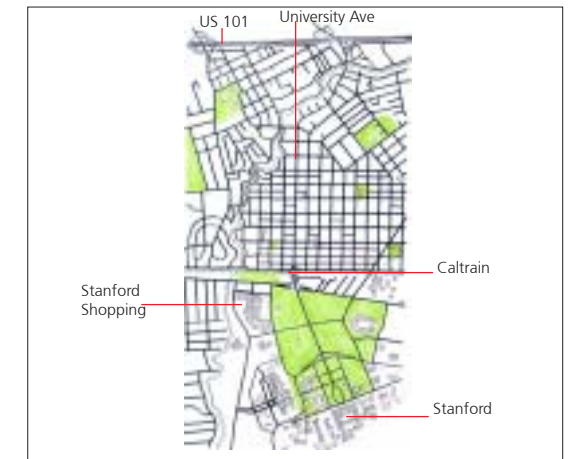
Downtown San Francisco

Coyote Valley's urban area is similar in size to Downtown San Francisco. Market Street from Van Ness to the Embarcadero is roughly the same distance as Bailey Avenue to Palm Avenue.



Central Park, New York

From its south end to its north end Coyote Valley's urban area is equivalent to the distance from Columbus Circle to Columbia University in New York City.



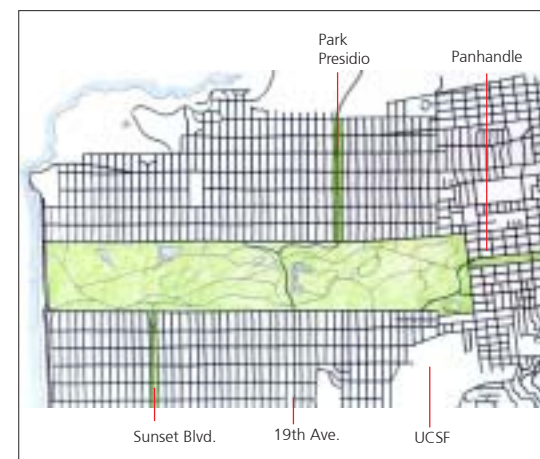
Downtown Palo Alto

Coyote Valley's Bailey Avenue retail district is similar in size to Palo Alto's University Avenue retail district.



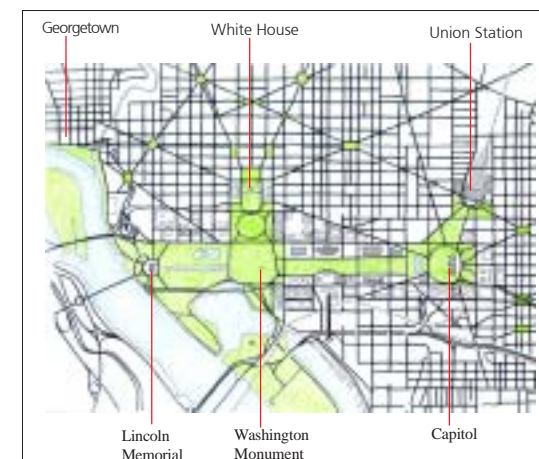
Central San José

Coyote Valley's urban area covers approximately the same distance as from San José's Caltrain Station to US 101.



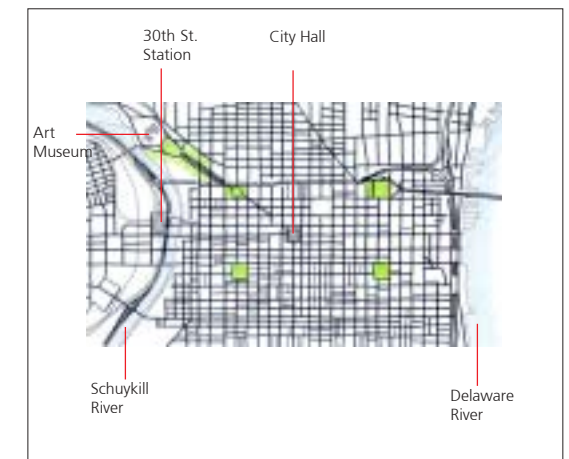
Golden Gate Park, San Francisco

The Fisher Creek Greenway is twice as wide and more than three times as long as the Panhandle in Golden Gate Park.



