



SPECIAL MEETING OF THE MILPITAS CITY COUNCIL

SPECIAL MEETING AGENDA

TUESDAY, OCTOBER 12, 2021

CITY COUNCIL CHAMBERS, 2nd Floor,
455 E. CALAVERAS BLVD., MILPITAS, CA
5:30 PM (PUBLIC BUSINESS)

For assistance in the following languages, you may call:

Đối với Việt Nam, gọi 408-586-3122

Para sa Tagalog, tumawag sa 408-586-3051

Para español, llame 408-586-3232

CITY OF MILPITAS - NOTICE OF SPECIAL MEETING

NOTICE IS HEREBY GIVEN that a Special Meeting of the Milpitas City Council will be held at 5:30 p.m. on October 12, 2021 in the City Council Chamber at City Hall, 455 E. Calaveras Blvd., Milpitas and via teleconference/Zoom webinar.

You may watch the Council meeting without providing public comment by accessing it via links here.

Meeting shall be livestreamed - Go to:

Facebook: <https://www.facebook.com/CityofMilpitas/>

YouTube: <https://www.ci.milpitas.ca.gov/youtube>

Web Streaming: <https://www.ci.milpitas.ca.gov/webstreaming>

PUBLIC COMMENT INSTRUCTIONS

Oral public comments may be provided live during the City Council meeting in person or by registering for the zoom meeting in advance. To register you will need to provide an email address (not disclosed) and a name. To minimize technical difficulties, please make sure that you have the latest version of the Zoom Application. Below is the link to register for this meeting only:

https://ci-milpitas-ca-gov.zoom.us/webinar/register/WN_imnQFRzRRru5yGDfOjT1EA

After you register a link will be sent to you to join the City Council meeting in order to give your comments. All registered meeting attendees who wish to speak must click on the "raise hand" icon when the Mayor calls for public comments. If participating by calling in on your phone, dial *9 to use the "raise hand" feature, and when you are called upon, hit *6 to unmute your phone. Your phone number will be displayed in the live meeting. The Mayor will call the speakers to begin.

All comments provided shall be limited to three minutes or less as determined by the Mayor. All members of the public will be limited to one comment per agenda item, and one comment for non-agenda items.

MILPITAS CITY COUNCIL CODE OF CONDUCT

- Be respectful and courteous (words, tone, and body language).
- Model civility.
- Avoid surprises.
- Praise publicly and criticize privately.
- Focus on the issue, not the person.
- Refrain from using electronic devices while on the Council dais.
- Disclose conflicts of interest and affiliations related to agenda items.
- Separate governing from campaigning.
- The Council speaks with one voice after making policy on issues.
- Respect the line between policy and administration.
- Council will hold one another accountable to comply with this Code of Conduct.

CALL MEETING TO ORDER by Mayor and ROLL CALL by City Clerk

PLEDGE OF ALLEGIANCE

PUBLIC FORUM

Those in the audience and via Zoom are invited to address City Council on any subject not on tonight's agenda. In-person speakers wishing to address the Council are requested, but not required to complete a Speaker Card and submit it to the Mayor. In-person speakers will then be asked to come up to the podium and state their name for the record. Those interested in speaking via Zoom may do so by following the instructions on page one (1) of the agenda. Comments may be limited to three (3) minutes or less at the Mayor's discretion. As an item not listed on the agenda, no response is required from City staff or the Council and no action can be taken. The City Council may instruct the City Manager to place the item on a future meeting agenda.

NOTE: If a member of the public wishes to share any presentation materials for Council consideration, they must be submitted to the Clerk's Office by email to CityClerk@ci.milpitas.ca.gov by 12:00 p.m. on the day of the meeting. No presentations will be accepted in person in the Council Chambers.

ANNOUNCEMENTS

ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS

READING OF THE CITY COUNCIL CODE OF CONDUCT

APPROVAL OF AGENDA

AGENDA ITEMS

- 1.** Fiscal Benefits of Employment Lands Study (Staff Contacts: Alex Andrade, Director of Economic Development, 408-586-3046 and Daniel Degu Sr., Economic Development Coordinator, 408-586-3054)

Recommendation: (1) Receive and accept a report on the Fiscal Benefits of Employment Lands Study; (2) Provide direction to staff on development of an Innovation District as part of the Milpitas Metro Specific Plan.

- 2.** Receive a Presentation on the Draft Milpitas Metro Specific Plan (Update of 2008 Transit Area Specific Plan) (Staff Contact: Ned Thomas, Planning Director, 408-586-3273 and Kevin Riley, TASP (Metro) Manager 408-586-3292)

Recommendation: (1) Receive a presentation from staff and consultants; (2) Receive public comment; and (3) Provide feedback and direction on the Draft Milpitas Metro Specific Plan.

ADJOURNMENT

KNOW YOUR RIGHTS UNDER THE OPEN GOVERNMENT ORDINANCE

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions and other City agencies exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and City operations are open to the people's review. For more information on your rights under the Open Government Ordinance or to report a violation, contact the City Attorney's office at Milpitas City Hall, 455 E. Calaveras Blvd., Milpitas, CA 95035
e-mail: cdiaz@ci.milpitas.ca.gov / Phone: 408-586-3040

The Open Government Ordinance is codified in the Milpitas Municipal Code as Title I Chapter 310 and is available online at the City's website www.ci.milpitas.ca.gov by selecting the Milpitas Municipal Code link.

Materials related to an item on this agenda submitted to the City Council after initial distribution of the agenda packet are available for public inspection at the City Clerk's office at Milpitas City Hall, 3rd floor 455 E. Calaveras Blvd., Milpitas and on City website. City Council agendas and related materials can be viewed online: www.ci.milpitas.ca.gov/government/council/agenda_minutes.asp (select meeting date)

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CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Fiscal Benefits of Employment Lands Study
Category:	Community Development
Meeting Date:	10/12/2021
Staff Contact:	Alex Andrade, Director of Economic Development, 408-586-3046 Daniel Degu Sr., Economic Development Coordinator, 408-586-3054
<u>Recommendation:</u>	1. Receive and accept a report on the Fiscal Benefits of Employment Lands Study. 2. Provide direction to staff on development of an Innovation District as part of the Milpitas Metro Specific Plan.

Background:

Economic Development and Job Growth is one of the City Council's seven priorities. Employment lands are significant contributors to the City's General Fund through substantial net positive revenues that support essential and critical public services. As such, it's imperative that the City of Milpitas prioritize preserving and protecting employment lands to ensure long-term fiscal sustainability through diversifying the local economy and creating high-quality job opportunities for residents.

On March 9, 2021 the City Council adopted the Milpitas 2040 General Plan Update. The General Plan Update's Action ED-3i recommends exploring the creation of an Innovation District in the Milpitas Metro Specific Plan area to facilitate increases in employment densities while leveraging the area's proximity to mass transit. And, on May 5, 2020, the City Council adopted the Economic Development Strategy (EDS) to serve as Milpitas' road map to grow and diversify the City's economy, support businesses and workers, and improve quality of life in the community. Strategy 27 recommends identifying and preserving high-priority office and Research and Development (R&D) sites in the Transit Area Specific Plan (future Milpitas Metro Specific Plan) including changes to land use policy.

On June 4, 2021, the Office of Economic Development retained Economic & Planning Systems, Inc. (EPS) to prepare a Fiscal Benefits of Employment Lands Study. The study will guide City policy towards a fiscally resilient future based on preserving and protecting our employment lands, attracting innovative businesses focused on emerging technologies, and developing the Innovation District as part of the Milpitas Metro Specific Plan.

The Innovation District will be designed as an employment destination with modern office, R&D buildings and flexible space for people to interact through "creative collisions" and placemaking. The aim is to plan for a well-connected Innovation District with proximity to public transit and infrastructure that supports bike paths, pedestrian scale sidewalks, social gathering places, and high-speed fiber. With the growing innovation economy, technology businesses prefer locations in and around transit areas for ease of employee access and mobility to and from employment centers.

Analysis:

The Fiscal Benefits of Employment Lands Study is divided into two phases. Phase I includes a Fiscal Impact Analysis; Employment Density, Occupational and Wage Analysis; Residual Land Value Analysis; and Innovation District Development Scenarios Analysis. Phase II consists of the Innovation District Framework Plan, and a set of potential City policies and actions to help support the evolution and development of the Innovation District.

The findings from Phase I have been collated and summarized for this Agenda Report with excerpts reproduced from the *Fiscal Benefits of Employment Lands Study Phase I: Narrative Summary of Conclusions Report* and can be found below. While Phase I consists of various technical and data analyses, the most important findings are illustrated below. For the full report, see Attachment A and the Appendices for additional tables, definitions, maps, etc.

Fiscal Impact Analysis

The Fiscal Impacts Analysis estimates the impact of existing land uses and future developments on the City's General Fund budget. The methodology EPS used to complete the Fiscal Impact Analysis is based on the City's Adopted Fiscal Year 2020-2021 budget.¹ EPS combined financial information from the City's budget with available information on existing land uses, potential future land uses, assessed values, taxable sales, and other parameters. EPS then estimated the taxes and other public revenues that accrue to the City's General Fund through different land uses as well as the public expenditures required to support them. By comparing expected revenues to expected expenditures for different land uses, it is possible to determine whether, on average, the land use will have an overall positive or overall negative impact on the City's General Fund budget.

As shown in Table 1 (pg. 7), the City's current employment lands generate substantial revenues to the City's budget. Analysis of the broad set of existing land uses in Milpitas shows that Retail (\$15,722,695 annually), Hotel (\$13,336,257 annually), and Industrial (\$2,351,362 annually) uses all make positive contributions to the City's budget.

On the contrary, existing Single Family Residential (-\$32,485,031 annually) and Multi-Family Residential (-\$6,829,918 annually) uses cause the greatest expense to the City's budget, meaning existing residential uses are unable to cover their public service cost needs and are supported by the following employment land uses: Hotel, Retail, and Industrial uses.

Employment lands make up 55% of the City's General Fund total revenues, while non-employment land uses such as Single Family Residential, Multi-Family Residential, and Other Uses² make up 75% of the City's General Fund total expenditures.

As shown in Table 2 (pg. 10), on average, all types of new development are expected to provide new revenue to the City, though to varying degrees. To estimate the impacts of potential new developments on the City's budget, nine development prototypes across a range of land uses were studied. The higher property values of new development results in significant increased property tax revenues for the City's budget. For example, new Hotel (\$826,580 per acre) development will continue to be the fiscally strongest use, though new Class A Office (\$85,406 per acre), Retail (\$63,925 per acre), and Class A Office/R&D (\$51,222 per acre) generate significant revenues in the future.

Employment Density, Occupational, and Wage Analysis

The Employment Density, Occupational, and Wage Analysis estimates the expected number of jobs and wages generated by development and occupancy of different commercial developments. EPS used two different methods of analysis to complete the Employment Density, Occupational, and Wage Analysis. For

¹ When EPS commenced research, only the City's adopted FY2020-2021 budget was available at that time.

² The term "Other Uses" includes hospitals, vacant land, civic uses, and parking lots.

employment density, EPS reviewed a range of data sources to determine estimates of the average number of workers per building square foot and the average square feet required per worker. For the wage analysis, EPS obtained U.S. Census Bureau information on wages by industry sector by city. A connection was then made between the land use/development types being evaluated and the typical industry sectors occupying those buildings. Then EPS was able to estimate the average wages of jobs in different building types in different cities. Because wage information by city is imperfect and due to the regional nature of employment markets, an average of the four cities evaluated was also calculated to provide a planning-level estimate of future wages by building type.

As shown in Table 4 (pg. 14), occupational wages in Milpitas tend not to be as strong as Mountain View, Sunnyvale, and Santa Clara. The strongest annual wages by land use/development types in Milpitas are associated with Class A Office/R&D (\$122,100) and Class A Office (\$121,500). Alternatively, the lowest annual wages by land use and development types in Milpitas are associated with Hotel (\$33,900), Retail (\$34,000), and Warehouse and Distribution (\$39,300).

Although it is discussed in more detail below in Tables 11 through Table 14 (pgs. 25-26), it's important to note that approximately 2,000 to 14,200 jobs may be created providing almost \$140M to \$2B in annual wages. This may be accommodated in the Innovation District by protecting and preserving Milpitas' employment lands.

Residual Land Value Analysis

A Residual Land Value Analysis estimates the development revenues to development costs to determine if a development project "pencils out." EPS used the following methodology formula to complete the Residual Land Value Analysis: *Residual Land Value = Project Development Value minus Development Costs (excluding the cost to purchase land)*. The following key methodological assumptions were used by EPS to determine the development value and development costs: estimated lease rates; vacancy rates; operating expenses and income; parking requirements; and costs associated with permitting, construction, financing, and other regulatory requirements.

City actions can help spur business attraction and development of the Innovation District. For the Milpitas Innovation District, challenges include the lack of large and vacant sites, competition for Class A Office/R&D uses among Silicon Valley communities, high costs of building and parking development associated with Class A Office/ R&D uses, strong market demand for residential development, the economics of existing uses and competition with other lower-intensity uses (e.g. storage; warehouse and distribution), and the current lack of connectivity and sense of place and amenities.

As shown in Table 7 (pg. 20), Class A Office (5-Story), Class A Office (8-Story), and Class A Office/R&D (4-5 Story) uses are not currently economically feasible and other uses such as Warehouse and Distribution and Mid-Rise Residential (7-Story) are more likely to occur if employment lands are not protected and preserved for innovative business uses.

Table 7 also shows that with significant improvements in market conditions and supportive City policies, the desired Innovation District employment land uses become more economically feasible for real estate development projects to pencil out. Analysis was completed on specific development types that results in a negative return on investment and identified how to make projects more feasible through strategic City policy decisions. The two key areas of focus to ensure projects are feasible are increases in lease rates and reductions in capitalization rates.³ For policy adjustments, the two key areas of focus were reductions in Transit Area Development Impact Fees (TADIF) on commercial development and the easing of parking

³ Capitalized Value. The capitalized value represents the estimated value/sales price of a building/development. It is typically calculated based on: (1) annual net operating income (annual revenues minus annual operating expenditures); and, (2) the capitalization (cap) rate which represents the observed ratio between building sales prices and net operating incomes in different market areas.

requirements within the Innovation District. These policy options were selected as they directly affect the feasibility of Class A Office (5-Story), Class A Office (8-Story), and Class A Office/R&D (4-5 Story) uses. The improved Residual Land Value scenarios result in development projects being feasible and diversifying the local economy with increased revenues and fiscal health for the City.

Innovation District Development Scenarios Analysis

The Innovation District Development Scenarios Analysis estimates the different levels of development, jobs, salaries, and fiscal impacts based on the buildout of various Innovation District land use scenarios. EPS applied the Employment Density, Occupation and Wage Analysis, and Fiscal Impact Analysis to four Innovation District Development Scenarios to determine the different economic and fiscal impact analyses associated with each scenario as its methodology to complete the Innovation District Development Scenarios Analysis.

The City's Innovation District has the potential to accommodate a significant amount of new Class A Office and R&D development as well as Hotel and other commercial uses. As shown in Table 11 through Table 14, the Innovation District is expected to create between \$1.74M and \$3.86M square feet of commercial development.

As shown in Table 15 (pg. 28), it is projected that at full buildout of the Innovation District the result may be future revenues in the range of \$6.5M to \$9.9M annually, which creates long term fiscal sustainability for the City through growing and diversifying the economy.

Development Scenario 1. This scenario reflects the existing environment and current parcel uses of the Innovation District. Current parcel uses include Warehouse and Distribution (43 percent of Innovation District acres), Assembly⁴ (14%), Class B Office (13%), and Industrial (12%). Scenario 1 is estimated to generate approximately \$6.5M annually for Milpitas' General Fund.

Development Scenario 2. This scenario primarily represents redevelopment of parcels as Commercial/Retail (48% of Innovation District acres) with a strong ongoing Warehouse and Distribution component (31%). Scenario 2 results in an estimated \$6.8M annually in positive net fiscal impact to the General Fund.

Development Scenario 3. This scenario represents a strong presence of new Class A Office and Class Office/R&D development (50%), Light Industrial uses (31%), continued Hotel uses, and modest amounts of Housing and Open Space. Scenario 3 is expected to generate a net fiscal impact of over \$8.6M annually.

Development Scenario 4. This scenario represents even stronger presence of new Class A Office and Office/R&D development (87%) along with continued hotel uses. Scenario 4 generates the strongest net fiscal impact to the City's General Fund at an estimated \$9.9M annually.

Policy Options:

While the City of Milpitas does not typically act as a real estate developer, the City Council, as a legislative body, has the authority to enact legislation, establish policies, and provide guidance and direction for actions which affect development and land use. In order to develop a successful Innovation District, the following types of policies and actions will need to be explored by the City Council in the future to ensure that development projects are feasible:

⁴ Assembly means the provision of activities for assembled groups of participants at institutions or facilities including but not limited to private and nonprofit clubs; social or fraternal organizations; and churches, temples, synagogues and other places of worship.

- Protect and preserve employment lands through land use designations;
- Offer flexibility in density and height to support development economics;
- Consider reduced parking requirements for employment uses in a transit-oriented area;
- Consider reduced development impact fees on future Office and R&D projects; and
- Expedite the entitlement and permit processes through Development Agreements, Public/Private Partnerships, and facilitating pre-development meetings with various City departments and developers.

These policy actions will allow future real estate developers and new technology businesses to take vital steps toward investing in the Innovation District. At the June 14, 2021 Milpitas Metro Specific Plan Study Session, the City Council reached consensus on providing the right land uses and implementation tools to protect and incentivize commercial development within the Innovation District. In order to positively differentiate Milpitas and gain a competitive advantage, real estate developers and investors will recognize the City of Milpitas' entrepreneurial spirit and will take on opportunities that will attract new businesses with emerging technologies, create quality jobs and diversify and grow the local economy. With appropriate implementation of policy actions and the right investment opportunities, Milpitas can be the strategic location of a premier Innovation District.

Summary of Findings:

Employment lands make substantial and positive revenue contributions. Overall, it is projected that developing the Innovation District will likely result in future revenues within the range of \$6.5M to \$10M annually to the City's budget. Although occupational wages in Milpitas tend not to be as strong as Mountain View, Sunnyvale, and Santa Clara today, all types of new development will result in positive externalities such as strong revenue generation and high-quality new jobs for residents in the long term. City policy options as outlined above can catalyze the successful evolution and development of the Innovation District.

Next Steps:

City Council feedback from the Study Session will be used to guide the project team throughout the execution of Phase II of the Fiscal Benefits of Employment Lands Study. Phase II of the study will take a closer look at the Innovation District and combine case studies and lessons learned to develop a set of potential City policies and actions to support Innovation District implementation as outlined in the Summary of Findings above.

The City's consultant, EPS, has commenced Phase II work. To date, EPS has been able to study the key existing characteristics of the Milpitas Innovation District; draw preliminary lessons learned from other successful Innovation Districts; and begin to identify the key influences, actions, and policies that could support the successful development of the Milpitas Innovation District. The Phase II Findings is tentatively scheduled to be completed in the first quarter of 2022. The project team anticipates returning to the Council in the second quarter of 2022 to report on the Phase II Findings.

