



METROPOLITAN
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COMMISSION

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Memorandum

TO: Joint Policy Committee

DATE: July 14, 2006

FR: James Corless

RE: MTC's Resolution 3434 TOD Policy & Industrial Land Use Conflicts

In July 2005, the MTC adopted a Transit-Oriented Development (TOD) Policy that applies to new transit extensions contained in Resolution 3434. One of the key elements of the TOD policy is corridor-level housing thresholds to quantify appropriate minimum levels of housing development around future stations. Given existing development patterns, the five corridors in Resolution 3434 that did not meet the housing thresholds included: (1) BART east Contra Costa rail extension (eBART); (2) BART downtown Fremont to San Jose/Santa Clara extension (SVRT); (3) Sonoma-Marín Rail Transit corridor (SMART); (4) Dumbarton Rail corridor, and (5) ferry service expansion by the Water Transit Authority. The Commission also approved a pilot cycle of \$2.8 million in station area planning grants in July 2005 in order for jurisdictions along these corridors to develop station area plans that would help the corridors meet the requirements of the TOD policy.

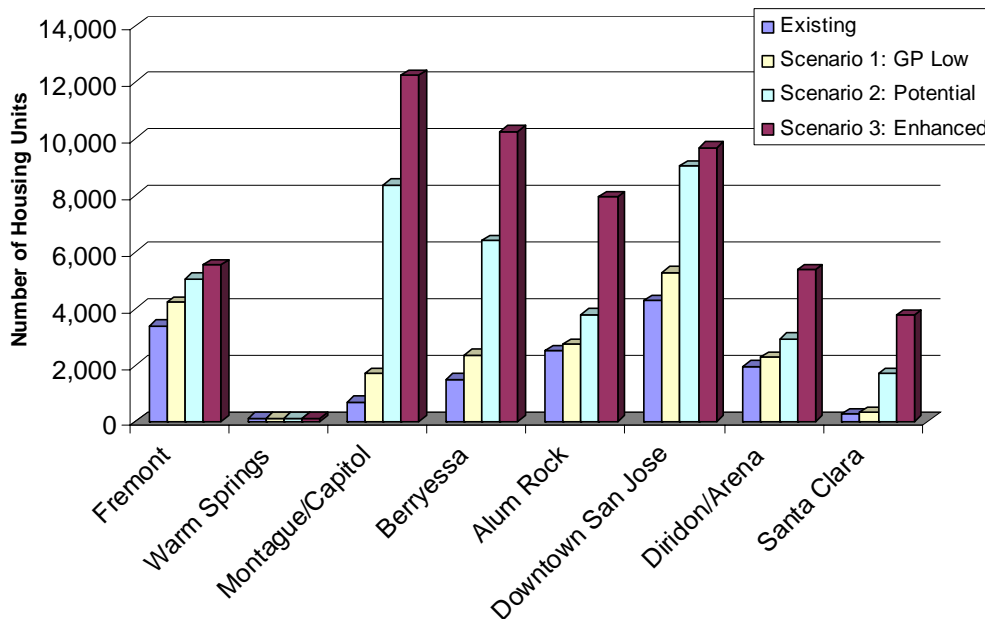
At its May 2006 meeting, the JPC adopted a motion requesting MTC staff evaluate whether the Resolution 3434 TOD policy could influence the conversion of any viable industrial areas to residential uses in order to comply with the corridor-wide housing thresholds. In the last twelve months, staff and a consulting team led by Nelson-Nygaard Consulting Associates have been conducting an evaluation of the TOD policy focused on several key issues including potential land use conflicts at future station sites.

The evaluation to date has shown that there are indeed a number of future stations along these extension corridors where some commercial and light industrial uses are being converted to housing and mixed use (see Attachment A for a station-by-station summary in two of the key corridors) within a half-mile of proposed transit stations. However, these conversions are happening in most cases due to implementation of ongoing local planning efforts, a local desire to zone for more TOD-compatible land uses, and market forces, not because of any one jurisdiction trying to meet MTC's housing thresholds as part of the Resolution 3434 TOD Policy. There are also many other examples of areas within a half-mile of future transit stations that will remain as light industrial uses. In these cases, cities appear to be attempting to develop "buffer" strategies to provide enough physical separation between any potentially conflicting uses.