Washington D.C.

The Fisher Creek Greenway is similar in length and width to the Capitol Mall from the Lincoln Memorial to the Capitol.



Philadelphia, PA

The whole of William Penn's original plan for Philadelphia would fit into Coyote Valley's proposed urban area.

D. The Assumptions

The Vision set forth in this document is based on a number of assumptions regarding the location, quantity, and type of uses and development that should be accommodated in Coyote Valley. In general, these parameters reflect policy direction established by the City of San José. It is important to note that acceptance of these parameters as the basis for the Vision is not intended to suggest support for City of San José policies by Greenbelt Alliance or by those who participated in the process. Rather, it is intended to acknowledge the City's intent for the area and address challenges that it will face when planning the Valley's future.

To Develop or Not to Develop

The Vision assumes that the North and Mid-Valley areas will ultimately be developed as called for in San José's General Plan for the past 20 years. It also makes the assumption that the Coyote Greenbelt will be preserved as a permanent non-urban buffer. Greenbelt Alliance does not necessarily believe that the development of Coyote Valley is inevitable. The intent of this Vision is not to debate the wisdom of these established policies. Rather, it is to explore Smart Growth strategies for implementing such development in a manner that is more environmentally, economically, and socially sustainable than proposals that have been put forth to date.

Smart Growth is Preferable to Sprawl

The foremost assumption underlying the Vision is that urban sprawl and its attendant side effects (e.g., long commutes, lack of affordable housing, traffic congestion, air pollution, lack of public modes of transportation, etc.) are not acceptable for Coyote Valley. As San José expands, it needs to implement Smart Growth strategies that create a compact, mixed-use, transit-oriented community that establishes a sustainable balance between environmental protection, economic prosperity, and social equity.

Land Use Program

The Vision assumes the San José General Plan's basic land use program for Coyote Valley as a starting point. It will accommodate at least 50,000 jobs, the equivalent of 16.7 million square feet of employment-generating commercial and industrial development. A minimum of 25,000 housing units will be needed, and at least 20 percent of those will be affordable units.

The Vision does not accept the Campus Industrial designation or the associated development standards adopted for the North Valley nor the segregation of campus industrial uses in the North Valley from residential uses in the Mid-Valley as suggested by the City's General Plan. The Vision also does not accept the premise that the 50,000 jobs will all be generated by a few large, high-prestige, single-user industrial sites.

Public Facilities Standards

The Vision uses current City of San José standards for parks and community facilities in planning the future community. The new community will include at least 3.5 acres of neighborhood and community parkland and 7 acres of regional parkland per 1,000 residents. In addition, the community will include 500 square feet of community center floor area per 1,000 residents and 10,000 square feet of library space per 36,000 residents.

Since Coyote Valley is in the Morgan Hill Unified School District, the Vision assumes the District's capacity standards for elementary (550 students), middle (750 students), and high schools (1,250 students). However, given the urban character envisioned for Coyote Valley, more urban acreage standards (i.e., 7 acres for elementary, 14 acres for middle, and 20 acres for high school) have been applied, rather than the State acreage standards normally used by the Morgan Hill District (i.e., 10 acres for elementary, 20 acres for middle, and 40 acres for high school).

Environmental Protection

The Coyote Valley Vision is based on a survey of available information, and is not founded on comprehensive or in-depth analysis of environmental factors. That being said, Greenbelt Alliance assumes that development in Coyote

Valley will not be allowed to result in significant adverse impacts to the environment, and that thorough environmental analysis will be conducted prior to City adoption of any plan to ensure that such impacts do not occur. If there are recommendations in this Vision document that are subsequently found to have adverse impacts, it is assumed that such recommendations would be refined or replaced with solutions that would avoid significant impacts. For example, hydrology concerns relating to potential pollution of the underlying aquifer is a critical issue that the City needs to fully investigate, and then adjust development goals to protect this valuable resource.