Fiscal Impact:

There is no fiscal impact related to receiving this staff report. On June 4, 2021, the Office of Economic Development retained EPS to prepare a Fiscal Benefits of Employment Lands Study. This study is fully funded and budgeted using the Adopted Fiscal Year 2020-21 and Adopted Fiscal Year 2021-22 operating budget of the Office of Economic Development. The contract amount is \$93,000.

California Environmental Quality Act:

In providing direction to staff, the City Council will not be taking any discretionary action requiring environmental review under the California Environmental Quality Act (CEQA) as the initial direction to staff on development of an Innovation District would not constitute a project under CEQA. Further, future projects envisioned under this report will receive environmental review consistent with the Milpitas Metro Specific Plan and its associated Subsequent Environmental Impact Report.

Recommendation:

1. Receive and accept a report on the Fiscal Benefits of Employment Lands Study.
2. Provide direction to staff on development of an Innovation District as part of the Milpitas Metro Specific Plan.

Attachments:

- A. Fiscal Benefits of Employment Lands Study Phase I: Narrative Summary of Conclusions Report

DRAFT TECHNICAL MEMORANDUM

To: Daniel Degu, City of Milpitas

From: Economic & Planning Systems, Inc.

Subject: Fiscal Benefits of Employment Lands Study Phase 1:
Narrative Summary of Conclusions

Date: October 7, 2021

The Economics of Land Use



The City of Milpitas (City) engaged Economic & Planning Systems, Inc. (EPS) to prepare a *Fiscal Benefits of Employment Lands Study (Study)*. The Study will guide City policy towards a fiscally resilient future based on protection and preservation of employment lands, the expansion and attraction of innovative and competitive businesses, and the evolution of the City's new Innovation District. The Innovation District, located within the Milpitas Metro Specific Plan (MMSP), provides a vital economic development opportunity to support the City fiscally and economically.

The overall study is divided into two phases, with **Phase 1** including the Fiscal Impact Analysis, the Occupation and Wage Analysis, the Residual Land Value Analysis, and the Innovation District's Development Scenarios Analysis. **Phase 2** will include the development of the Innovation District Framework Plan, a set of potential City policies and actions to help support the evolution and development of the Innovation District.

This memorandum provides a narrative summary of conclusions from these analyses with detailed table sets included in the **Appendices**. The **Phase 1** memorandum, that informs the **Phase 2** work, is organized as follows:

Summary of Findings. Summarizes the key findings from the different technical components of the Phase 1 Study.

Fiscal Impact Analysis. Provides a summary of findings concerning the impacts of existing land uses and future development on the City's General Fund.

Employment Density, Occupational, and Wage Analysis. Estimates the expected number of jobs and wages generated associated with the development and occupancy of different non-residential developments.

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www.epsys.com

Residual Land Value Analysis. Assesses the development economics/development feasibility of different land uses under current market conditions as well as under a combination of improved market conditions and suggested refined policies.

Innovation District Development Scenarios Analysis. Estimates the different levels of development, jobs, salaries, and net fiscal impacts based on the buildout of different Innovation District land use scenarios.

Summary of Findings

Phase 1 of the *Fiscal Benefits of Employment Lands Study* (Study) provides broad insights into the role and importance of employment lands in Milpitas as well as the opportunities and challenges associated with the creation of a new Innovation District as part of MMSP.¹

The overall findings of the **Phase 1** work are as follows:

1. Employment lands play a critical economic and fiscal role in supporting essential and critical City services.
2. Cultivation of an Innovation District as a key component of MMSP and City economic development efforts would provide new, expansive benefits to the City.
3. There are challenges to spurring the development of the Innovation District and the City will need to play a proactive role in generating incentives to catalyze the Innovation District.

A more detailed summary of key findings from **Phase 1** are provided below:

- **The successful development of an Innovation District would bring a broad range of substantial benefits** (see *Innovation Districts Scenario Analysis* section). The City's new Innovation District has the potential to accommodate millions of square feet of new Office and R&D development as well as supportive Hotel and other non-residential uses. The impacts of the successful development of the Innovation District are estimated in this memorandum and include:
 - Substantial net revenues to the City's General Fund.
 - Accommodation of a range of new professional, scientific, and technology businesses bringing thousands of well-paying jobs.
 - The broader transformation of the TASP/MMSP area into a vital mixed-use transit-oriented area.
- **The City's current employment lands make substantial and positive net fiscal contributions to the City's budget.** Analysis of the broad set of existing land uses in the city shows that hotel, retail, and industrial uses all make positive contributions to the City's

¹ This memorandum refers to a range of different geographic areas, including (1) the Transit Area Specific Plan (TASP) area – the planning area of the 2008 Specific Plan; (2) the Metro Milpitas Specific Plan (MMSP) area – the updated/adjusted Specific Plan area that incorporates additional lands to the east of the TASP that form part of the envisioned Innovation District. The proposed Innovation District also is defined geographically in two ways, including a broader Innovation District area as well as a core set of parcels that form the basis of much of the technical analysis in this memorandum. Maps showing these different areas are included in **Appendix A**.

General Fund. Collectively existing residential uses, however, are unable to cover their public service cost needs and are cross-subsidized by non-residential uses (see *Fiscal Impact Analysis* section (existing uses)).

- **Although wages in Milpitas tend not to be as strong as Mountain View, Sunnyvale, and Santa Clara today, full buildout of the Innovation District would accommodate high-quality new jobs and wages for residents in the long term.** The strongest annual wages by land use/development types in Milpitas are associated with Class A Office/R&D and Class A Office uses. The lowest annual wages by land use and development types in Milpitas are associated with Hotel, Retail, and Warehouse/Distribution uses.
- **On average, all types of new development in the City are expected to provide positive fiscal contributions to the City, though to varying degrees.** The higher property values of new development will generally allow them to make fiscally positive contributions to the City. New hotel development will continue to be the fiscally strongest use, though new Class A Office, Class A Office/R&D, and Retail generate significant fiscal positives. New multi-family residential, Class B office, industrial, and warehouse/ distribution uses all generate positive but smaller fiscal impacts. New residential development in the Transit Area Specific Plan (TASP) also makes additional contributions towards public services through the payment of the Communities Facilities District (CFD) special tax (see *Fiscal Impact Analysis* section (new uses)).
- **The MMSP is intended to support the incremental redevelopment of the identified area into a vital Innovation District.** The Innovation District area currently includes a broad range of uses, ranging from public storage to light industrial to hotel uses. With the recent opening of the multi-modal Milpitas Transit Station Center (VTA/BART) and new policies, investments, and improvements, an incremental evolution of these uses is sought towards a more dense, transit-oriented set of employment and supporting uses located near residential development.
- **There are a broad range of development challenges to achieving the Innovation District vision including the economics of Office/R&D development** (see *Residual Land Value Analysis* section). For jurisdictions throughout the U.S., there are a broad range of development challenges that arise when supporting area transformation. As a result, progress often occurs incrementally and over time. For the Milpitas Innovation District, key challenges include the lack of large and vacant sites, competition for Office/R&D uses among Silicon Valley communities, the high costs of building and parking development associated with Office/R&D uses, high market demand for residential development, the economics of existing uses and competition with other lower-intensity uses (e.g. storage; warehouse/ distribution), and the current lack of connectivity and sense of place/amenities.
- **City actions can help spur the evolution and development of the Innovation District.** It will be important for the City to consider the full range of actions to support the goals of the Innovation District, particularly preserving and protecting its employment lands and incentivizing the development of a premier Innovation District. These include a broad range of policies, investments, funding mechanisms, outreach, and partnership pursuit. This is the focus of **Phase 2** with an important overlap with the MMSP that will lay out a number of important policies and actions that will guide the Innovation District.

Phase 2 of the Study will take a closer look at the Innovation District, combining existing conditions, case studies, and Phase 1 findings, to develop a set of potential policies and actions to support Innovation District implementation.

Fiscal Impact Analysis

A fiscal impact analysis estimates the impact of different land uses on both the City's General Fund revenues and expenditures. By comparing the revenue and expenditure impacts, it is possible to determine whether particular land uses are expected to have positive or negative impacts on the City's General Fund. This analysis examines the fiscal impacts of both existing land uses and potential future developments. **Appendix B** and **Appendix C** provide the full fiscal impact analysis table set for existing land uses and future land uses respectively.

Methodology

The City's General Fund is a key City fund where a broad range of revenues are deposited and from which expenditures on key public services are made. A number of taxes and other public revenues accrue to the City's General Fund, including property taxes, sales taxes, and transient occupancy taxes, among others. The General Fund also provides all or a significant proportion of funding for a range of important public services, including police, fire, and public works, among others.

In this analysis, two planning-level fiscal impact analyses are conducted, including: (1) estimated fiscal impacts of existing land uses; and (2) estimated fiscal impacts of potential new developments/ land uses. The results for existing uses provide insights into the relative fiscal contributions of existing land uses. The results for future uses provide insights into how different land use policies and development types could affect the City's fiscal situation.

Existing Land Uses

The City of Milpitas 2020-2021 Adopted Budget and Financial Plan provides information on the City's General Fund revenues and expenditures by category. A range of information was used to distribute these revenues and expenditures between different land uses. Building inventory by land use was a key piece of information. On the revenue side, additional information sources included existing assessed values by land use that supported the estimates of property taxes by land use and taxable sales information by land use that supported the estimates of sales and use tax by land use.

On the expenditure side, an average per service population approach was used. Under this approach, all General Fund expenditures are distributed between residents and workers. Because they are, on average, present in the City for less time, a single worker is given half the weighting of a single resident.² It is then possible to combine the City's budget information on existing General Fund expenditures by category with the City's existing service population to determine the average General Fund expenditure (in total and by expenditure category) associated with each resident and worker. Using information on the number of residents

² Service population is a measure that combines both residents and workers, reflecting the fact that they both demand/use City services. Workers are given a partial weighting as they are in the city for a smaller proportion of their time. Because different land uses bring different levels of new service population to the city, different land uses have different public service expenditure impacts.

currently living in different types of residential land uses and the number of workers accommodated in different types of workspaces, it is then possible to allocate General Fund expenditures by category to different land uses.

New Land Uses

The fiscal impacts of new land uses are estimated using a similar approach with some important differences. For new land uses it is helpful to specify the nature of the new land uses assessed; the land uses/development prototypes considered in this analysis are further described below. In addition, new development will typically have substantially higher assessed values based on their new development value. This requires specific assumptions concerning the development value of different land uses. On the expenditure side, the same service population approach is used. In other words, each new resident or worker is assumed to require the same level of General Fund expenditures as existing residents and workers. As a result, based on information on persons per household and workers per square foot, it is possible to derive General Fund expenditures by land use type.

Impacts of Existing Uses

Land Uses and Approach

Milpitas has a broad range of existing land use types located in different employment areas in the city. The analysis provides planning-level land use-specific conclusions on the net General Fund fiscal impact of existing land uses. The existing land uses in the city of Milpitas are categorized as follows:

- 1. Single-Family Residential.** Including detached and attached units up to and including triplexes.
- 2. Multifamily Residential.** Including apartment houses with 5 or more units, condominiums, and generic multifamily dwellings.
- 3. Office.** Including professional buildings and commercial offices.
- 4. Industrial:** Broad industrial category including manufacturing, warehousing and distribution, research and development (R&D) facilities, and similarly intensive uses.
- 5. Retail.** Including all shopping establishments and service stations.
- 6. Hotel.** Including all hotel uses.
- 7. Other Uses.** Including everything not captured in above categories. Exemplary uses include hospitals, vacant land, civic uses, parking lots, and other.

Fiscal Results

Estimated fiscal impacts by land use are shown in **Table 1** and show estimated General Fund revenues, expenditures, and the net fiscal impact associated with each existing land use category.

These results reflect the current (FY 2020/21) collective, average impacts of the different existing land use categories.³ Each actual existing development has a differential impact based on the timing of its development and project specifics. The impacts of new development are discussed in the next section.

Key conclusions from **Table 1** are as follows:

- **Residential.** Existing residential uses, both single-family and multifamily, indicate the largest fiscal deficits with General Fund revenues covering about 50 percent of General Fund expenditures. This is true even with the attribution of sales and use tax revenues from resident spending to residential uses. This is a common finding for existing residential land uses in California cities.
- **Office.** Existing office uses also generate a net fiscal deficit for the City's General Fund. This is primarily a reflection of the age of the office building stock (average age of office buildings in Milpitas is over 30 years) that limits the property tax revenue generation.
- **Industrial.** The City has a large base of industrial development that varies in specific use type. Overall existing industrial uses generate a net fiscal positive impact for the City's General Fund. An important reason for this outcome is the substantial sales and use tax revenues (business-to-business taxes) generated by many industrial uses.
- **Retail.** As is common under the State of California's tax system, retail uses provide a substantial positive fiscal impact to the City's General Fund. The Great Mall is a key driver of this contribution with additional contributions from retail establishments throughout the city. Dependence on retail uses and their associated sales tax generation is a common theme for many California cities.
- **Hotel.** Similar to retail uses, hotel uses and their associated transient occupancy taxes also bring a substantial positive fiscal impacts to the City. These revenues can fluctuate substantially with economic conditions.⁴

As with most California cities, the pandemic-related recession brought challenges to the City of Milpitas, with the primary generators of fiscal revenues (retail and hotel uses) being especially affected by social-distancing guidelines and stay-at-home orders.

³ The analysis distributes the large majority of General Fund revenues and expenditures. Only exceptions are items that are unrelated to land use/development (e.g., transfers in).

⁴ More recent information than the City's 2020-2021 Adopted Budget indicates a substantial reduction in Transient Occupancy Tax revenues associated with the pandemic.

Table 1. Annual General Fund Net Fiscal Impacts of Existing Land Uses

Annual General Fund Impacts	Single Family ¹	Multi- Family ¹	Office	Industrial	Retail	Hotel	Other Uses	Total
General Fund Revenues								
Property Tax	\$14,774,099	\$6,671,212	\$544,022	\$6,251,994	\$1,931,997	\$627,253	\$941,356	\$31,741,933
Property Tax In-Lieu of VLF	\$3,696,107	\$1,668,969	\$136,100	\$1,564,091	\$483,337	\$156,923	\$235,503	\$7,941,031
Sales Taxes	\$3,752,701	\$1,076,926	\$822,258	\$6,950,982	\$15,514,270	\$34,669	\$220,146	\$28,371,951
Real Estate Transfer Tax	\$370,582	\$167,335	\$13,646	\$156,820	\$48,461	\$15,734	\$23,612	\$796,190
Business License Tax	\$0	\$0	\$54,661	\$199,016	\$32,036	\$14,356	\$65,582	\$365,650
Motor Vehicle In-Lieu	<u>\$26,708</u>	<u>\$7,665</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$647</u>	<u>\$35,020</u>
Other Taxes	\$397,290	\$175,000	\$68,307	\$355,836	\$80,496	\$30,089	\$89,841	\$1,196,860
Franchise Fees	\$3,221,727	\$924,550	\$192,907	\$702,353	\$113,058	\$50,663	\$309,528	\$5,514,787
Transient Occupancy Tax	\$0	\$0	\$0	\$0	\$0	\$13,452,683	\$0	\$13,452,683
Licenses, Permits, and Fines	<u>\$5,787,719</u>	<u>\$1,660,922</u>	<u>\$346,551</u>	<u>\$1,261,752</u>	<u>\$203,105</u>	<u>\$91,015</u>	<u>\$556,055</u>	<u>\$9,907,120</u>
Total Revenues	\$27,933,537 31%	\$10,508,610 12%	\$1,974,045 2%	\$15,522,917 17%	\$17,842,927 20%	\$14,286,373 16%	\$2,116,925 2%	\$90,185,334 100%
General Fund Expenditures								
General Government	\$2,511,645	\$720,775	\$150,390	\$547,551	\$88,140	\$39,497	\$241,306	\$4,299,304
Economic Development	\$534,026	\$153,251	\$31,976	\$116,420	\$18,740	\$8,398	\$51,307	\$914,118
Building Safety & Housing	\$4,032,635	\$1,157,260	\$241,462	\$879,135	\$141,515	\$63,415	\$387,436	\$6,902,858
Engineering	\$1,367,502	\$392,437	\$81,882	\$298,122	\$47,989	\$21,505	\$131,383	\$2,340,819
Finance	\$2,545,109	\$730,379	\$152,393	\$554,847	\$89,314	\$40,023	\$244,521	\$4,356,586
Fire	\$16,252,557	\$4,664,053	\$973,154	\$3,543,140	\$570,341	\$255,581	\$1,561,465	\$27,820,292
Human Resources	\$1,227,784	\$352,341	\$73,516	\$267,663	\$43,086	\$19,308	\$117,959	\$2,101,657
Information Technology	\$2,174,120	\$623,915	\$130,180	\$473,969	\$76,295	\$34,189	\$208,879	\$3,721,547
Planning	\$579,456	\$166,289	\$34,696	\$126,324	\$20,334	\$9,112	\$55,671	\$991,883
Police	\$21,940,150	\$6,296,242	\$1,313,710	\$4,783,064	\$769,932	\$345,021	\$2,107,901	\$37,556,020
Public Works	\$5,348,454	\$1,534,865	\$320,249	\$1,165,990	\$187,690	\$84,107	\$513,853	\$9,155,209
Recreation & Community Services	<u>\$1,905,131</u>	<u>\$546,722</u>	<u>\$114,074</u>	<u>\$415,328</u>	<u>\$66,856</u>	<u>\$29,959</u>	<u>\$183,036</u>	<u>\$3,261,106</u>
Total Expenditures	\$60,418,568 58%	\$17,338,528 17%	\$3,617,682 3%	\$13,171,555 13%	\$2,120,232 2%	\$950,116 1%	\$5,804,717 6%	\$103,421,399 100%
Annual Net Impact on General Fund	(\$32,485,031)	(\$6,829,918)	(\$1,643,637)	\$2,351,362	\$15,722,695	\$13,336,257	(\$3,687,792)	(\$13,236,065)

[1] Residential developments in the TASP/CFD area pay an additional annual CFD special tax toward the provision of public services throughout the TASP. These revenues do not flow into the City's General Fund and therefore are omitted from this table.

Source: Economic & Planning Systems

Impacts of New Uses

Land Uses and Approach

To estimate the fiscal impacts of potential new developments on the City of Milpitas' General Fund, City staff and EPS considered nine (9) development prototypes across a range of land uses. These prototypes were selected as they represent development types that might be considered for development within the Innovation District and the broader MMPS. The prototypes examined are as follows:

1. **Mid-Rise Multifamily Residential.** Apartment building of 7 stories in height with a density of about 90 Dwelling Units per Acre.
2. **High-Rise Multifamily Residential.** Apartment building of 12 stories in height with a density of about 180 Dwelling Units per Acre.
3. **Class A Office.** A 5- to 8-story office building with high-quality finishes, amenities, and systems.
4. **Class B Office.** A 3-story office building with mid-quality finishes, amenities, and systems.
5. **Office/R&D.** A 4- to 5-story commercial building with more flexible space that can accommodate both office and R&D uses.
6. **Light Industrial.** A 1- to 3-story building intended for production, processing, and assembly activities that do not generate noise, odors, or fumes to the degree a heavy industrial use would.
7. **Warehouse/Distribution.**⁵ A 1-story building intended for warehousing and logistic uses.
8. **Retail.** A traditional 1-story commercial building with substantial parking and a low Floor Area Ratio intended for on-site retail sales.
9. **Hotel.** A 210-room hotel with 650 sq. ft. per room.