The one example of a viable large-scale industrial use in the five extension corridors mentioned above that potentially presents a significant land use conflict is the NUMMI auto manufacturing facility at the future Warm Springs BART station in Fremont. NUMMI has suggested that any new housing adjacent to their facility will significantly impact their operations. In this case, for the

BART extension corridor from Fremont to San Jose/Santa Clara, the City of Fremont and NUMMI had both expressed concerns that the housing thresholds in MTC’s TOD policy might require Fremont to rezone the Warm Springs station to accommodate additional housing units so that the corridor could reach the corridor-wide thresholds.

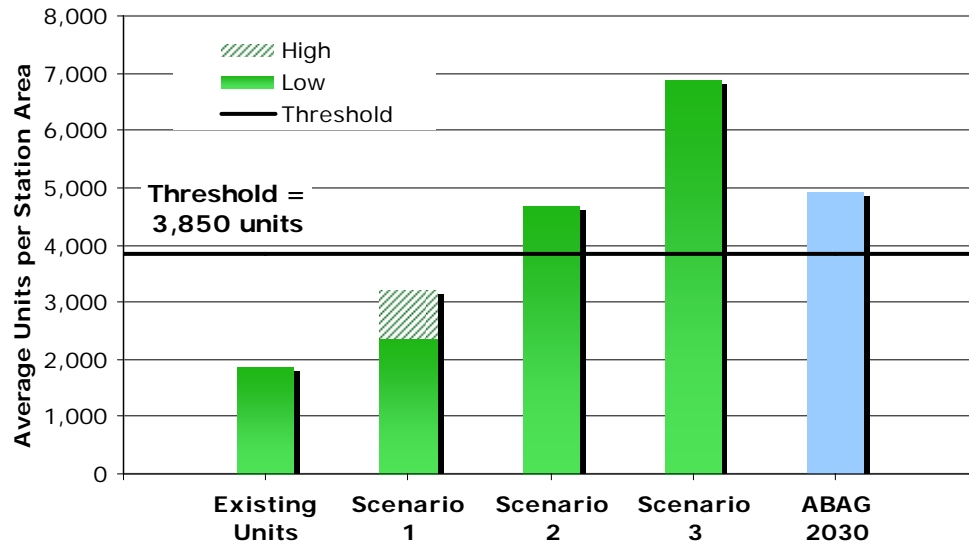
Figure 1: Silicon Valley Rapid Transit Corridor Scenarios to Meet MTC TOD Policy Housing Thresholds



However, as shown in Figure 1, the evaluation of the corridor in the last twelve months reveals that the ambitious plans for transit-oriented development underway in both Milpitas (at the Montague/Capitol station) and San Jose (at the Berryessa and downtown stations) preclude the need to provide any new housing units at the future Warm Springs station. Note that, as shown in Figure 2, both scenario 2 (“Potential TOD”) and scenario 3 (“Enhanced TOD”) surpass the corridor-wide housing threshold under the Resolution 3434 TOD policy. This is exactly the intention behind the corridor approach in MTC’s TOD policy: that some stations will carry the corridor by emphasizing more intensive TOD allowing others to provide little or no residential development where these types of land use conflicts exist.

We hope this helps to answer the question raised at the May JPC meeting specifically related to MTC’s Resolution 3434 TOD policy and its influence on the conversion of industrial land uses.