Ownership and Entitlements

The Coyote Valley planning area includes numerous landowners, many of whom have plans for the property based on City policies, and some of whom already have entitlements. Given its conceptual nature, the Vision does not attempt to address the potential conflicts between its recommendations and current landowner entitlements and expectations. This is not intended to underestimate the validity of landowner rights or the complexities associated with re-entitling property. The Vision does not assume that the Coyote Valley Research Park will be built just because it has been approved. The assumption is that if a more creative and comprehensive plan can be developed for the Valley that adds value for individual landowners, and establishes a

brighter and more sustainable future for the City and future residents, then any potential conflicts with existing entitlements can ultimately be resolved.

Social Equity

Development of the magnitude considered for the Valley will have regional repercussions related to jobs, housing, and transportation. The responsible development of the Valley should recognize and address these social issues, rather than exacerbate them. Future development of the Valley must respond to the needs of the full spectrum of our society in its planning. The future community needs to provide convenient access to affordable housing, and not assume that such housing will be provided elsewhere. Public transportation and other community services need to be provided to ensure convenient and affordable access to all. Healthy, safe, and attractive neighborhoods need to be provided in which all ages, income levels, and family configurations can reside. Finally, a diversity of employment opportunities needs to be provided for in the Valley, not just a single job sector.

Economic Vitality

The Vision assumes that a new mixed-use community with a diverse employment base will provide a more economically stable and sustainable community than one based on a single, narrow market sector. A town structure needs to be established that is more flexible and can accommodate more diverse uses

than the typical office park or industrial campus development. The Vision also assumes that economic vitality for Coyote Valley is not just about urban development, but also involves preserving and enhancing the long-term viability of the Valley's agriculture. Finally, it is assumed that economic vitality should be measured by the ability of the entire community to thrive over time, and not just as function of return on investment. Thus, initial development costs are important, but no more so than on-going municipal, community, or environmental costs.



E. The Process

A Broad-based, Inclusive Visioning Process

The Coyote Valley Vision process was designed to be as broad-based and inclusive as possible, involving an array of stakeholders who represented a wide spectrum of interests. While the intent was not necessarily to create a “consensus” plan that all participants would support, Greenbelt Alliance did want to create a vision for Coyote Valley that was informed by the diverse community that has an interest in its future.

The Partnership Committee

Toward this end, Greenbelt Alliance invited over 100 organizations to participate in the Vision process as members of a “Partnership Committee.” Those invited represented both private organizations and public agencies, including local jurisdictions and elected officials, utility and infrastructure providers, education groups, environmental agencies and advocacy groups, business groups, employers, landowners, non-profit and for-profit developers, recreation providers and user groups, housing advocates, labor groups and trade unions, agricultural groups, transportation agencies and advocacy groups, faith-based organizations, and local resident associations. In the end, over half of the invited groups attended the Partnership Committee meetings, and many more asked to be kept apprised of the process through regular e-mail and newsletter updates. During the approximately 1-year visioning process, three Partnership Committee workshops were held. The workshops were structured to be participatory

and interactive so that different interest groups were able to talk to each other about their vision for the Valley.

The role of those who participated in the Partnership Committee was to ensure that the values of their respective organizations and members were considered during the vision process. While a collaborative Smart Growth vision for Coyote Valley that is supported by a broad-based coalition of participating organizations was an objective, all groups were assured that their participation in the Vision process did not signify either support for development in Coyote Valley or the ultimate planning approach recommended by this document.

The Advisory Committee

In addition to the Partnership Committee, Greenbelt Alliance also worked with a seven-member Advisory Committee. The role of the Advisory Committee was to provide feedback on the direction and content of the Vision as it was being developed. As with the Partnership Committee, the Advisory Committee represented a range of interests and viewpoints and participation did not signify support for development in Coyote Valley or endorsement of the Vision. The Committee membership included the League of Women Voters - San José/ Santa Clara; Working Partnerships, USA; Silicon Valley Manufacturing Group; Santa Clara Valley Transportation Authority; Santa Clara Valley Water District; Santa Clara County Open Space Authority; and Santa Clara Valley Audubon Society.