Fiscal impacts for the new prototype developments were derived using the same general methodology as for existing uses, with the major difference arising in the assessed value assumptions.⁶ For new uses, development values/assessed values are based on recent market

⁵ Warehouse and distribution uses include logistics/fulfillment centers.

⁶ Assessed value represents the basis on which property owners pay their property taxes. For existing developments, County Assessor records provide information on actual assessed values. For new development, the assessment is set at the sales price or property value of the new development. For for-sale properties, new development will be assessed at its sale price. For new income (rental) properties, the assessed value of the new property will be estimated by the Santa Clara County Assessor's Office on either a capitalized value or total cost basis (see next footnote).

information.⁷ The prototype land uses are estimated on lots of varying size, so results are presented on a per-acre basis to facilitate comparison. The estimated net annual fiscal impacts of new and future uses on Milpitas' General Fund are presented in **Table 2**.

Results

As shown in **Table 2**, on a per-acre basis, the new development prototypes all cover their estimated costs and nonresidential uses generally provide greater annual fiscal surpluses to the City's General Fund. Hotel uses provide the greatest fiscal impact at \$826,580 per acre, though as experienced during the pandemic, these revenues sources are subject to fluctuation with economic conditions. After hotels uses, Class A Office (\$85,406), Retail (\$63,925), and Office/R&D (\$51,222) uses provided the next highest fiscal impact per acre. The next set of uses in order of positive fiscal impact per acre include, High-Rise Residential (\$28,115), Light Industrial (\$22,648), Class B Office (\$14,299), Warehouse and Distribution (\$13,527), and Mid-Rise Residential (\$9,153). The higher development values and associated property tax generation by new development are a key driver of the improved fiscal results. Employment uses often generate higher fiscal surpluses as opposed to residential uses, due to their lower service population generation and subsequently lower impact on General Fund expenditures.

It is important to note that these results represent planning-level averages and individual developments will vary from these results based on project specifics and market timing. The CFD special taxes paid by new residential development in the TASP are not included in this table but are discussed below (these revenues do not flow directly into the City's General Fund but they do support the provision of public services in the TASP).⁸

Key conclusions from **Table 2** are as follows:

- **Residential.** New mid-rise development prototypes – a predominant recent development type in the TASP – are expected to generate sufficient General Fund revenues annually (about \$333,000) to cover the new General Fund expenditures (about \$315,000) with a positive fiscal surplus of about \$18,000 or \$9,000 per acre. New high-residential development prototypes (a product type that is yet to be developed in the City) are also expected to generate a positive fiscal surplus of about \$56,000 for the prototype, equivalent to \$28,000 per acre, with higher General Fund revenue and expenditure impacts than new mid-rise development. The significant property tax revenues generated by new residential developments' high market values are the primary contributor to their positive net fiscal impacts. These estimates do not include the additional public service special tax payments made by new residential in the TASP that are discussed below.

⁷ Development values (and hence assessed values of new development) were estimated using a capitalized value approach driven by market rent/lease rate information and capitalized rates. Rents and associated values were developed using 2019 data to avoid the impact of the pandemic-induced market downturn. Capitalized values were developed as part of the Residual Land Value Analysis section. A glossary of terms is provided in **Appendix D**.

⁸ The Transit Area Specific Plan (TASP) is the 2008 document that sets forth the vision, design guidelines, and policies for the City to redevelop the area surrounding the now opened Milpitas BART station. The new Milpitas Metro Specific Plan represents an update to this document.

Table 2. Annual General Fund Net Fiscal Impacts of New Land Uses

Annual General Fund Impacts	Mid-Rise Multifamily ¹	High-Rise Multifamily ¹	Class A Office	Class B Office	Office/ R&D	Light Industrial	Warehouse/ Distribution	Retail	Hotel
General Fund Revenues									
Property Tax	\$191,702	\$397,211	\$352,556	\$59,768	\$199,254	\$78,611	\$39,374	\$68,201	\$126,707
Property Tax In-Lieu of VLF	\$47,959	\$99,372	\$88,201	\$14,952	\$49,848	\$19,666	\$9,850	\$17,062	\$31,699
Sales Taxes	\$28,005	\$57,993	\$156,730	\$31,010	\$91,922	\$40,181	\$25,964	\$254,244	\$801
Real Estate Transfer Tax	\$5,207	\$10,788	\$4,788	\$812	\$2,706	\$1,068	\$535	\$926	\$1,721
Business License Tax	\$0	\$0	\$10,032	\$2,006	\$5,016	\$1,505	\$463	\$1,191	\$614
Motor Vehicle In-Lieu	<u>\$218</u>	<u>\$437</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Other Taxes	\$5,425	\$11,225	\$14,820	\$2,818	\$7,722	\$2,572	\$998	\$2,118	\$2,335
Franchise Fees	\$21,341	\$42,681	\$57,382	\$11,476	\$28,691	\$8,607	\$2,648	\$6,814	\$3,513
Transient Occupancy Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,916,250
Licenses, Permits, and Fines	<u>\$38,338</u>	<u>\$76,675</u>	<u>\$103,086</u>	<u>\$20,617</u>	<u>\$51,543</u>	<u>\$15,463</u>	<u>\$4,758</u>	<u>\$12,241</u>	<u>\$6,311</u>
Total Revenues	\$332,770	\$685,158	\$772,774	\$140,642	\$428,980	\$165,101	\$83,592	\$360,681	\$2,087,616
<i>per Acre</i>	<i>\$166,385</i>	<i>\$342,579</i>	<i>\$154,555</i>	<i>\$28,128</i>	<i>\$85,796</i>	<i>\$33,020</i>	<i>\$16,718</i>	<i>\$72,136</i>	<i>\$835,046</i>
General Fund Expenditures									
General Government	\$3,217	\$6,433	\$3,537	\$707	\$1,768	\$530	\$163	\$420	\$217
Economic Development	\$1,368	\$2,736	\$1,504	\$301	\$752	\$226	\$69	\$179	\$92
Building Safety & Housing	\$10,329	\$20,658	\$11,357	\$2,271	\$5,678	\$1,703	\$524	\$1,349	\$695
Engineering	\$3,503	\$7,005	\$3,851	\$770	\$1,926	\$578	\$178	\$457	\$236
Finance	\$3,260	\$6,519	\$3,584	\$717	\$1,792	\$538	\$165	\$426	\$219
Fire	\$104,073	\$208,146	\$114,425	\$22,885	\$57,212	\$17,164	\$5,281	\$13,588	\$7,005
Human Resources	\$1,572	\$3,145	\$1,729	\$346	\$864	\$259	\$80	\$205	\$106
Information Technology	\$2,784	\$5,569	\$3,061	\$612	\$1,531	\$459	\$141	\$364	\$187
Planning	\$1,484	\$2,968	\$1,632	\$326	\$816	\$245	\$75	\$194	\$100
Police	\$140,493	\$280,986	\$154,468	\$30,894	\$77,234	\$23,170	\$7,129	\$18,343	\$9,456
Public Works	\$34,249	\$68,497	\$37,655	\$7,531	\$18,828	\$5,648	\$1,738	\$4,472	\$2,305
Recreation & Community Services	<u>\$8,133</u>	<u>\$16,266</u>	<u>\$8,942</u>	<u>\$1,788</u>	<u>\$4,471</u>	<u>\$1,341</u>	<u>\$413</u>	<u>\$1,062</u>	<u>\$547</u>
Total Expenditures	\$314,464	\$628,929	\$345,743	\$69,149	\$172,872	\$51,861	\$15,957	\$41,057	\$21,166
<i>per Acre</i>	<i>\$157,232</i>	<i>\$314,464</i>	<i>\$69,149</i>	<i>\$13,830</i>	<i>\$34,574</i>	<i>\$10,372</i>	<i>\$3,191</i>	<i>\$8,211</i>	<i>\$8,466</i>
Annual Net Impact on General Fund	\$18,305	\$56,229	\$427,031	\$71,493	\$256,109	\$113,239	\$67,635	\$319,624	\$2,066,450
<i>per Acre</i>	<i>\$9,153</i>	<i>\$28,115</i>	<i>\$85,406</i>	<i>\$14,299</i>	<i>\$51,222</i>	<i>\$22,648</i>	<i>\$13,527</i>	<i>\$63,925</i>	<i>\$826,580</i>

[1] The current CFD special tax rate is about \$650 per unit annually. As a result, mid-rise residential developments (see prototypes above) in the TASP/CFD area generate a significant additional annual \$117,000 in tax revenue per acre of development and high-rise developments an additional \$234,000 per acre. The City uses these revenue streams to support additional public safety services in the TASP.

Source: Economic & Planning Systems

- **Office and Office/R&D.** Class A Office and Office R&D prototype developments are expected to generate strong fiscal impacts to the City. The Class A office development prototype is expected to generate about \$770,000 in new General Fund revenues annually, more than double its expected new General Fund expenditures of \$345,000, with an average fiscal surplus per acre of \$85,000 per acre. The Class B Office prototype, although fiscally positive, is estimated to generate a significantly lower net fiscal impact than the other two Office uses at about \$14,000 per acre. Office/R&D development is expected to generate about \$430,000 in new General Fund revenues annually relative to expected new General Fund expenditures of \$175,000, with an average fiscal surplus of \$50,000 per acre.
- **Light Industrial and Warehouse/Distribution Uses.** Light Industrial uses and Warehouse/Distribution uses are both estimated to generate positive annual net fiscal impacts. Their expected revenue generation is sufficient to cover their relatively modest costs, though the lower density nature of these developments means modest per acre fiscal positives. On a per acre basis, light industrial uses generate a fiscal surplus of \$23,000 per acre and warehouse and distribution uses about \$14,000 per acre.
- **Hotel and Retail Uses.** As is typical under the State of California's system of public finance, new hotel uses and retail generate strong fiscal surpluses to the City's General Fund. Hotel uses, with their strong transient occupancy taxes (TOT) and more modest public service demands, generate the highest fiscal surplus estimated. For Milpitas and the hotel development prototype evaluated (210 hotel rooms on 2.5 gross acres), the fiscal surplus is estimated at about \$825,000 per acre. New retail uses also generate a positive fiscal surplus due to their strong sales and use tax generation. For Milpitas and the relatively low density retail development prototype evaluated (0.3 FAR, one-story development on 5 gross acres), the fiscal surplus of about \$320,000 is spread across a broader land area resulting in a fiscal surplus of about \$63,000 per acre.⁹
- **CFD/TASP Residential Development.** The above results for existing and new land uses are expressed strictly in terms of the fiscal impacts of the various land uses on the City's General Fund and exclude the role of the TASP's CFD. For existing and any future residential development inside the TASP, developments pay an additional annual payment towards the provision of public services through a CFD special tax.¹⁰ This CFD was formed by the City to support the provision of additional public services for residential uses in the TASP, including police, fire, and storm protection services. The current CFD special tax rate is about \$650 per unit annually. As a result, mid-rise residential developments (see prototypes above) in the TASP/CFD area generate a significant additional annual \$117,000 in tax revenue per acre of development and high-rise developments an additional \$234,000 per acre. The City uses these revenues streams to support additional public safety services in the TASP.

⁹ Because of e-commerce and other factors, retail uses are generally re-positioning and/or contracting in California cities so substantial new retail developments are expected to be relatively infrequent. Smaller, new retail development are occurring on the ground floor of mixed uses buildings typically with residential and office on the higher floors and with structured parking sharing the ground floor with the retail areas.

¹⁰ Milpitas' Community Facilities District (CFD) 2008-1 was formed in 2008 under the authority of the Mello-Roos Community Facilities Act of 1982.

Employment Density and Occupation/Wage Analysis

Different types of new workforce development accommodate different types of industries and different numbers of jobs/workers with different average wages/salaries. The sections below provide estimates of the expected employment densities and salaries/wages for selected land uses/development types.

Methodology

There are a range of data sources available that provide information or estimates of employment density (number of jobs per 1,000 square feet of a particular building type) as well as on wage levels by occupation. For employment density, information is often reported at a regional or statewide level. EPS reviewed multiple data sources to determine estimates of the average number of workers per building square foot and the average square feet required per worker. For the wage analysis, the first step was to obtain U.S. Census Bureau information on wages by industry sector by City. A connection was then made between the land use/development types being evaluated and the typical industry sectors occupying those building. It was then possible to estimate average wages of jobs in different building types in different cities. Because wage information by City is imperfect and due to the regional nature of employment markets, an average of the four cities evaluated was calculated to provide a planning-level estimate of future wages by building type.

Employment Density

The relationship between new development (building square feet) and the expected number of new workers accommodated is typically expressed as a jobs or employment density on a jobs per 1,000 square feet basis. **Table 3** shows the average expected jobs densities for different types of workplace development. EPS reviewed available data from CoStar in terms of jobs by building square feet for different uses in a range of Silicon Valley cities, reviewed information in different brokerage reports, project-specific information for recent developments where available, and other industry reports.¹¹ There is not sufficient variation between cities or data available to draw distinctions between the same land uses in different cities in Santa Clara County.

¹¹ CoStar Group, Inc. provides a web-based tool that collects data and analytics on commercial real estate industry sales and market trends.

Table 3. Employment Density by Land Use/Development Type

Land use	Sq. Ft./ Employee	Workers / 1,000 Sq. Ft.
Light Industrial	500	2.0
Retail	400	2.5
Warehouse and Distribution	1,300	0.8
Class A Office	225	4.4
Class A Office/ R&D	300	3.3
Class B Office	300	3.3
Hotel	1,300	0.5

Source: CoStar, Cushman & Wakefield, Bureau of Labor
Statistics, Moody's, EPS prior project work.

As shown in **Table 3**, the average employment density varies by development type. For office/industrial uses, Class A office is expected to have the highest density of workers of 225 square feet per worker (4.4 workers per 1,000 square feet); followed by Class A Office/R&D and Class B Office with 300 square feet per worker (3.3 workers per 1,000 square feet); Light Industrial with 500 square feet per worker (2 workers per 1,000 square feet); and Warehouse and Distribution with 1,300 square feet per worker (0.77 workers per 1,000 square feet).

Retail and Hotel employment densities often vary depending on the type of retail and hotel, though on average employment densities for retail developments are expected to be about 400 square feet per worker (2.5 workers per 1,000 square feet) and for hotel developments about 1,300 square feet per worker (typically about 0.5 workers per hotel room).

Industries and Annual Wages

Different land use/development types typically accommodate businesses from specific sets of industry sectors. U.S. Census Bureau information (American Community Surveys and associated applications) provide average wages by industry sector by city. EPS first linked different land use/development types to different industry sectors based on typically observed tenant profiles. Average wages for each of these industry sectors (or set of industry sectors) were then identified for the city of Milpitas and three other Santa Clara County cities – Sunnyvale, Santa Clara, and Mountain View, shown in **Table 4**.

Table 4. Industries and Annual Wages by Land Use/Development Type

Land Use/ Development Type	Milpitas	Santa Clara	Sunnyvale	Mountain View	Primary Industry Sectors
Office/ Industrial					
Class A Office	\$121,500	\$112,400	\$120,900	\$130,500	Information; Professional; Management
Class A Office/ R&D	\$122,100	\$120,600	\$135,700	\$145,900	Professional; Scientific; Technical
Class B Office	\$78,200	\$88,300	\$55,300	\$80,500	Finance, Insurance; Real Estate
Light Industrial	\$89,500	\$120,600	\$135,600	\$120,600	Manufacturing
Warehouse/ Distribution [1]	\$39,300	\$43,600	\$75,200	-	Transportation and Warehousing
Retail/ Hotel					
Retail	\$34,000	\$31,300	\$41,100	\$51,000	Retail Trade
Hotel	\$33,900	\$21,700	\$23,600	\$25,800	Accommodation and Food Services

[1] Mountain View has a low number of warehouse/ distribution jobs, therefore skewing the salary data. For this reason, an average salary is not used in this category as it does not provide a representative comparison.

Source: 2019 1-Year ACS Estimates, Table S2413; U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics.

Where development types typically accommodate multiple industry sectors with different wages, an average wage was calculated based on the cities' current mix of those industry types. Because there is typically a regional market for jobs and because of the potential for outliers/anomalies in individual cities, a four-city average wage was developed by land use/development type.

Table 5 shows the 2019 four-city average wages by land use category. This represents the estimated average wage for each new job accommodated in the specific land use category and is considered to be the best estimate of future wages by development type for the city of Milpitas.

Table 5. Industries and Annual Wages by Land Use/Development Type

Land Use/ Development Type	Annual Wages	Primary Industry Sectors
Office/ Industrial		
Class A Office	\$135,000	Information; Professional; Management
Class A Office/ R&D	\$132,000	Professional; Scientific; Technical
Class B Office	\$77,000	Finance, Insurance; Real Estate
Light Industrial	\$118,000	Manufacturing
Warehouse/ Distribution	\$51,000	Transportation and Warehousing
Retail/ Hotel		
Retail	\$47,000	Retail Trade
Hotel	\$25,000	Accommodation and Food Services

Source: 2019 1-Year ACS Estimates, Table S2413; U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics.

As shown in **Table 5**, jobs in Class A Office, Class A Office/R&D, and Light Industrial Uses (especially manufacturing sector) provide the highest average wages. Class B Office jobs accommodate a broader range of industries with, on average, more modest wages. Warehouse/distribution, retail, and hotel jobs provide relatively lower wages.¹²

Residual Land Value Analysis

Residual land value is a method for calculating the value of development land. A Residual Land Value Analysis provides important insights on the feasibility of different land uses/development types under current/recent market conditions and City policies. It also provides a tool to explore the extent to which the prospects for development improve as market conditions improve and/or as City policies are adjusted.

In this analysis, EPS conducted residual land value analysis on a set of potential Innovation District and MMSP area development prototypes in partnership with City staff. An initial residual land value analysis was conducted under recent market conditions and, where development prototypes were infeasible, under a potential, alternative set of conditions where market conditions were improved and/or City policies adjusted. The residual land value analyses provide important insights (as summarized further below) in terms of the level of change that may be required to support certain land uses. **Appendix E** provides the full residual land value table set.

¹² Jobs in Warehouse/Distribution include jobs in e-commerce fulfillment centers, such as Amazon.

Overall, the analysis shows that many of the uses of interest for the Innovation District are not currently feasible with other uses more likely to occur if lands are not protected for innovation uses in the medium/longer term. The analysis also shows that with significant improvements in market conditions and supportive policies, the desired uses for the Innovation District become feasible. As described elsewhere in this memorandum, these Innovation District uses would provide substantial fiscal and economic benefits to the City of Milpitas.

Methodology

A residual land value analysis specifically estimates the amount developers could pay for land and still meet a hurdle/basic level of return on their investment. A negative residual land value indicates the project is infeasible and a zero residual land value indicates the project is only feasible if land is available at no cost. Feasible projects on private land will need to cover all costs/return requirements and provide a sufficient land value payment to the existing landowner for them to agree to sell their land. Landowner threshold requirements for their land will depend on a range of factors, including, but not limited to (1) existing land uses, leases, and associated revenues streams; (2) land price expectations, sometimes informed by other recent land sales; and (3) general interest of landowner in selling land.