**Figure 2: Silicon Valley Rapid Transit Corridor
Total of all Station by Station Scenarios vs. ABAG Projections**



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**Attachment A:
Station by Station Assessment of Industrial Land Uses**

**Sonoma-Marin Area Rail Transit (SMART) &
Silicon Valley Rapid Transit Corridor (BART to Santa Clara)**

Station	Current and Planned Use
SMART	
Cloverdale	There is a lumber yard east of the station. The City recognizes the site as a long-term incompatible use.
Healdsburg	Some lumber yards and other industrial uses south of the station site. The City has long term plans to do a Specific Plan to create a new mixed-use town center in this quadrant of the station area. Healdsburg also allows some worker housing on industrial sites.
Jennings Avenue	South and east of the station have some industrial uses. The City of Santa Rosa is interested in preserving some areas, but not necessarily all.
Rohnert Park	Light industrial area south and east of the station. There are no plans for changes to this area.
Corona Road	One alternative station site is an industrial site (mostly trucking) and there are some business park and light industrial uses north and west of the station. None of the housing that is already being built in the station area is in this quadrant.
SVRT	
Warm Springs	The potential conflict with the NUMMI plant has been avoided by planning for only non-residential uses in the station area; no net new residential units are envisioned. As there is also a significant amount of vacant land in the area, very few industrial uses are expected to be displaced.
Montague/Capitol	The City of Milpitas, through an intensive community planning effort, recently adopted its final Transit Area Concept Plan, which paves the way for a specific plan and environmental clearance effort. The Concept Plan calls for substantial conversion of industrial land in the area to convert to residential and office/retail uses. Current industrial uses consist of light manufacturing and assembly; warehousing; and distribution. It is possible that there will be conflicts between new residential developments and existing industrial land uses as development is phased in over time. Land north of Lundy nearest to the San Jose city border would remain industrial. This would retain compatibility with the current industrial uses in the area south of Lundy in the city of San Jose. There are no plans in San Jose to convert that industrial area to other uses.
Berryessa	Industrial uses are located west of the Flea Market past Coyote Creek. Residential uses are located north, east, and south of the Flea Market and future station site. The industrial area is one of the few remaining concentrations of heavy industrial uses in the South Bay, including a cement plant. City of San Jose planning staff studied industrial land conversion trends in the city, and recommend that this area be maintained, using Coyote Creek as a natural buffer; this area will likely not be influenced by residential development at the station. The current Flea Market will be redeveloped into residential and commercial uses; the current development plan uses Coyote Creek, parkland, and commercial uses to help buffer the site from the industrial area. There is another, less-intense, industrial area located south of the Flea Market and east of Coyote Creek,

Station	Current and Planned Use
	which is already surrounded by single-family residential development and could be converted from warehousing/distribution facilities to transit-oriented development. To the north, adjacent to the Flea Market and residential neighborhoods, San Jose planning staff are recommending conversion from light industrial to high density residential uses.
Alum Rock	Apart from the future BART station site, there is little industrial land left in this predominantly commercial and residential community. The existing industrial uses consist of small- to medium-scale automotive repair and light manufacturing businesses along 28th Street. The BART station site currently has some truck rental facilities and a material storage yard. The community's Strong Neighborhood Initiative plan calls for conversion of industrial land to commercial, residential, and park uses.
Diridon / Arena	The Midtown Specific Plan calls for adaptive reuse of warehouse and manufacturing buildings to commercial uses and residential lofts to the south and east of the station. The policies supporting the conversion of industrial uses in this area precede the adoption of the MTC TOD Policy. Further to the north and west, mixed residential and light industrial areas have been designated mixed-use districts, while some industrial areas are in the process of converting to residential uses as a result of market pressures.
Santa Clara	Although there is industrial land in the vicinity of the station, it does not appear to be cause for conflict with new residential uses. City of Santa Clara staff indicated that land used for heavy industrial purposes to the northwest of the station site would probably not change to residential use, and there is no policy shift supporting that change envisioned in the near future. The former FMC defense contractor site is now owned by the City of San Jose and will be redeveloped to commercial and office uses. Some other industrial uses south of the FMC site are being converted to residential uses.

Note: Only stations with significant industrial uses are included.