For each of the development prototypes (see below), the residual land value analyses compared the estimated development value of the development prototype once completed to the estimated development costs and return requirements (excluding any land acquisition costs). As a formula:

Residual Land Value = Project Development Value minus Development Costs (excluding the cost to purchase land)

The following assumptions underlie the residual land value analysis:

- **Project Development Value.** Project development value is driven by:
 - (1) Estimated lease rates, vacancy rates, operating expenses and resulting Net Operating Income; and
 - (2) The return on investment a project buyer would be looking for in acquiring the completed project (also known as the capitalization rate).

Market conditions are generally the key factor to project development value and change through time with business and real estate cycles.

- **Project Development Costs.** Project development costs include a broad range of costs. The direct costs of construction primarily depend on material costs and construction labor costs, which are in turn tied to development type and height (that affect materials required and type of labor required). Parking requirements and the type of parking required are also key drivers to direct construction costs. Indirect costs are also substantial and include architecture and engineering costs, tenant improvements costs, legal, insurance, and inspection costs, financing costs, and permit fees, development impact fees, and other regulatory requirements.

Estimated project development costs are subtracted from project development values to determine the estimated residual land value. For each development prototype, the total residual land value is also converted into a per acre residual land value to allow for comparison of residual land values between different land uses/development prototypes.

Land Uses/Development Prototypes Evaluated

Seven (7) different development prototypes were created to support the feasibility analysis, including 5 different workspace prototypes and 2 residential prototypes. Four of the workspace prototypes represent development types that the City seeks to attract into the Innovation District. These include Class A Office (5 stories), Class A Office (8 stories), Class A Office/R&D and Light Industrial development types. In addition, the warehouse and distribution prototype is a workspace category that, with e-commerce growing, is being developed and proposed in the city of Milpitas and elsewhere and is studied as a point of comparison. The mid-rise residential development prototype has been increasingly common in the TASP area and is important as a point of reference as well as in terms of developer-decision making when offered residential and commercial development opportunities. High-rise residential development was also considered as a use of interest to the City in appropriate, transit-proximate locations.

The prototypes examined include:

- **Class A Office (5-story).** A 5-story office building with high-quality finishes, amenities, and systems.
- **Class A Office (8-story).** An 8-story office building with high-quality finishes, amenities, and systems.
- **Class A Office/R&D.** A 4- to 5-story commercial building with more flexible space that can accommodate both office and R&D uses.
- **Light Industrial.** A 3-story building intended for production, processing, and assembly activities that do not generate noise, odors, or fumes to the degree a heavy industrial use would.
- **Warehouse/Distribution.** A 1-story building intended for logistics, distribution, and warehouse uses.
- **Mid-Rise Multifamily Residential.** Apartment building of 7 stories in height with a density of about 90 Dwelling Units per Acre.
- **High-Rise Multifamily Residential.** Apartment building of 12 stories in height with a density of about 180 Dwelling Units per Acre.

Initial Results Under Current Market Conditions

Table 6 shows results of the residual land value analysis under early 2020 (pre-pandemic) market conditions and policies as described below. It is important to note that individual project residual land values will vary around the estimated planning-level average based on project specifics and costs/ revenues at time of development/going to market:

- **Class A Office and Office/R&D Development.** The combination of 2020 market conditions, development costs, and City policies/requirements indicate that new Class A office development, at both 5 stories and 8 stories, as well as Class A Office/R&D development are not currently feasible. A comparison of estimated development costs to development value indicates a negative residual land value. These results are consistent with the current lack of these types of development in the city of Milpitas.
- **Light Industrial and Warehouse and Distribution Uses.** For light industrial and warehouse and distribution developments the current economic picture is more positive. For the prototypes evaluated, development values cover development costs and generate positive residual land values. Under these assumptions, these developments could pay between \$2.2 million and \$2.8 million per acre for land and still cover their development costs and meet a hurdle rate of return. This development economics picture is also reflected on the ground in the city of Milpitas with recent developments. Warehouse and distribution uses, in particular, have been driven by increasing demand associated with e-commerce, a trend that has strengthened during the pandemic, and directly results in stronger residual land values.
- **Residential Development.**¹³ Mid-rise residential development also shows robust development economics using pre-COVID impact lease rates. Assuming the post-pandemic recovery continues and brings lease rates back to pre-COVID levels, new midrise residential development will continue to be a strong land use, with estimated residual land values of about \$4.75 million per acre. Recent increases in construction costs may erode the residual land values, though it is likely that developers will continue to be willing to pay more for land that is suitable for and allows residential uses than for other uses. High-rise residential comes with higher per square foot construction costs and at the current time does not appear feasible in Milpitas.

¹³ The baseline/current analyses are based on pre-COVID lease rates/development values. Forecasts indicate that, depending on the land uses, these rates should be achievable by 2023 or sooner. The application of pandemic lease rates would make residual land values lower for most land uses.

Table 6. Baseline Residual Land Value Results by Development Prototype (Current Market Conditions)

Prototype	Gross Acres	FAR/ Density	Building SF/ Units	Costs	Value	Residual Land Value	Per Acre Land Value
Workspace							
1 Class A Office/ 5-Story	5	1.00	217,800	\$157,400,000	\$104,700,000	(\$52,700,000)	(\$10,540,000)
2 Class A Office/ 8-Story	5	1.50	326,700	\$250,000,000	\$157,100,000	(\$92,900,000)	(\$18,580,000)
3 Class A Office/ R&D	5	1.00	217,800	\$128,800,000	\$96,300,000	(\$32,500,000)	(\$6,500,000)
4 Light Industrial	5	0.50	108,900	\$34,200,000	\$48,500,000	\$14,300,000	\$2,860,000
5 Warehouse & Distribution	5	0.40	87,120	\$13,200,000	\$24,300,000	\$11,100,000	\$2,220,000
Residential							
6 Mid-Rise Residential	2	90	180	\$105,300,000	\$114,800,000	\$9,500,000	\$4,750,000
7 High-Rise Residential	2	180	360	\$234,700,000	\$229,600,000	(\$5,100,000)	(\$2,550,000)

Sensitivity Analyses and Results

Sensitivity analysis is a tool used to determine how outcomes and conclusions change as difficult model assumptions are adjusted. In this section, the analysis considers how improvements in market conditions as well as different policy approaches could change the outcomes of the residual land value analysis.

In general, it is expected that, over time, the combination of the new multi-modal Milpitas Transit Center (VTA/BART), the envisioned improvements and connections under the MMSP, broader awareness of opportunities in Milpitas, and the continued pre-eminence of Silicon Valley as a global innovation ecosystem will all result in improved market performance.

The sensitivity analyses looked at the land uses that currently return negative residual land values and potentially improved market conditions over time as potential City policy decisions. For market conditions, improvements were considered where conditions were similar to those in North San Jose in recent years. North San Jose currently shows substantially stronger conditions for office and office/R&D product types but was chosen due to its proximity to Milpitas and its more recent emergence as a jobs center relative to more established jobs center in Palo Alto and other cities. For policy adjustments, the two key areas of focus were reductions in Transit Area Development Impact Fees (TADIF) on nonresidential development in the Innovation District and the easing of parking requirements in the Innovation District. These policy options were selected as they directly affect the feasibility of these new development types. This analysis is particularly pertinent to the development of the Innovation District Implementation Framework in **Phase 2** as it provides some indication of potential City actions.

The results of the sensitivity analyses are shown in **Table 7** and described below.

Table 7. Baseline vs. Improved Residual Land Value Results by Development Prototype

Prototype	Building SF/ Units	Costs	Value	Residual Land Value	Per Acre Land Value
Class A Office/ 5-Story					
Baseline	217,800	\$157,400,000	\$104,700,000	(\$52,700,000)	(\$10,540,000)
Improved	217,800	\$138,100,000	\$145,100,000	\$7,000,000	\$1,400,000
Class A Office/ 8-Story					
Baseline	326,700	\$250,000,000	\$157,100,000	(\$92,900,000)	(\$18,580,000)
Improved	326,700	\$217,200,000	\$217,600,000	\$400,000	\$80,000
Class A Office/ R&D					
Baseline	217,800	\$128,800,000	\$96,300,000	(\$32,500,000)	(\$6,500,000)
Improved	217,800	\$117,800,000	\$123,000,000	\$5,200,000	\$1,040,000
High-Rise Residential					
Baseline	360	\$234,700,000	\$229,600,000	(\$5,100,000)	(\$2,550,000)
Improved	360	\$234,700,000	\$237,800,000	\$3,100,000	\$1,550,000

Class A Office (5-story)

To test an improved scenario, the analysis: (1) improves development values by about \$40 million by increasing the assumed lease rate by about 30 percent to be consistent with top of market rents in North San Jose and by reducing capitalization rates by 50 basis points; (2) decreases development costs by about \$19 million through a combination of not charging the TADIF fee (about \$8 million) and reducing the parking ratio to 2.4 spaces per 1,000 square feet (about \$11 million) as opposed to the current number of spaces required per 1,000 square feet of office of 3.3. The parking cost savings assumes the developer can reduce its parking development without affecting the marketability of the office space.

The 5-story office development prototype showed a baseline negative residual land value of \$52.7 million. The overall effect of these changes results in a residual land value of about \$7 million or \$1.4 million per acre, a substantial improvement. Some of the potential improvements are policy-driven while others depend on a combination of improvements in the area and evolution of Silicon Valley real estate in a way that supports higher rents in Milpitas. Under these circumstances, Class A office development might be feasible though may still struggle to compete to purchase land relative to the land values that residential, light industrial, and warehouse and distribution sources can afford to pay.

Class A Office (8-story)

To test an improved Class A Office (8-story) scenario, the analysis makes the same adjustments as for the 5-Story Class A Office building including: (1) improved development values through lease rate increase and capitalization rate reduction; and (2) reduced development costs by not charging the TADIF fee and reducing the parking ratio to 2.4.

The 8-story office development prototype showed a baseline negative residual land value of \$92.9 million. The overall effect of these changes results in a residual land value of about \$460,000 or \$92,000 per acre, a substantial improvement. Some of the potential improvements

are policy-driven while others depend on a combination of improvements in the area and evolution of Silicon Valley real estate in a way that supports higher rents in Milpitas. The primary reason the results are worse for the 8-story vs. 5-story office building is the greater proportion of parking that needs to be structured.

Under these circumstances, higher density Class A Office development can cover its non-land development cost but does not generate sufficient value to cover land costs as well. As a result, there may be a longer wait (for market rents to go even higher) and/or it might require a joint venture with a public agency that is able to provide land at below market rates.

Class A Office/R&D (5-story)

To test an improved Office/R&D (5-story) scenario, the analysis (1) improves development values by about \$27 million by increasing the assumed lease rate by about 30 percent; and (2) decreases development costs by about \$9 million by not charging the TADIF office fee. No change in parking ratio is modelled as the baseline parking ratio is already relatively low at 2.3 space/1,000 square feet.

The Office/R&D development prototype showed a baseline negative residual land value of \$32.5 million. The overall effect of these changes results in a positive residual land value of about \$5.2 million or about \$1 million per acre. Under these circumstances, Class A Office/ R&D development might be feasible though may still struggle to compete to purchase land relative to the land values that residential, light industrial, and warehouse and distribution sources can afford to pay.

High-Rise Residential Development

To test an improved high-rise residential scenario, the analysis improves development values by about \$8 million by increasing the assumed lease rate by about 4 percent to be consistent with rents near the top end of the San Jose market.

The high-rise residential development prototype showed a baseline negative residual land value of \$5.1 million. The improved development values with the increased lease rates turns the residual land value positive to about \$1.6 million per acre. While this positive residual land value is not at the same level as the mid-rise residential development or some industrial uses, it does indicate that if residential lease rates increase faster than development costs in the coming years, high-rise residential development would become feasible in Milpitas.

Innovation District Scenarios Analysis

The vision for the Innovation District is described below:

The Innovation District will be an employment destination with modern office, research and development buildings and flexible space for people to interact through "creative collisions" and an innovative ecosystem. This ecosystem supports a risk-taking environment, facilitates idea generation with experimentation being central to the success of the Innovation District. The City of Milpitas aims to plan for a well-connected Innovation District with proximity to public transit and public infrastructure that supports bike paths, pedestrian scale sidewalks, social gathering places, and high-speed fiber. The growing innovation economy in Milpitas will require local leaders to plan long-term, but with short-term flexibility to shape future growth strategies within the Central Manufacturing Area South's Innovation District. The vision includes shaping our

urban development practices to build a culture of creativity, innovation, inclusivity and equity, and agility to help advance opportunities for innovation.

The Innovation District Scenarios Analysis considers the potential benefits/impacts of Innovation District development assuming District buildout under four (4) potential Innovation District scenarios.

Methodology

The Innovation District Development Scenarios Analysis applies the Employment Density, Occupation and Wage Analysis, and Fiscal Impact Analysis to the four potential Innovation District scenarios to determine the different economic and fiscal impact analyses associated with each scenario. The City's Office of Economic Development developed four development scenarios in close collaboration with the Planning Department and the MMSP consultant team. The scenarios incorporate a subset of MMSP parcels that have been identified as part of the Innovation District, and indicates the expected land use of each parcel, as well as the assumed density of development (i.e., Floor-Area-Ratios or residential units/acre).

For each scenario, the potential amount of new development by scenario was estimated. The employment density and wage analysis results were then applied to each development scenario to determine the number of jobs that could be accommodated and the associated estimated wages. In addition, the fiscal impact analysis estimates of impact per acre were also applied to the development scenarios to estimate the expected net impact on the General Fund under each of the scenarios.

Innovation District Scenarios

The City has identified approximately 74 acres of land as part of the Innovation District. This includes roughly 17 acres of land that are located adjacent to the Great Mall and an additional 57 acres of contiguous land. The 57-acre contiguous area includes about 10 acres on the eastern edge of the current TASP area boundary as well as an additional 47 acres of additional land further to the east on both sides of Montague Expressway, that is being incorporated into the new MMSP area.

City staff indicated different potential land uses for each of the parcels within the Innovation District (see **Appendix A** and **Appendix F**). **Table 8** shows a summary of the allocation of acres by land use for each of the scenarios. Land uses are divided into two broader categories and specific land use categories, including:

- **Employment Lands.** Class A Office; Class A Office/R&D, Class B Office, Industrial, Hotel, Warehouse/Distribution, and Commercial/Retail.¹⁴
- **Non-Employment Lands.** Housing, Open Space, Assembly, and Vacant uses are represented.

¹⁴ Warehouse/Distribution uses are included as employment lands as they will generate some jobs, although they are often not viewed as job creators.

Table 8. Innovation District Scenario Acres by Land Use

Land Use	Scen. 1		Scen. 2		Scen. 3		Scen. 4	
	Acres	%	Acres	%	Acres	%	Acres	%
<i>Employment Lands</i>								
Class A Office	0.0	0%	3.6	5%	17.2	23%	31.2	42%
Class A Office/R&D	0.0	0%	4.3	6%	20.2	27%	33.3	45%
Class B Office	9.7	13%	0.0	0%	0.0	0%	0.0	0%
Industrial	8.9	12%	0.0	0%	23.4	31%	0.0	0%
Warehouse/Distribution	32.1	43%	23.4	31%	0	0%	0.0	0%
Hotel	6.8	9%	4.5	6%	6.8	9%	6.8	9%
Commercial/ Retail	1.5	2%	35.5	48%	0.0	0%	0.0	0%
Employment Lands Subtotal	59.0	79%	71.3	96%	67.6	91%	71.3	96%
<i>Nonemployment Lands</i>								
Housing	0.0	0%	0.0	0%	3.7	5%	0.0	0%
Open Space	0.0	0%	3.1	4%	3.1	4%	3.1	4%
Assembly	10.6	14%	0.0	0%	0	0%	0.0	0%
<u>Vacant</u>	<u>4.8</u>	<u>6%</u>	<u>0.0</u>	<u>0%</u>	<u>0.0</u>	<u>0%</u>	<u>0.0</u>	<u>0%</u>
Nonemployment Lands Subtotal	15.4	21%	3.1	4%	6.8	9%	3.1	4%
Total	74.4	100%	74.4	100%	74.4	100%	74.4	100%

The four scenarios are generally intended to reflect the following circumstances:

- **Scenario 1.** Represents the existing environment and current land use designations in the Innovation District (ID). Current parcel uses include Warehouse/Distribution (43 percent of ID acres), Assembly4 (14 percent), Class B Office (13 percent), and Industrial (12 percent).
- **Scenario 2.** Scenario where Innovation District (ID) parcels are primarily redeveloped as retail/commercial (48 percent of ID acres) with a strong ongoing warehouse/distribution component (31 percent).
- **Scenario 3.** Represents a potential Innovation District (ID) with a strong presence of new Class A Office and Office/R&D development (50 percent of ID acres), light industrial uses (31 percent), continued hotel uses, and modest amounts of housing and open space.
- **Scenario 4.** Represents a potential Innovation District (ID) with an even stronger presence of new Class A Office and Office/R&D development (87 percent of ID acres) along with continued hotel uses.

To estimate the potential number of jobs, wages, and housing units associated with each of the scenarios, City staff and EPS developed a set of development prototypes that could be associated with the Innovation District land use designations. **Table 9** provides the assumed details of the different development prototypes, including density, number of stories, gross building area, and building square feet based on typical development characteristics seen in the region. City staff provided the Floor-Area-Ratios based on their preferred development typologies. As shown, the level of new building development on an acre of Innovation District land ranges from 13,000 square feet for commercial/retail development to 65,300 square feet for Class A office

development. For residential land uses, the number of units on each acre varies between 90 units and 180 units depending on whether the development is mid-rise or high-rise.

Table 9. Innovation District Development Prototypes/Intensities

Area	FAR/ Density	Stories	Gross Acres	Gross Building Area/ # of Units	Building Sq. Ft./ Acre
Employment Lands Prototypes					
Class A Office	1.5	8	5	326,700	65,340
Class A Office/ R&D	1.0	5	5	217,800	43,560
Class B Office	0.4	3	5	87,120	17,424
Light Industrial	0.6	3	5	130,680	26,136
Warehouse/ Distrib.	0.6	1	5	130,680	26,136
Hotel [1]	1.3	6	2.5	136,125	54,450
Commercial/ Retail	0.3	1	5	65,340	13,068
Residential Development					
Mid-Rise (5-7 story)	90 units/acre	7	2	180	90 units
High-Rise (8-12 story)	180 units/acre	12	2	360	180 units

[1] 210 hotel rooms at 650 gross square feet per room. Gross square footage for hotel uses include the hotel room and additional eating, cooking, laundry spaces, plus other operational areas.

Applying the development prototype information to the land use scenarios provides the potential development under each of these scenarios as presented in **Table 10**. As shown, the amount of development on employment lands ranges from 790,000 square feet under Scenario 1 up to 3.8 million square feet under Scenario 4. There is no residential development in Scenarios 1, 2, and 4, with a potential 330 units under Scenario 3.

Table 10. Residential Units and Employment Lands Building Sq. Ft. by Scenario

Area	Scen. 1	Scen. 2	Scen. 3	Scen. 4
Employment Lands				
Class A Office	0	235,224	1,125,155	2,039,784
Class A Office/ R&D	0	187,308	879,825	1,449,677
Class B Office	168,664	0	0	0
Industrial	232,454	0	611,582	0
Warehouse/Distribution	839,122	611,582	0	0
Hotel	370,260	245,025	370,260	370,260
Commercial/ Retail	<u>19,406</u>	<u>463,888</u>	<u>0</u>	<u>0</u>
Total Employment Lands (Building Sq. Ft.)	1,629,906	1,743,027	2,986,822	3,859,721
Residential Units	0	0	331	0

Innovation District Jobs and Wages by Scenario

Table 11 through **Table 14** summarize the potential land uses, development levels, jobs and total salaries for each scenario.

Scenario 1 (Table 11). Scenario 1 is expected to accommodate about 1.63 million square feet of employment lands development, including roughly 800,000 square feet of warehouse and distribution development. Collectively, a total of about 2,000 jobs providing about \$140 million in annual wages could be accommodated (over \$70,000 per worker).

Table 11. Scenario 1 Summary: Developed Acres, Building Square Footage, Employees, and Salaries

Land Use	Acres	Units/ Sq. ft.	# of Employees	Employees/ Acre	Salary/ Job	Total Annual Salaries
Employment Lands						
Class A Office	0.0	0	0	0	\$135,000	\$0
Class A Office/ R&D	0.0	0	0	0	\$132,000	\$0
Class B Office	9.7	168,664	562	58	\$77,000	\$43,291,000
Industrial	8.9	232,454	465	52	\$118,000	\$54,859,000
Warehouse/Distribution	32.1	839,122	645	20	\$51,000	\$32,919,000
Hotel	6.8	370,260	285	42	\$25,000	\$7,120,000
<u>Commercial/ Retail</u>	<u>1.5</u>	<u>19,406</u>	<u>49</u>	<u>33</u>	<u>\$47,000</u>	<u>\$2,280,000</u>
Total	59.0	1,629,906	2,006	34	\$70,000	\$140,469,000
Residential	0.0	0	na	na	na	na

* Excludes any open space, assembly uses, and vacant land.

Scenario 2 (Table 12). Scenario 2 is expected to accommodate about 1.74 million square feet of employment lands development, including 600,000 square feet of warehouse and distribution development. Collectively, a total of about 3,500 jobs providing about \$307 million in annual wages could be accommodated (almost \$88,000 per worker).

Table 12. Scenario 2 Summary: Developed Acres, Building Square Footage, Employees, and Salaries

Land Use	Acres	Units/ Sq. ft.	# of Employees	Employees/ Acre	Salary/ Job	Total Annual Salaries
Employment Lands						
Class A Office	3.6	235,224	1,045	290	\$135,000	\$141,134,000
Class A Office/ R&D	4.3	187,308	624	145	\$132,000	\$82,416,000
Class B Office	0.0	0	0	0	\$77,000	\$0
Industrial	0.0	0	0	0	\$118,000	\$0
Warehouse/Distribution	23.4	611,582	470	20	\$51,000	\$23,993,000
Hotel	4.5	245,025	188	42	\$25,000	\$4,712,000
<u>Commercial/ Retail</u>	<u>35.5</u>	<u>463,888</u>	<u>1,160</u>	<u>33</u>	<u>\$47,000</u>	<u>\$54,507,000</u>
Total	71.3	1,743,027	3,488	49	\$88,000	\$306,762,000
Residential	0	0	na	na	na	na

* Excludes any open space, assembly uses, and vacant land.

Scenario 3 (Table 13). Scenario 3 is expected to accommodate about 3.0 million square feet of employment lands development. Collectively, a total of about 9,400 jobs providing about \$1.2 billion in annual wages could be accommodated (near \$128,500 per worker). This scenario also includes 331 residential units.

Table 13. Scenario 3 Summary: Developed Acres, Building Square Footage, Employees, and Salaries

Land Use	Acres	Units/ Sq. ft.	# of Employees	Employees/ Acre	Salary/ Job	Total Annual Salaries
Employment Lands						
Class A Office	17.2	1,125,155	5,001	290	\$135,000	\$675,093,000
Class A Office/ R&D	20.2	879,825	2,933	145	\$132,000	\$387,123,000
Class B Office	0.0	0	0	0	\$77,000	\$0
Industrial	23.4	611,582	1,223	52	\$118,000	\$144,333,000
Warehouse/Distribution	0.0	0	0	0	0	0
Hotel	6.8	370,260	285	42	\$25,000	\$7,120,000
<u>Commercial/ Retail</u>	<u>0.0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>\$47,000</u>	<u>\$0</u>
Total	67.6	2,986,822	9,441	140	\$128,547	\$1,213,669,000
Residential	3.7	331	na	na	na	na

* Excludes any open space, assembly uses, and vacant land.

Scenario 4 (Table 14). Scenario 4 is expected to accommodate about 3.86 million square feet of employment lands development, primarily Class A Office and Office/R&D. Collectively, a total of about 14,200 jobs providing almost \$2.0 billion in annual wages could be accommodated (around \$131,800 per worker).

Table 14. Scenario 4 Summary: Developed Acres, Building Square Footage, Employees, and Salaries

Land Use	Acres	Units/ Sq. ft.	# of Employees	Employees/ Acre	Salary/ Job	Total Annual Salaries
Employment Lands						
Class A Office	31.2	2,039,784	9,066	290	\$135,000	\$1,223,870,000
Class A Office/ R&D	33.3	1,449,677	4,832	145	\$132,000	\$637,858,000
Class B Office	0.0	0	0	0	\$77,000	\$0
Industrial	0.0	0	0	0	\$118,000	\$0
Warehouse/Distribution	0.0	0	0	0	0	0
Hotel	6.8	370,260	285	42	\$25,000	\$7,120,000
<u>Commercial/ Retail</u>	<u>0.0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>\$47,000</u>	<u>\$0</u>
Total	71.3	3,859,721	14,183	199	\$131,769	\$1,868,848,000
Residential	0.0	0	na	na	na	na

* Excludes any open space, assembly uses, and vacant land.

Innovation District Fiscal Impacts by Scenario

Table 15 estimates the net annual fiscal impacts of each of the Innovation District scenarios on the City's General Fund at District buildout (in 2021 constant dollars). Estimated net fiscal impacts are derived by applying the average Net General Fund Fiscal Impact per Acre estimates derived in the above Fiscal Impact Analysis to each of the four Innovation District land uses scenarios. In summary:

- **Scenario 1.** At scenario buildout, Scenario 1 is estimated to generate about \$6.5 million annually for Milpitas' General Fund. Over 85 percent of this net positive fiscal impact (approximately \$5.6 million) is driven by the 6.8 acres of Hotel uses and their associated transient occupancy tax revenues. The additional fiscal surplus of \$900,000 annually comes from the combination of other uses.
- **Scenario 2.** At scenario buildout, Scenario 2 results in an estimated \$6.8 million annually in positive net fiscal impact to the General Fund. While this scenario includes fewer Hotel acreage compared to Scenario 1, the overall impact is slightly greater due to the substantial acreage devoted to Commercial/Retail uses, which drive about \$2.3 million in net annual fiscal impact due primarily to their significant sales and use tax revenues. About \$850,000 annually of the fiscal surplus is associated with new uses other than hotel and commercial/retail.
- **Scenario 3.** At scenario buildout, Scenario 3 is expected to generate a net fiscal impact of over \$8.6 million annually. This scenario includes the same amount of hotel acreage as Scenario 1 but is composed of a significant amount of Class A Office and Office/R&D acreage. About \$3.0 million of the annual fiscal surplus is estimated to be generated by non-hotel uses, fully generated by the new Class A Office, Office/R&D, and Light Industrial development.
- **Scenario 4.** At scenario buildout, Scenario 4 generates the strongest net fiscal impact to the City's General Fund at an estimated \$9.9 million annually. This result is driven by maintaining the original 6.8 acres for hotel use but shifting the remaining acreage entirely to Class A Office and Class A Office/R&D, which are strong fiscal contributors, while still preserving 3.1 acres for Open Space. About \$4.4 million of the annual fiscal surplus is estimated to be generated by non-hotel uses, with the new Class A Office and Office/R&D generating all of these additional surplus revenues.

Table 15. Annual Net Fiscal Impacts by Innovation District Scenario

Land Use	Annual Net Fiscal Impact				
	Per Acre	Scenario 1	Scenario 2	Scenario 3	Scenario 4
<u>Employment Lands</u>					
Class A Office	\$85,406	\$0	\$307,462	\$1,470,694	\$2,666,210
Class A Office/ R&D	\$51,222	\$0	\$220,253	\$1,034,577	\$1,704,659
Class B Office	\$14,299	\$138,414	\$0	\$0	\$0
Industrial	\$22,648	\$201,430	\$0	\$529,961	\$0
Warehouse/Distribution	\$13,527	\$434,295	\$316,530	\$0	\$0
Hotel	\$826,580	\$5,620,744	\$3,719,610	\$5,620,744	\$5,620,744
Commercial/ Retail	\$63,925	\$94,929	\$2,269,210	\$0	\$0
Employment Lands Subtotal		\$6,489,812	\$6,833,065	\$8,655,975	\$9,991,613
<u>Residential</u>	\$9,153	\$0	\$0	\$33,682	\$0
Scenario Total		\$6,489,812	\$6,833,065	\$8,689,657	\$9,991,613

Source: Economic & Planning Systems

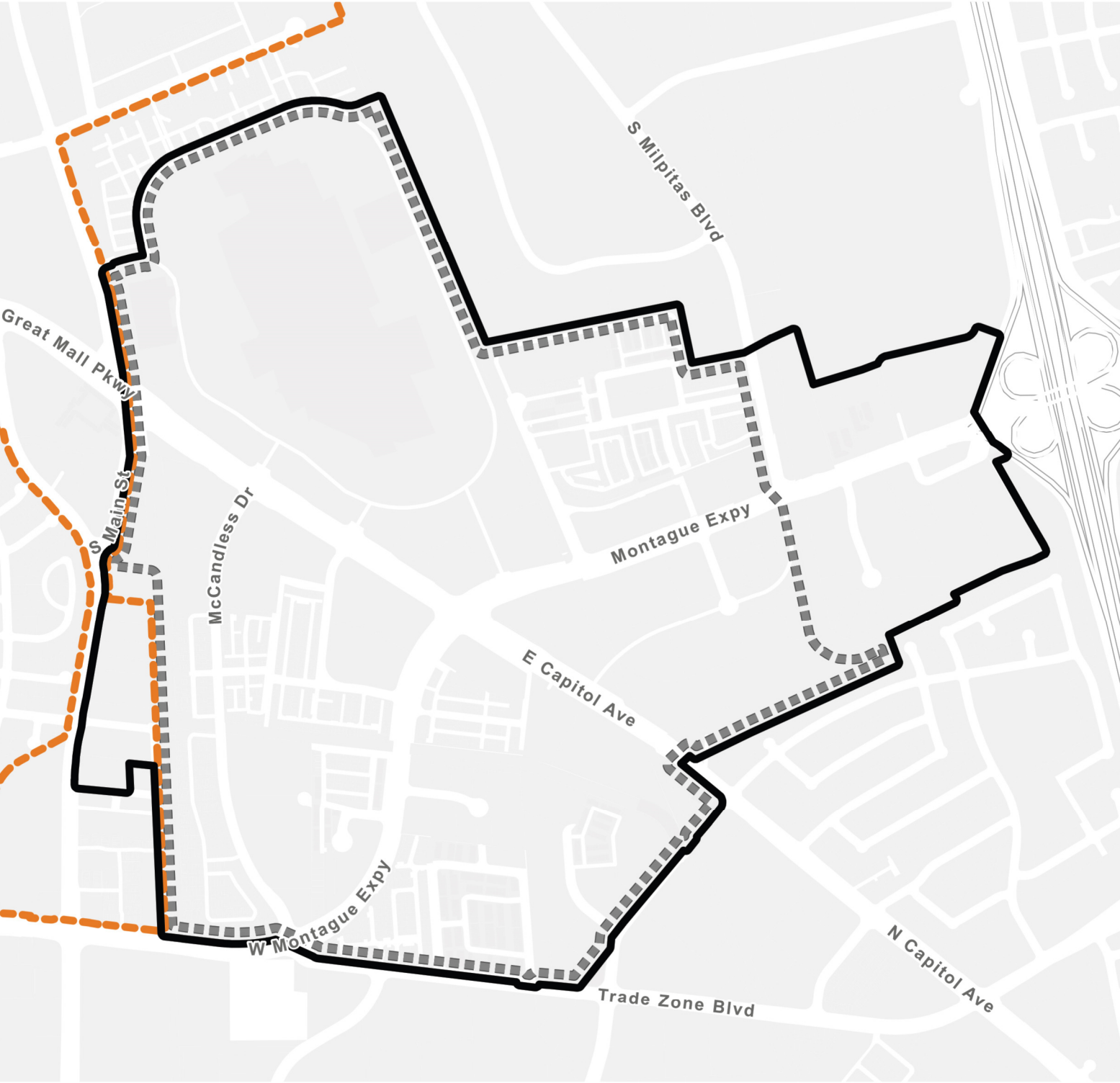


APPENDICES:

- Appendix A: Maps
- Appendix B: Fiscal Impact Analysis—Existing Uses
- Appendix C: Fiscal Impact Analysis—New Uses
- Appendix D: Glossary of Terms
- Appendix E: Residual Land Value Analysis
- Appendix F: Innovation District Scenarios

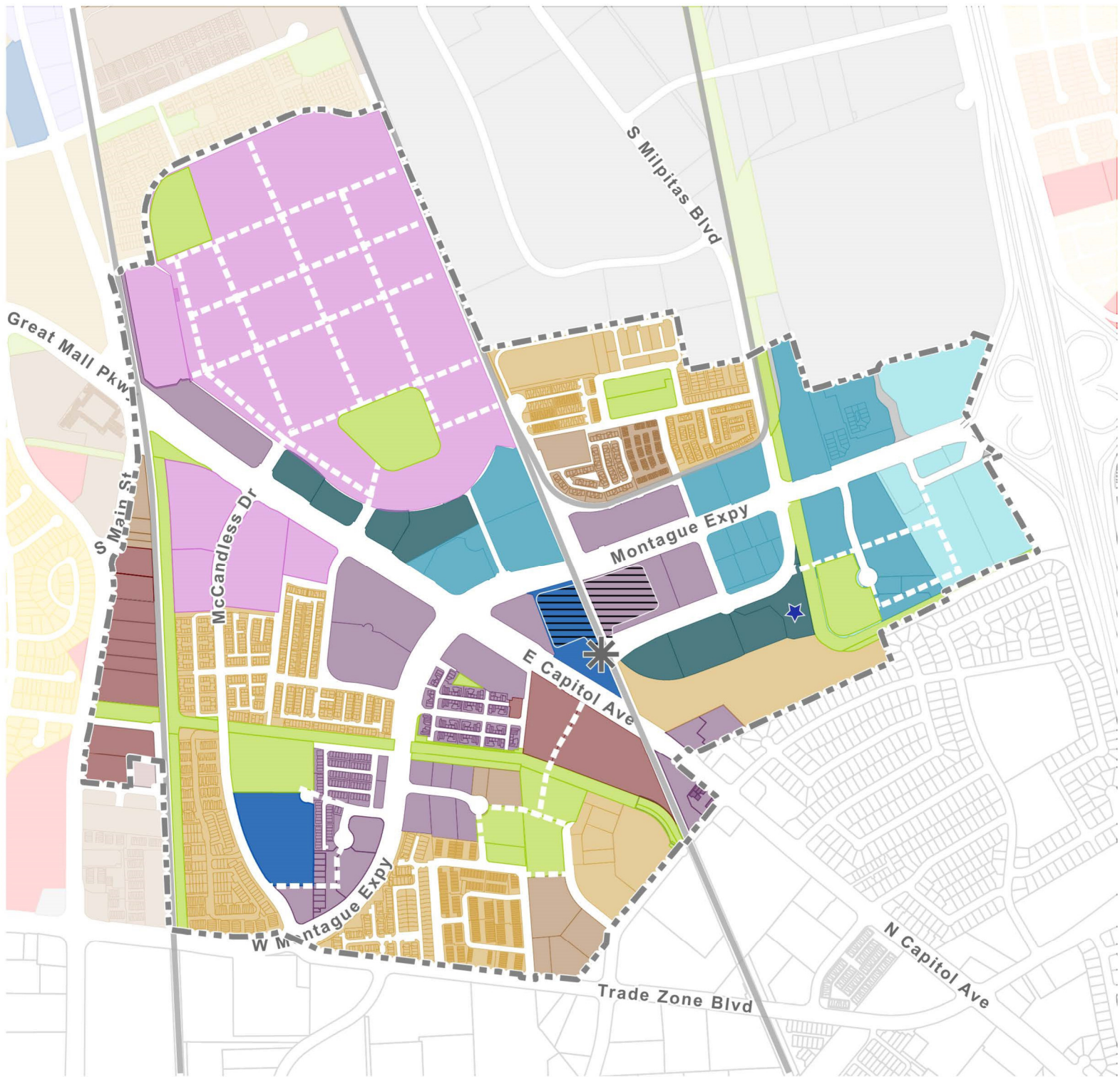


APPENDIX A: Maps



-  Milpitas Metro Boundary
-  2008 TASP Boundary
-  Midtown Specific Plan Boundary

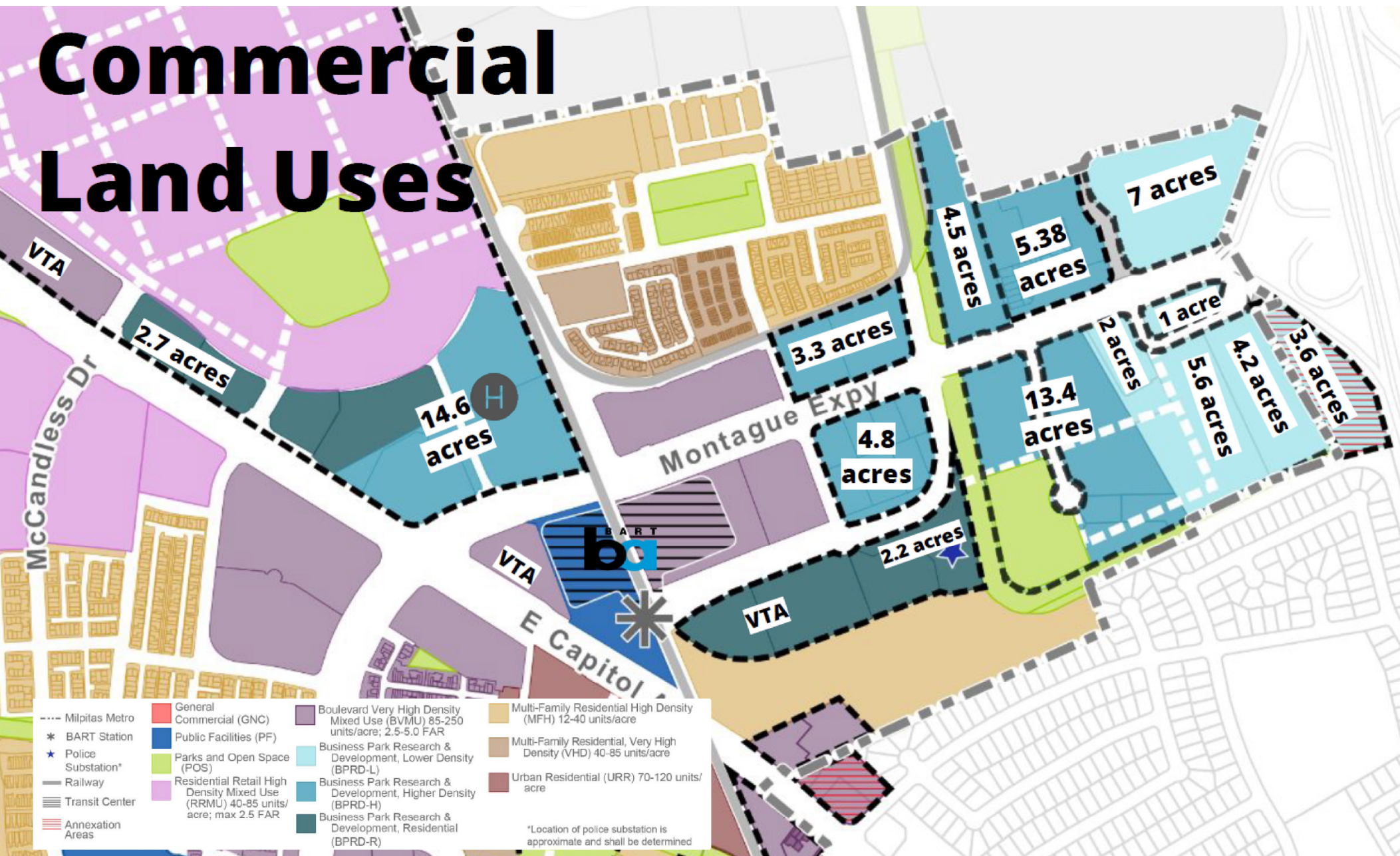
Milpitas Metro Specific Plan Land Uses



- Milpitas Metro
- * BART Station
- ★ Police Substation*
- Railway
- ≡ Transit Center
- Public Facilities (PF)
- Permanent Open Space (POS)
- Residential Retail High Density Mixed Use (RRMU) 40-85 units/acre; max 2.5 FAR
- Boulevard Very High Density Mixed Use (BVMU) 85-250 units/acre; 2.5-5.0 FAR
- Business Park Research & Development, Lower Density (BPRD-L); 1.0-2.5 FAR
- Business Park Research & Development, Higher Density (BPRD-H); 1.0-2.5 FAR
- Business Park Research & Development, Residential (BPRD-R); 1.0-5.0 FAR
- Multi-Family Residential High Density (MFH) 30-40 units/acre
- Multi-Family Residential, Very High Density (VHD) 40-85 units/acre
- Urban Residential (URR) 70-120 units/acre

*Location of police substation is approximate and shall be determined through the implementation of the MSP.

Innovation District Land Uses





APPENDIX B:

Fiscal Impact Analysis—Existing Uses

Table 1
City of Milpitas Annual Citywide Fiscal Impact of Existing Uses
City of Milpitas Fiscal Benefits of Employment Lands Study; EPS #211034

Annual General Fund Impacts	Single Family	Multi- Family	Office	Industrial	Retail	Hotel	Other Uses	Total
General Fund Revenues								
Property Tax	\$14,774,099	\$6,671,212	\$544,022	\$6,251,994	\$1,931,997	\$627,253	\$941,356	\$31,741,933
Property Tax In-Lieu of VLF	\$3,696,107	\$1,668,969	\$136,100	\$1,564,091	\$483,337	\$156,923	\$235,503	\$7,941,031
Sales Taxes	\$3,752,701	\$1,076,926	\$822,258	\$6,950,982	\$15,514,270	\$34,669	\$220,146	\$28,371,951
Real Estate Transfer Tax	\$370,582	\$167,335	\$13,646	\$156,820	\$48,461	\$15,734	\$23,612	\$796,190
Business License Tax	\$0	\$0	\$54,661	\$199,016	\$32,036	\$14,356	\$65,582	\$365,650
Motor Vehicle In-Lieu	\$26,708	\$7,665	\$0	\$0	\$0	\$0	\$647	\$35,020
Other Taxes	\$397,290	\$175,000	\$68,307	\$355,836	\$80,496	\$30,089	\$89,841	\$1,196,860
Franchise Fees	\$3,221,727	\$924,550	\$192,907	\$702,353	\$113,058	\$50,663	\$309,528	\$5,514,787
Transient Occupancy Tax	\$0	\$0	\$0	\$0	\$0	\$13,452,683	\$0	\$13,452,683
Licenses, Permits, and Fines	\$5,787,719	\$1,660,922	\$346,551	\$1,261,752	\$203,105	\$91,015	\$556,055	\$9,907,120
Total Revenues	\$27,933,537 31%	\$10,508,610 12%	\$1,974,045 2%	\$15,522,917 17%	\$17,842,927 20%	\$14,286,373 16%	\$2,116,925 2%	\$90,185,334 100%
General Fund Expenditures								
General Government	\$2,511,645	\$720,775	\$150,390	\$547,551	\$88,140	\$39,497	\$241,306	\$4,299,304
Economic Development	\$534,026	\$153,251	\$31,976	\$116,420	\$18,740	\$8,398	\$51,307	\$914,118
Building Safety & Housing	\$4,032,635	\$1,157,260	\$241,462	\$879,135	\$141,515	\$63,415	\$387,436	\$6,902,858
Engineering	\$1,367,502	\$392,437	\$81,882	\$298,122	\$47,989	\$21,505	\$131,383	\$2,340,819
Finance	\$2,545,109	\$730,379	\$152,393	\$554,847	\$89,314	\$40,023	\$244,521	\$4,356,586
Fire	\$16,252,557	\$4,664,053	\$973,154	\$3,543,140	\$570,341	\$255,581	\$1,561,465	\$27,820,292
Human Resources	\$1,227,784	\$352,341	\$73,516	\$267,663	\$43,086	\$19,308	\$117,959	\$2,101,657
Information Technology	\$2,174,120	\$623,915	\$130,180	\$473,969	\$76,295	\$34,189	\$208,879	\$3,721,547
Planning	\$579,456	\$166,289	\$34,696	\$126,324	\$20,334	\$9,112	\$55,671	\$991,883
Police	\$21,940,150	\$6,296,242	\$1,313,710	\$4,783,064	\$769,932	\$345,021	\$2,107,901	\$37,556,020
Public Works	\$5,348,454	\$1,534,865	\$320,249	\$1,165,990	\$187,690	\$84,107	\$513,853	\$9,155,209
Recreation & Community Services	\$1,905,131	\$546,722	\$114,074	\$415,328	\$66,856	\$29,959	\$183,036	\$3,261,106
Total Expenditures	\$60,418,568 58%	\$17,338,528 17%	\$3,617,682 3%	\$13,171,555 13%	\$2,120,232 2%	\$950,116 1%	\$5,804,717 6%	\$103,421,399 100%
Annual Net Impact on General Fund	(\$32,485,031)	(\$6,829,918)	(\$1,643,637)	\$2,351,362	\$15,722,695	\$13,336,257	(\$3,687,792)	(\$13,236,065)

Source: Economic & Planning Systems

Table 2
Milpitas Population and Employment
City of Milpitas Fiscal Benefits of Employment Lands Study; EPS #211034

Item	Citywide Total	Source
Housing Units	22,553	Department of Finance 2020
Occupied Households	21,814	Department of Finance 2020
Population	77,961	Department of Finance 2020
Persons/Household Single Family	3.76	ACS 2019 5-Year Est. & DOF 2020
Persons/Household Multifamily	2.70	ACS 2019 5-Year Est. & DOF 2020
Jobs	47,630	LEHD Employment Statistics 2018
Service Population	101,776	Assumes 1 employee is equivalent to 50% of a resident

[1] See **Appendix Table A-3** for calculations.

Source: Economic & Planning Systems

Table 3
Land Use Assumptions
City of Milpitas Fiscal Benefits of Employment Lands Study; EPS #211034

Land Use Category	Citywide Inventory		Total Residents	Total Employees	Total Service Population ¹
	Dwelling Units	Square Feet			
<u>Residential</u>					
Single Family	15,817 DUs	-	59,457	-	59,457
Multi-Family	6,308 DUs	-	17,063	-	17,063
<u>Non-Residential</u>²					
Office	-	1,780,063 SF	-	7,120	3,560
Industrial	-	20,865,527 SF	-	25,924	12,962
Retail	-	5,020,977 SF	-	4,173	2,087
Hotel	2,667 Rooms	-	-	1,870	935
Other Uses ³	<u>428</u> DUs	- SF	<u>1,441</u>	<u>8,543</u>	<u>5,712</u>
Citywide Total	22,553 DUs	27,666,567 SF	77,961	47,630	101,776

[1] Applies a factor of 100% to residents and 50% to employees.

[2] Per CoStar Group.

[3] Other residential uses include mobile homes, other non-residential uses included within this category are listed in **Table 12**.

Source: CoStar Group; Economic & Planning Systems

Table 4
Assessed Values by Land Use
City of Milpitas Fiscal Benefits of Employment Lands Study; EPS #211034

Land Use Category	Citywide Inventory	Milpitas 2021 Assessed Value ¹
<u>Residential</u>		
Single Family	15,817 DUs	\$9,119,814,483
Multi-Family	6,308 DUs	\$4,118,031,901
<u>Non-Residential</u>		
Office	1,780,063 SF	\$335,815,823
Industrial	20,865,527 SF	\$3,859,255,762
Retail	5,020,977 SF	\$1,192,590,968
Hotel	2,667 Rooms	\$387,193,287
	Other Residential Uses ²	\$740,252
	Other Non-Residential Uses ³	<u>\$580,343,445</u>
Citywide Residential Total		22,553 DUs
Citywide Non-Residential Total		27,666,567 SF
Citywide Total		\$19,593,785,921

[1] Per data acquired via Parcel Atlas and Santa Clara County Assessor's Office.

[2] Includes Mobile Homes.

[3] Land Uses included in this category are displayed in **Table 12**.

Source: Parcel Atlas; Economic & Planning Systems

Table 5
General Fund Revenue Summary
City of Milpitas Fiscal Benefits of Employment Lands Study; EPS #211034

Item	FY 2020/21 General Fund Revenues*	Impact Estimating Factors
Property Tax	36,872,241	16.20% of 1% of base assessed value
Property Tax In-Lieu of VLF ¹	\$7,941,031	Case Study Approach
Sales Taxes	\$28,371,951	1.25% of estimated taxable sales
Real Estate Transfer Tax	\$796,190	attributed by assessed value
Business License Tax	\$365,650	per employee
Motor Vehicle In-Lieu	<u>\$35,020</u>	per resident
Other Taxes	\$1,196,860	
Franchise Fees	\$5,514,787	per service population
Transient Occupancy Tax	\$13,452,683	fully attributed to Hotel use
Licenses, Permits, and Fines	\$9,907,120	per service population
Use of Money and Property	\$1,364,000	- not impacted
Intergovernmental	\$708,597	- not impacted
General Government Service Charges	\$640,000	Cost Recovery ²
Engineering Service Charges	\$1,814,000	Cost Recovery ²
Fire Service Charges	\$460,000	Cost Recovery ²
Police Service Charges	\$730,000	Cost Recovery ²
Recreation Service Charges	\$3,043,000	Cost Recovery ²
Building Service Charges	\$46,000	Cost Recovery ²
Planning Service Charges	<u>\$939,500</u>	Cost Recovery ²
Charges for Current Services	\$7,672,500	Cost Recovery ²
Other Revenue	\$68,000	- not impacted
Operating Transfers In	<u>\$7,013,990</u>	- not impacted
Total Revenues	\$112,142,729	

*2020-21 Adopted General Fund Budget values per City of Milpitas 2020-2021 Adopted Budget & Financial Plan

[1] Subset of total property tax.

[2] These revenues are considered as cost recovery revenues and are taken out of these departments' expenditures as shown in **Table 6**.

Source: City of Milpitas 2020-2021 Adopted Budget & Financial Plan; Economic & Planning Systems

Table 6
General Fund Expenditure Budget Summary and Fiscal Estimating Factors
City of Milpitas Fiscal Benefits of Employment Lands Study; EPS #211034

Item	FY 2020/21 Adopted GF Expenditures			Estimating Factors	Per Service Pop. GF Expense ²
	Total	Offsetting ¹	Net		
General Government ³	\$4,939,304	\$640,000	\$4,299,304	101,776 Service Pop.	\$42.24
Economic Development	\$914,118	-	\$914,118	101,776 Service Pop.	\$8.98
Building Safety & Housing	\$6,948,858	\$46,000	\$6,902,858	101,776 Service Pop.	\$67.82
Engineering	\$4,154,819	\$1,814,000	\$2,340,819	101,776 Service Pop.	\$23.00
Finance	\$4,356,586	-	\$4,356,586	101,776 Service Pop.	\$42.81
Fire	\$28,280,292	\$460,000	\$27,820,292	101,776 Service Pop.	\$273.35
Human Resources	\$2,101,657	-	\$2,101,657	101,776 Service Pop.	\$20.65
Information Technology	\$3,721,547	-	\$3,721,547	101,776 Service Pop.	\$36.57
Planning	\$1,931,383	\$939,500	\$991,883	101,776 Service Pop.	\$9.75
Police	\$38,286,020	\$730,000	\$37,556,020	101,776 Service Pop.	\$369.01
Public Works	\$9,155,209	-	\$9,155,209	101,776 Service Pop.	\$89.95
Recreation & Community Services	\$6,304,106	\$3,043,000	\$3,261,106	101,776 Service Pop.	\$32.04
Other ⁴	<u>\$5,623,983</u>	-	<u>\$5,623,983</u>	not impacted	<u>\$0.00</u>
Total General Fund Expenditures	\$116,717,882		\$109,045,382		\$1,016

[1] Represents departmental service charges shown in **Table 5**.

[2] Divides net expenditure item by Service Population.

[3] General Government category consists of the City Council, City Manager, City Clerk, and City Attorney Departmental expenditures.

[4] Other category consists of Equipment to be Depreciated, Non-Departmental expenditures, and Transfers Out.

Source: Economic & Planning Systems

Table 7
Property Tax Revenue by Land Use Estimate
City of Milpitas Fiscal Benefits of Employment Lands Study; EPS #211034

Property Tax and Estimating Factors	Assumption / Est. Factor	Formula	Residential		Non-Residential				Other
			Single Family	Multifamily	Office	Industrial	Retail	Hotel	
<u>Property Tax</u>									
Total Assessed Value by Land Use ¹	see Table 4.	<i>a</i>	\$9,119,814,483	\$4,118,031,901	\$335,815,823	\$3,859,255,762	\$1,192,590,968	\$387,193,287	\$581,083,697
Property Tax	1.0% Base Property Tax Rate	<i>b = a * 1.0%</i>	\$91,198,145	\$41,180,319	\$3,358,158	\$38,592,558	\$11,925,910	\$3,871,933	\$5,810,837
General Fund Property Tax Revenue²	16.20% Allocation to General Fund	<i>c = b * 16.20%</i>	\$14,774,099	\$6,671,212	\$544,022	\$6,251,994	\$1,931,997	\$627,253	\$941,356
<u>Property Tax In-Lieu of VLF</u>									
Existing Citywide Property Tax In-Lieu of VLF ³	\$7,941,031	<i>d = \$7,941,031</i>							
Citywide Taxable Assessed Value ¹	\$19,593,785,921	<i>e = \$19,593,785,921</i>							
Percentage of Citywide Assessed Value		<i>f = a / e</i>	46.5%	21.0%	1.7%	19.7%	6.1%	2.0%	3.0%
New General Fund Property Tax In-Lieu of VLF		<i>e = d * f</i>	\$3,696,107	\$1,668,969	\$136,100	\$1,564,091	\$483,337	\$156,923	\$235,503

[1] Per **Table 4.**

[2] Per Page 29 of Milpitas 2020-2021 Adopted Budget & Financial Plan.

[3] Per **Table 5.**

Source: Economic & Planning Systems

Table 8
Milpitas General Fund Annual Sales Tax Revenue Estimate from Residential Development
City of Milpitas Fiscal Benefits of Employment Lands Study; EPS #211034

Item	Assumptions / Estimating Factors	Residential	
		Single Family	Multi-family
<u>Residential Spending</u>			
Estimated Annual Household Income	Based on Per Capita Income ¹	\$210,896	\$151,755
Household Taxable Retail Spending as a Percent of Income	Bureau of Labor Statistics ²	18%	18%
Taxable Retail Spending per Household		\$37,961	\$27,316
Citywide Household Counts		15,817	6,308
Total Citywide Retail Spending from Households		\$600,432,222	\$172,308,140
Taxable Retail Sales Captured in Milpitas	50% of Retail Expenditures	\$300,216,111	\$86,154,070
Total Retail Sales Tax Revenue from Household Spending	1.25% of Taxable Sales³	\$3,752,701	\$1,076,926

[1] Existing residential income estimates reflect ACS 2019 1-Year Estimates Per Capita Income for Milpitas' total population of \$56,103, multiplied by the average household sizes of 3.76 for single family homes and 2.71 for multi-family homes.

[2] Based on the Bureau of Labor Statistics 2018 Consumer Expenditure Survey, value shown is average between percentage for households with incomes above \$200,000 and households with incomes between \$150,000 and \$199,999.

[3] Includes the City's standard 1% share and the 0.25% additional share via Measure F, passed in 2020.

Source: Economic & Planning Systems

Table 9
Milpitas General Fund Annual Sales Tax Revenue Estimate from Commercial Development
City of Milpitas Fiscal Benefits of Employment Lands Study; EPS #211034

Sales Tax Sources and Estimating Factors	Assumptions / Estimating Factors	Formula	Non-Residential				Other
			Office	Industrial	Retail	Hotel	
<u>Worker-Generated Retail Sales</u>							
Citywide Employees	per Table 3.	<i>a</i>	7,120	25,924	4,173	1,870	8,543
Weekly Taxable Retail Spending per Worker ¹		<i>b</i>	\$97.32	\$77.73	\$31.09	\$36.35	\$50.53
Annual Citywide Taxable Retail Spending	48 working weeks per year	<i>c = a * b * 48</i>	\$33,260,328	\$96,721,740	\$6,227,316	\$3,262,940	\$20,719,583
Milpitas Spending Capture ²	85% of retail expenditures	<i>d = c * 85%</i>	\$28,271,279	\$82,213,479	\$5,293,219	\$2,773,499	\$17,611,646
Annual General Fund Worker-Generated Retail Sales Tax Revenue	1.25% of taxable sales	<i>e = d * 1.25%</i>	\$353,391	\$1,027,668	\$66,165	\$34,669	\$220,146
<u>Non-Retail Establishment Sales</u>							
Business-to-Business Annual Retail Sales Tax Revenue	per Avenue Insights & Analytics Data		\$468,867	\$5,923,313	-	-	-
<u>On-Site Retail Sales</u>							
Annual General Fund On-Site Retail Sales Tax Revenue	Citywide Sales Tax Revenue less Other Sources		-	-	\$15,448,105	-	-
Total Annual General Fund Sales Tax Revenue			\$822,258	\$6,950,982	\$15,514,270	\$34,669	\$220,146

[1] Per ICSC data adjusted to 2021\$ using BLS CPI Index.

[2] EPS assumption.

Source: Economic & Planning Systems

Table 10
Other General Fund Revenues
City of Milpitas Fiscal Benefits of Employment Lands Study; EPS #211034

Revenue Source	Assumption / Estimating Factor ¹	Residential		Office	Non-Residential			Other
		Single Family	Multifamily		Industrial	Retail	Hotel	
Real Estate Transfer Tax	attributed by assessed value	\$370,582	\$167,335	\$13,646	\$156,820	\$48,461	\$15,734	\$23,612
Business License Tax	\$7.68 per employee	\$0	\$0	\$54,661	\$199,016	\$32,036	\$14,356	\$65,582
Motor Vehicle In-Lieu	\$0.45 per resident	\$26,708	\$7,665	\$0	\$0	\$0	\$0	\$647
Franchise Fees	\$54.19 per service pop.	\$3,221,727	\$924,550	\$192,907	\$702,353	\$113,058	\$50,663	\$309,528
Licenses, Permits, and Fines	\$97.34 per service pop.	<u>\$5,787,719</u>	<u>\$1,660,922</u>	<u>\$346,551</u>	<u>\$1,261,752</u>	<u>\$203,105</u>	<u>\$91,015</u>	<u>\$556,055</u>
Total Annual Other Revenues	\$160 per service pop.	\$9,406,737	\$2,760,472	\$607,766	\$2,319,941	\$396,659	\$171,768	\$955,424

[1] See **Table 6** for cost estimates and **Table 3** for total service population by land use.

Source: Economic & Planning Systems

Table 11
General Fund Expenditure Calculations
City of Milpitas Fiscal Benefits of Employment Lands Study; EPS #211034

Expenditure Source	Factors Applied to Estimate Prototype Expenditures ¹	Residential		Office	Non-Residential			Other
		Single Family	Multifamily		Industrial	Retail	Hotel	
General Government	\$42.24 per service pop.	\$2,511,645	\$720,775	\$150,390	\$547,551	\$88,140	\$39,497	\$241,306
Economic Development	\$8.98 per service pop.	\$534,026	\$153,251	\$31,976	\$116,420	\$18,740	\$8,398	\$51,307
Building Safety & Housing	\$67.82 per service pop.	\$4,032,635	\$1,157,260	\$241,462	\$879,135	\$141,515	\$63,415	\$387,436
Engineering	\$23.00 per service pop.	\$1,367,502	\$392,437	\$81,882	\$298,122	\$47,989	\$21,505	\$131,383
Finance	\$42.81 per service pop.	\$2,545,109	\$730,379	\$152,393	\$554,847	\$89,314	\$40,023	\$244,521
Fire	\$273.35 per service pop.	\$16,252,557	\$4,664,053	\$973,154	\$3,543,140	\$570,341	\$255,581	\$1,561,465
Human Resources	\$20.65 per service pop.	\$1,227,784	\$352,341	\$73,516	\$267,663	\$43,086	\$19,308	\$117,959
Information Technology	\$36.57 per service pop.	\$2,174,120	\$623,915	\$130,180	\$473,969	\$76,295	\$34,189	\$208,879
Planning	\$9.75 per service pop.	\$579,456	\$166,289	\$34,696	\$126,324	\$20,334	\$9,112	\$55,671
Police	\$369.01 per service pop.	\$21,940,150	\$6,296,242	\$1,313,710	\$4,783,064	\$769,932	\$345,021	\$2,107,901
Public Works	\$89.95 per service pop.	\$5,348,454	\$1,534,865	\$320,249	\$1,165,990	\$187,690	\$84,107	\$513,853
Recreation & Community Services	<u>\$32.04</u> per service pop.	<u>\$1,905,131</u>	<u>\$546,722</u>	<u>\$114,074</u>	<u>\$415,328</u>	<u>\$66,856</u>	<u>\$29,959</u>	<u>\$183,036</u>
Total Annual Expenditures	\$1,016 per service pop.	\$60,418,568	\$17,338,528	\$3,617,682	\$13,171,555	\$2,120,232	\$950,116	\$5,804,717

[1] See **Table 6** for cost estimates and **Table 3** for total service population by land use.

Source: Economic & Planning Systems

Table 12
Milpitas Primary Use Code Categorization Index and Assessed Value Summary
City of Milpitas Fiscal Benefits of Employment Lands Study; EPS #211034

Primary Use Code ¹	Classification ²	Primary Use Code ¹	Classification ²
<u>Single Family</u>		<u>Retail</u>	
Duplex (2 units, any combination)	Single Family	Community: Shopping Plaza, Shopping Center, Mini-Mall	Retail
Residential (General) (Single)	Single Family	Neighborhood: Shopping Center, Strip Center, Enterprise Zone	Retail
Single Family Residential	Single Family	Recreational/Entertainment (General)	Retail
Townhouse (Residential)	Single Family	Regional: Shopping Center, Mall (w/Anchor)	Retail
Triplex (3 units, any combination)	Single Family	Retail Stores (Personal Services, Photography, Travel)	Retail
		Service station (full service)	Retail
		Wholesale Outlet, Discount Store (Franchise)	Retail
<u>Multifamily</u>			
Apartment house (5+ units)	Multifamily		
Condominium (Residential)	Multifamily		
Multi-Family Dwellings (Generic, any combination 2+)	Multifamily		
<u>Office</u>		<u>Other Uses</u>	
Professional Bldg (legal; insurance; real estate; business)	Office	Charitable organization, Fraternal	Not Included
Skyscraper/Highrise (Commercial Offices)	Office	City, Municipal, Town, Village Owned (Exempt)	Not Included
		Community Center (Exempt)	Not Included
<u>Hotel</u>		Day care, Pre-school (Commercial)	Not Included
Hotel	Hotel	Homes (retired; handicap, rest; convalescent; nursing)	Not Included
		Hospital-PUBLIC	Not Included
<u>Industrial</u>		Industrial-Vacant Land	Not Included
Chemical	Industrial	Irrigation, Flood Control	Not Included
Condominiums (Industrial)	Industrial	Orchard (fruit; nut)	Not Included
Foundry, Industrial Plant (metal; rubber; plastic)	Industrial	Park, Playground, Picnic Area	Not Included
Horticulture, Growing Houses, Ornamental (Agricultural)	Industrial	Parking Lot	Not Included
Industrial (General)	Industrial	Pasture, Meadow	Not Included
Light Industrial (10% improved office space; Machine Shop)	Industrial	Public School (administration; campus; dorms; instruction)	Not Included
Lumberyard, Building Materials	Industrial	Public Swimming Pool	Not Included
Manufacturing (light)	Industrial	Railroad & related	Not Included
Mill (feed; grain; paper; lumber; textile; pulp)	Industrial	Recreation Center	Not Included
Mining (oil; gas; mineral, precious metals)	Industrial	Religious, Church, Worship (Synagogue, Temple, Parsonage)	Not Included
Mixed Use (Commercial/Industrial)	Industrial	Residential-Vacant Land	Not Included
Processing Plant (minerals; cement; rock; gravel; glass; clay)	Industrial	Roads, Streets, Bridges	Not Included
Public Utility (Electric; Water; Gas; etc.)	Industrial	Timberland, Forest, Trees (Agricultural)	Not Included
R&D Facility, Laboratory, Research Facility, Cosmetics, Pharmaceuti	Industrial	Vacant Land (General)	Not Included
Storage yard, Open Storage (light equipment, material)	Industrial	Waste Land, Marsh, Swamp, Submerged-Vacant Land	Not Included
Transportation & Communications (General)	Industrial	Winery	Not Included
Warehouse (Industrial)	Industrial	Mobile home	Not Included

[1] Primary Use Codes per Santa Clara County Assessor Tax Roll data. Assessed Values were summed by Primary Use Codes, which required classification into the land uses relevant for this effort to derive total Assessed Values by land use.

[2] Demonstrates how Primary Use Codes were grouped to arrive at total assessed value by land use type.

Source: Santa Clara County Assessor; Economic & Planning Systems



APPENDIX C:

Fiscal Impact Analysis—New Uses

Table 1
City of Milpitas Annual General Fund Fiscal Impacts per Acre
City of Milpitas Fiscal Benefits of Employment Lands Study; EPS #211034

Annual General Fund Impacts	Mid-Rise Multifamily	High-Rise Multifamily	Class A Office	Office / R & D	Light Industrial	Warehouse/ Distribution	Hotel
<u>General Fund Revenues</u>							
Property Tax	\$191,702	\$397,211	\$352,556	\$199,254	\$78,611	\$39,374	\$126,707
Property Tax In-Lieu of VLF	\$47,959	\$99,372	\$88,201	\$49,848	\$19,666	\$9,850	\$31,699
Sales Taxes	\$28,005	\$57,993	\$156,730	\$91,922	\$40,181	\$25,964	\$801
Real Estate Transfer Tax	\$5,207	\$10,788	\$4,788	\$2,706	\$1,068	\$535	\$1,721
Business License Tax	\$0	\$0	\$10,032	\$5,016	\$1,505	\$463	\$614
Motor Vehicle In-Lieu	\$218	\$437	\$0	\$0	\$0	\$0	\$0
Other Taxes	\$5,425	\$11,225	\$14,820	\$7,722	\$2,572	\$998	\$2,335
Franchise Fees	\$21,341	\$42,681	\$57,382	\$28,691	\$8,607	\$2,648	\$3,513
Transient Occupancy Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$1,916,250
Licenses, Permits, and Fines	\$38,338	\$76,675	\$103,086	\$51,543	\$15,463	\$4,758	\$6,311
Total Revenues	\$332,770	\$685,158	\$772,774	\$428,980	\$165,101	\$83,592	\$2,087,616
per Acre	\$166,385	\$342,579	\$154,555	\$85,796	\$33,020	\$16,718	\$835,046
<u>General Fund Expenditures</u>							
General Government	\$3,217	\$6,433	\$3,537	\$1,768	\$530	\$163	\$217
Economic Development	\$1,368	\$2,736	\$1,504	\$752	\$226	\$69	\$92
Building Safety & Housing	\$10,329	\$20,658	\$11,357	\$5,678	\$1,703	\$524	\$695
Engineering	\$3,503	\$7,005	\$3,851	\$1,926	\$578	\$178	\$236
Finance	\$3,260	\$6,519	\$3,584	\$1,792	\$538	\$165	\$219
Fire	\$104,073	\$208,146	\$114,425	\$57,212	\$17,164	\$5,281	\$7,005
Human Resources	\$1,572	\$3,145	\$1,729	\$864	\$259	\$80	\$106
Information Technology	\$2,784	\$5,569	\$3,061	\$1,531	\$459	\$141	\$187
Planning	\$1,484	\$2,968	\$1,632	\$816	\$245	\$75	\$100
Police	\$140,493	\$280,986	\$154,468	\$77,234	\$23,170	\$7,129	\$9,456
Public Works	\$34,249	\$68,497	\$37,655	\$18,828	\$5,648	\$1,738	\$2,305
Recreation & Community Services	\$8,133	\$16,266	\$8,942	\$4,471	\$1,341	\$413	\$547
Total Expenditures	\$314,464	\$628,929	\$345,743	\$172,872	\$51,861	\$15,957	\$21,166
per Acre	\$157,232	\$314,464	\$69,149	\$34,574	\$10,372	\$3,191	\$8,466
Annual Net Impact on General Fund	\$18,305	\$56,229	\$427,031	\$256,109	\$113,239	\$67,635	\$2,066,450
per Acre	\$9,153	\$28,115	\$85,406	\$51,222	\$22,648	\$13,527	\$826,580

Source: Economic & Planning Systems

Table 2
Milpitas Population and Employment
City of Milpitas Fiscal Benefits of Employment Lands Study; EPS #211034

Item	Citywide Total	Source
Housing Units	22,553	Department of Finance 2020
Occupied Households	21,814	Department of Finance 2020
Population	77,961	Department of Finance 2020
Persons/Household Multifamily	2.70	ACS 2019 5-Year Est. & DOF 2020
Jobs	47,630	LEHD Employment Statistics 2018
Service Population	97,437	See Table 3

Source: Economic & Planning Systems

Table 3
Service Population Factors based on Resident to Employee Equivalencies
City of Milpitas Fiscal Benefits of Employment Lands Study; EPS #211034

Item	Existing		Weight ²	Weighted Average
	#	%		
Employment Status of Milpitas Residents¹	<i>Formula: a = b * 77,961 b¹ c = b * c</i>			
Not in Labor Force	41,429	53.1%	100%	53.1%
Employed in the City ³	3,808	4.9%	50%	2.4%
Employed Outside of the City	<u>32,724</u>	<u>42.0%</u>	67%	<u>28.2%</u>
Total Residents	77,961	100.0%		83.8%
Residence Status of Milpitas Employees¹	<i>Formula: a = b * 47,630 b¹ c = b * c</i>			
Live in the City ³	3,808	8.0%	50%	4.0%
Live Outside the City	<u>43,825</u>	<u>92.0%</u>	33%	<u>30.3%</u>
Total Jobs	47,630	100.0%		34.2%
Employee to Resident Equivalency Factor⁴			(34.2% / 83.8%) = 40.9%	
Service Population Calculation				
Amount Attributable to Residents (@ 100%)	77,961	80.0%		
Amount Attributable to Employees (@ 40.9%)	<u>19,476</u>	<u>20.0%</u>		
Total Service Population	97,437	100.0%		

[1] Distribution and total jobs based on data from U.S. Census (OnTheMap 2018). Total residents based on 2020 estimates provided by DOF in Table E-5.

[2] Represents EPS estimate of how various types of residents and employees relate to each other in terms of demand for City Services.

[3] The number of residents who are employed in the City and the number of employees in the City who are residents are the same, representing the same group of unique individuals. This group is reflected both in the Total Residents and the Total Jobs to demonstrate the composition of the totals, with their weighting split evenly between the resident and employee groups.

[4] Equals weighted average of residents divided by weighted average of employees.

Sources: LEHD OnTheMap 2018, Department of Finance, and Economic & Planning Systems, Inc.

Table 4
Prototype Developments by Land Use Type
City of Milpitas Fiscal Benefits of Employment Lands Study; EPS #211034

Item	Residential		Non-Residential				
	Mid-Rise Multifamily	High-Rise Multifamily	Class A Office	Office / R & D	Light Industrial	Warehouse / Distribution	Hotel
Gross Land Area (AC)	2.0	2.0	5.0	5.0	5.0	5.0	2.5
FAR	-	-	1.5	1.0	0.5	0.4	-
Gross Building Area	216,000	432,000	326,700	217,800	108,900	87,120	130,000
Net Leasable Area	172,800	345,600	294,030	196,020	98,010	78,408	104,000
Units / Rooms per AC	90	180	-	-	-	-	80
Dwelling Units / Rooms	180	360	-	-	-	-	200
<i>Market Rate DU</i>	<i>153</i>	<i>306</i>	-	-	-	-	
<i>Market Rate Monthly Rent PSF</i>	<i>\$3.75</i>	<i>\$3.90</i>	-	-	-	-	
<i>Below Market Rate DU</i>	<i>27</i>	<i>54</i>	-	-	-	-	-
<i>BMR Monthly Rent PSF</i>	<i>\$2.76</i>	<i>\$2.76</i>	-	-	-	-	-
Capitalized Value	\$118,334,782	\$245,192,059	\$217,626,944	\$122,996,424	\$48,525,159	\$24,304,775	\$78,214,286
<i>per GBA</i>	<i>\$547.85</i>	<i>\$567.57</i>	<i>\$666.14</i>	<i>\$564.72</i>	<i>\$445.59</i>	<i>\$278.98</i>	<i>\$601.65</i>
<i>per DU / Room</i>	<i>\$657,415</i>	<i>\$681,089</i>	-	-	-	-	<i>\$391,071</i>
Persons Per Household	2.70	2.70	-	-	-	-	-
Total Residents	486	972	-	-	-	-	-
Square Feet per Employee	-	-	225	300	500	1,300	1,300
Total Employees	-	-	1,307	653	196	60	80
Total Service Population ¹	486	972	534	267	80	25	33
Average HH Income	\$138,298	\$143,194	-	-	-	-	-
Average Salary	-	-	\$135,000	\$132,000	\$118,000	\$51,000	\$25,000

[1] Applies a factor of 0.41 to employees and 1.0 to residents as derived in **Table 3**.

Source: Economic & Planning Systems

Table 5
General Fund Revenue Summary
City of Milpitas Fiscal Benefits of Employment Lands Study; EPS #211034

Item	FY 2020/21 General Fund Revenues*	Impact Estimating Factors	Table Reference
Property Tax	36,872,241	16.20% of 1% of base assessed value	Table 7
Property Tax In-Lieu of VLF ¹	\$7,941,031	Case Study Approach	Table 7
Sales Taxes	\$28,371,951	1.25% of taxable sales ²	Tables 8 & 9
Real Estate Transfer Tax	\$796,190	\$0.55 per \$1,000 in assessed value	Table 10
Business License Tax	\$365,650	\$7.68 per Employee ³	Table 12
Motor Vehicle In-Lieu	<u>\$35,020</u>	\$0.45 per Resident ³	Table 12
Other Taxes	\$1,196,860		
Franchise Fees	\$5,514,787	\$43.91 per Employee / Resident ⁴	Table 12
Transient Occupancy Tax	\$13,452,683	14% of hotel revenues	Table 11
Licenses, Permits, and Fines	\$9,907,120	\$78.88 per Employee / Resident ⁴	Table 12
Use of Money and Property	\$1,364,000	- not impacted	
Intergovernmental	\$708,597	- not impacted	
General Government Service Charges	\$640,000	Cost Recovery ⁵	Table 6
Operating Transfers In	<u>\$7,013,990</u>	- not impacted	
Total Revenues	\$112,142,729		

*2020-21 Adopted General Fund Budget values per City of Milpitas 2020-2021 Adopted Budget & Financial Plan

[1] Subset of total property tax.

[2] Includes the City's standard 1% share and the 0.25% additional share via Measure F, passed in 2020.

[3] Divides line item by the employee / resident totals from **Table 2**.

[4] Divides line item by the total number of employees and residents citywide without applying a service population factor.

[5] These revenues are considered as cost recovery revenues and are taken out of these departments' expenditures as shown in **Table 6**.

Source: City of Milpitas 2020-2021 Adopted Budget & Financial Plan; Economic & Planning Systems

Table 6
General Fund Expenditure Budget Summary and Fiscal Estimating Factors
City of Milpitas Fiscal Benefits of Employment Lands Study; EPS #211034

Item	FY 2020/21 Adopted GF Expenditures			Percent Variable ²	Annual Variable Expense	Estimating Factors	Per Service Pop. GF Expense
	Total	Offsetting ¹	Net				
General Government ³	\$4,939,304	\$640,000	\$4,299,304	15%	\$644,896	97,437 Service Pop.	\$6.62
Economic Development	\$914,118	-	\$914,118	30%	\$274,235	97,437 Service Pop.	\$2.81
Building Safety & Housing	\$6,948,858	\$46,000	\$6,902,858	30%	\$2,070,857	97,437 Service Pop.	\$21.25
Engineering	\$4,154,819	\$1,814,000	\$2,340,819	30%	\$702,246	97,437 Service Pop.	\$7.21
Finance	\$4,356,586	-	\$4,356,586	15%	\$653,488	97,437 Service Pop.	\$6.71
Fire	\$28,280,292	\$460,000	\$27,820,292	75%	\$20,865,219	97,437 Service Pop.	\$214.14
Human Resources	\$2,101,657	-	\$2,101,657	15%	\$315,249	97,437 Service Pop.	\$3.24
Information Technology	\$3,721,547	-	\$3,721,547	15%	\$558,232	97,437 Service Pop.	\$5.73
Planning	\$1,931,383	\$939,500	\$991,883	30%	\$297,565	97,437 Service Pop.	\$3.05
Police	\$38,286,020	\$730,000	\$37,556,020	75%	\$28,167,015	97,437 Service Pop.	\$289.08
Public Works	\$9,155,209	-	\$9,155,209	75%	\$6,866,407	97,437 Service Pop.	\$70.47
Recreation & Community Services	\$6,304,106	\$3,043,000	\$3,261,106	50%	\$1,630,553	97,437 Service Pop.	\$16.73
Other ⁴	<u>\$5,623,983</u>	-	<u>\$5,623,983</u>	-	<u>\$0</u>	not impacted	<u>\$0.00</u>
Total General Fund Expenditures	\$116,717,882		\$109,045,382		\$63,045,961		\$647.05

[1] Represents departmental service charges shown in **Table 5**.

[2] EPS assumption.

[3] General Government category consists of the City Council, City Manager, City Clerk, and City Attorney Departmental expenditures.

[4] Other category consists of Equipment to be Depreciated, Non-Departmental expenditures, and Transfers Out.

Source: Economic & Planning Systems

Table 7
Property Tax Revenue by Land Use Estimate
City of Milpitas Fiscal Benefits of Employment Lands Study; EPS #211034

Property Tax and Estimating Factors	Assumption / Est. Factor	Formula	Mid-Rise Multifamily	High-Rise Multifamily	Class A Office	Office / R & D	Light Industrial	Warehouse / Distribution	Hotel
Property Tax									
Total Assessed Value ¹	see Table 4.	<i>a</i>	\$118,334,782	\$245,192,059	\$217,626,944	\$122,996,424	\$48,525,159	\$24,304,775	\$78,214,286
Property Tax	1.0% Base Property Tax Rate	<i>b = a * 1.0%</i>	\$1,183,348	\$2,451,921	\$2,176,269	\$1,229,964	\$485,252	\$243,048	\$782,143
General Fund Property Tax Revenue²	16.20% Allocation to General Fund	<i>c = b * 16.20%</i>	\$191,702	\$397,211	\$352,556	\$199,254	\$78,611	\$39,374	\$126,707
Property Tax In-Lieu of VLF									
Existing Citywide Property Tax In-Lieu of VLF ³	\$7,941,031	<i>d = \$7,941,031</i>							
Citywide Taxable Assessed Value ⁴	\$19,593,785,921	<i>e = \$19,593,785,921</i>							
Percentage of Citywide Assessed Value		<i>f = a / e</i>	0.6%	1.3%	1.1%	0.6%	0.2%	0.1%	0.4%
New General Fund Property Tax In-Lieu of VLF		<i>e = d * f</i>	\$47,959	\$99,372	\$88,201	\$49,848	\$19,666	\$9,850	\$31,699

[1] Per **Table 4.**

[2] Per Page 29 of Milpitas 2020-2021 Adopted Budget & Financial Plan.

[3] Per **Table 5.**

[4] Per Santa Clara County Assessor.

Source: Economic & Planning Systems

Table 8
Residential Sales Tax Revenue Estimates
City of Milpitas Fiscal Benefits of Employment Lands Study; EPS #211034

Item	Assumption	Mid-Rise Multifamily	High-Rise Multifamily
Households	per Table 4	180	360
Estimated Annual Household Income ¹	Rent is 30% of Income	\$138,298	\$143,194
Taxable Retail Spending per Household ²	18% of Household Income	\$24,894	\$25,775
Taxable Retail Spending by Prototype		\$4,480,842	\$9,278,945
Taxable Retail Sales Captured in Milpitas	50% Capture Rate	\$2,240,421	\$4,639,473
Annual General Fund Sales Tax Revenue	1.25% of Taxable Sales	\$28,005	\$57,993

[1] Annual rent estimated based on a 960 net square foot (NSF) apartment renting at \$3.75 per NSF for both development types.

[2] Based on the Bureau of Labor Statistics 2018 Consumer Expenditure Survey.

Source: Economic & Planning Systems

Table 9
Non-Residential Sales Tax Revenue Estimates
City of Milpitas Fiscal Benefits of Employment Lands Study; EPS #211034

Description	Assumption	Class A Office	Office / R & D	Light Industrial	Warehouse / Distribution	Hotel
<u>Worker-Generated Retail Sales</u>						
Total Workers	see Table 4	1,307	653	196	60	80
Weekly Taxable Retail Spending per Worker ¹		\$106	\$104	\$93	\$40	\$20
Annual Taxable Retail Spending per Worker	48 weeks per year	\$5,090	\$4,977	\$4,449	\$1,923	\$943
Total Annual Taxable Retail Spending		\$6,651,995	\$3,252,087	\$872,151	\$115,984	\$75,412
Milpitas Spending Capture	85% of retail expenditures	\$5,654,196	\$2,764,274	\$741,328	\$98,586	\$64,100
Annual General Fund Retail Sales Tax Revenue from Workers	1.25% of taxable sales	\$70,677	\$34,553	\$9,267	\$1,232	\$801
<u>Non-Retail Establishment Sales</u>						
Business-to-Business Annual Retail Sales Tax Revenue	per Avenue Insights & Analytics Data	\$86,052	\$57,368	\$30,915	\$24,732	\$0
Total Annual General Fund Sales Tax Revenue		\$156,730	\$91,922	\$40,181	\$25,964	\$801

Source: Economic & Planning Systems

Table 10
Property Transfer Tax Estimates
City of Milpitas Fiscal Benefits of Employment Lands Study; EPS #211034

Item	Formula	Mid-Rise Multifamily	High-Rise Multifamily	Class A Office	Office / R & D	Light Industrial	Warehouse / Distribution	Hotel
Market Value Assumption ¹	<i>a</i>	\$118,334,782	\$245,192,059	\$217,626,944	\$122,996,424	\$48,525,159	\$24,304,775	\$78,214,286
Annual Turnover Rate ²	<i>b</i>	8%	8%	4%	4%	4%	4%	4%
Annual Assessed Value Turnover	<i>c = a * b</i>	\$9,466,783	\$19,615,365	\$8,705,078	\$4,919,857	\$1,941,006	\$972,191	\$3,128,571
Documentary Transfer to the City³	<i>d = c / 1,000 * \$0.55</i>	\$5,207	\$10,788	\$4,788	\$2,706	\$1,068	\$535	\$1,721

[1] Per **Table 4**.

[2] Assumes multifamily rental property resold every 15 years, commercial property resold every 30 years.

[3] Per IX-10-2.01 of the Milpitas Code of Ordinances.

Source: Economic & Planning Systems

Table 11
Transient Occupancy Tax
City of Milpitas Fiscal Benefits of Employment Lands Study; EPS #211034

Item	Assumption	Value
Total Hotel Rooms	see Table 4	200
Average Daily Rate (ADR) ¹		\$250
Occupancy Rate ¹		75%
Annual Hotel Room Revenues		\$13,687,500
General Fund TOT Revenue	14% of revenue	\$1,916,250

[1] per CoStar Group data.

Source: CoStar Group; Economic & Planning Systems

Table 12
Other General Fund Revenue Item Estimates
City of Milpitas Fiscal Benefits of Employment Lands Study; EPS #211034

Revenue Source	Factors Applied to Estimate Prototype Revenues ¹	Mid-Rise Multifamily	High-Rise Multifamily	Class A Office	Office / R & D	Light Industrial	Warehouse / Distribution	Hotel
Business License Tax	\$7.68 per Employee	\$0	\$0	\$10,032	\$5,016	\$1,505	\$463	\$614
Motor Vehicle In-Lieu	\$0.45 per Resident	\$218	\$437	\$0	\$0	\$0	\$0	\$0
Franchise Fees	\$43.91 per Employee / Resident	\$21,341	\$42,681	\$57,382	\$28,691	\$8,607	\$2,648	\$3,513
Licenses, Permits, and Fines	\$78.88 per Employee / Resident	<u>\$38,338</u>	<u>\$76,675</u>	<u>\$103,086</u>	<u>\$51,543</u>	<u>\$15,463</u>	<u>\$4,758</u>	<u>\$6,311</u>
Total Annual Other Revenues	\$131 per Employee / Resident	\$59,897	\$119,793	\$170,500	\$85,250	\$25,575	\$7,869	\$10,438

[1] See **Table 5** for revenue factors and **Table 4** for total service population by land use.

Source: Economic & Planning Systems

Table 13
General Fund Expenditure Estimates
City of Milpitas Fiscal Benefits of Employment Lands Study; EPS #211034

Expenditure Source	Factors Applied to Estimate Prototype Expenditures ¹	Mid-Rise Multifamily	High-Rise Multifamily	Class A Office	Office / R & D	Light Industrial	Warehouse / Distribution	Hotel
General Government	\$6.62 per Service Pop.	\$3,217	\$6,433	\$3,537	\$1,768	\$530	\$163	\$217
Economic Development	\$2.81 per Service Pop.	\$1,368	\$2,736	\$1,504	\$752	\$226	\$69	\$92
Building Safety & Housing	\$21.25 per Service Pop.	\$10,329	\$20,658	\$11,357	\$5,678	\$1,703	\$524	\$695
Engineering	\$7.21 per Service Pop.	\$3,503	\$7,005	\$3,851	\$1,926	\$578	\$178	\$236
Finance	\$6.71 per Service Pop.	\$3,260	\$6,519	\$3,584	\$1,792	\$538	\$165	\$219
Fire	\$214.14 per Service Pop.	\$104,073	\$208,146	\$114,425	\$57,212	\$17,164	\$5,281	\$7,005
Human Resources	\$3.24 per Service Pop.	\$1,572	\$3,145	\$1,729	\$864	\$259	\$80	\$106
Information Technology	\$5.73 per Service Pop.	\$2,784	\$5,569	\$3,061	\$1,531	\$459	\$141	\$187
Planning	\$3.05 per Service Pop.	\$1,484	\$2,968	\$1,632	\$816	\$245	\$75	\$100
Police	\$289.08 per Service Pop.	\$140,493	\$280,986	\$154,468	\$77,234	\$23,170	\$7,129	\$9,456
Public Works	\$70.47 per Service Pop.	\$34,249	\$68,497	\$37,655	\$18,828	\$5,648	\$1,738	\$2,305
Recreation & Community Services	<u>\$16.73</u> per Service Pop.	<u>\$8,133</u>	<u>\$16,266</u>	<u>\$8,942</u>	<u>\$4,471</u>	<u>\$1,341</u>	<u>\$413</u>	<u>\$547</u>
Total Annual Expenditures	\$647 per Service Pop.	\$314,464	\$628,929	\$345,743	\$172,872	\$51,861	\$15,957	\$21,166

[1] See **Table 6** for cost estimates and **Table 4** for total service population by land use.

Source: Economic & Planning Systems



APPENDIX D: Glossary of Terms

Glossary of Terms

- **Gross Land Area.** This is the total land area associated with a development measured in acres. It includes not only the building itself, but also parking and landscaping areas, as well as roads and other supporting areas.
- **Gross Area.** This is the total square footage of any buildings for lease. It includes both the occupied areas – such as apartment square footage/ office suite square footage – as well as common areas, such as elevators and corridors, as well as mechanical and storage areas.
- **Efficiency Ratio.** The efficiency ratio represents the ratio, often presented as a percentage, between the Net Area (defined below) and the Gross Leasable Area.
- **Net Area.** The net area represents the leased area that is specifically for the tenant, such as apartment size or office suite etc. The net area is equal to the gross area multiplied by the efficiency ratio.
- **Parking Spaces.** This represents the number of parking spaces associated with a building. The number of spaces is often defined by the required parking ratio that provides the number of parking spaces that must be provided for every 1,000 gross square feet of space.
- **Gross Revenue.** Gross revenues, sometimes referred to as full service gross (FSG), represents the gross revenues expected to be paid by the tenant. This can be expressed as an annual lease payment per net square foot per year as well as a total annual gross revenue for the full net area leased.
- **Operating Expenses.** The building owner/ landlord receives the gross revenues but also must directly pay a broad range of building operating expenses, including janitorial, building maintenance, insurance, property taxes, and utilities. These are estimated as a percentage of gross revenues.
- **Commissions.** Leasing commissions represent the percentage of rent that is passed on to real estate agents in connection with the building lease.
- **Vacancy Rate.** The vacancy rate represents the average percentage of the net leasable area that is vacant at any point in time.
- **Capitalized Value.** The capitalized value represents the estimated value/ sales price of a building/ development. It is typically calculated based on: (1) annual net operating income (annual revenues minus annual operating expenditures); and, (2) the capitalization (cap) rate which represents the observed ratio between building sales prices and net operating incomes in different market areas.
- **Building Construction Cost.** Building construction represents the direct cost of constructing the building often expressed on a cost per gross area basis.
- **Parking Cost/Site Work.** Parking costs represent the direct cost of constructing parking spaces (whether surface or structured), while site work consists of preparing the site for construction (e.g. grading).

- **Tenant Improvements.** Beyond the costs of constructing the building, tenants will often require additional improvements inside their office suite for example. This can include costs of carpeting, interior configurations, kitchens, and other unique features. Landlords typically contribute to these costs.
- **Commercial Housing Linkage Fee.** A fee paid by commercial development to help fund affordable housing.
- **TADIF Fee.** This is the Transit Area Development Impact Fee, an impact fee established under the Mitigation Fee Act that portions a proportionate share of transit area public improvement costs (e.g. sewer, water, transportation, and parks) to new development.
- **Other Permits & Fees.** In addition to the TADIF, the City and other agencies charge other fees and permit charges.
- **General & Administrative.** General and Administrative costs are the general day-to-day/overhead operations costs to the developer.
- **Financing Costs.** These represents the construction financing costs associated with the use of construction loans while developing buildings.
- **Contingency.** A contingency is included in development pro formas to account for cost overruns/ unforeseen cost items.
- **Profit Margin.** The profit margin represents the level of profit a developer will require in order to consider taking the risks associated with the development.



APPENDIX E:

Residual Land Value Analysis

Table 1a - Baseline Scenario
Class A Office Pro Forma (Midrise, 1.0 FAR)
Milpitas Employment Lands, EPS #211034

Item	Assumption	Per Bldg. Sq.Ft.	Total
DEVELOPMENT PROGRAM			
Gross Land Area (acres)			5.0
Gross Leasable Area	1.00 F.A.R.		217,800
Elevation	5 stories		
Efficiency Ratio	90%		
Net Area			196,020
Parking Spaces	3.3 parking space per 1,000 sq.ft.		
Structured/Podium Parking	75% of parking spaces		545
Surface Parking	25% of parking spaces		<u>182</u>
Total Parking Spaces			726
REVENUE ASSUMPTIONS			
Gross Revenue (FSG) (1)	\$51.00 /net sq. ft./yr.	\$45.90	\$9,997,020
(less) Operating Expenses	25.0%	(\$11.48)	(\$2,499,255)
(less) Commissions	2.5%	(\$1.15)	(\$249,926)
(less) Vacancy Rate	5.0%	<u>(\$2.30)</u>	<u>(\$499,851)</u>
Subtotal, Annual Net Operating Income		\$30.98	\$6,747,989
Capitalized Value (2)	6.25% cap rate	\$480.85	\$104,728,782
DEVELOPMENT COSTS			
Direct Costs			
Building Construction Cost	\$325.00 /GLA sq. ft.	\$325.00	\$70,785,000
Parking Cost/Site Work	\$40,000 /structured space	\$100.00	\$21,780,000
Parking Cost/Site Work	\$5,000 /surface space	<u>\$4.17</u>	<u>\$907,500</u>
Total Direct Costs		\$429.17	\$93,472,500
Indirect Costs			
Tenant Improvements	\$40.00 /net sq. ft.	\$36.00	\$7,840,800
Legal, Insurance & Inspections	3.0% of direct costs	\$12.88	\$2,804,175
Architecture & Engineering	7.0% of direct costs	\$30.04	\$6,543,075
Commercial Housing Linkage Fee (3)	\$8.00 /net sq. ft.	\$7.20	\$1,568,160
TADIF Fee	\$42.52 /net sq. ft.	\$38.27	\$8,334,770
Other Permits & Fees (4)	3.0% of direct costs	\$12.88	\$2,804,175
General & Administrative	2.5% of direct costs	\$10.73	\$2,336,813
Financing Costs	<u>5.0%</u> of direct costs	<u>\$21.46</u>	<u>\$4,673,625</u>
Total Indirect Costs	39.5% of direct costs	\$169.45	\$36,905,593
Subtotal, Direct and Indirect Costs		\$598.61	\$130,378,093
Contingency (% of direct and indirect costs)	5.0% of direct and indirect costs	\$29.93	\$6,518,905
Profit Margin (% of direct and indirect costs) (5)	15.0% of all costs	<u>\$94.28</u>	<u>\$20,534,550</u>
Total Costs		\$723	\$157,431,547
RESIDUAL LAND VALUE			
Per Acre		(\$241.98)	(\$52,703,000)
			(\$10,540,600)

Table 1b - Improved Scenario
Class A Office Pro Forma (Midrise, 1.0 FAR)
Milpitas Employment Lands, EPS #211034

Item	Assumption	Per Bldg. Sq.Ft.	Total
DEVELOPMENT PROGRAM			
Gross Land Area (acres)			5.0
Gross Leasable Area	1.00 F.A.R.		217,800
Elevation	5 stories		
Efficiency Ratio	90%		
Net Area			196,020
Parking Spaces	2.4 parking space per 1,000 sq.ft.		
Structured/Podium Parking	75% of parking spaces		392
Surface Parking	25% of parking spaces		<u>131</u>
Total Parking Spaces			523
REVENUE ASSUMPTIONS			
Gross Revenue (FSG) (1)	\$65.00 /net sq. ft./yr.	\$58.50	\$12,741,300
(less) Operating Expenses	25.0%	(\$14.63)	(\$3,185,325)
(less) Commissions	2.5%	(\$1.46)	(\$318,533)
(less) Vacancy Rate	5.0%	<u>(\$2.93)</u>	<u>(\$637,065)</u>
Subtotal, Annual Net Operating Income		\$39.49	\$8,600,378
Capitalized Value (2)	5.75% cap rate	\$666.14	\$145,084,629
DEVELOPMENT COSTS			
Direct Costs			
Building Construction Cost	\$325.00 /GLA sq. ft.	\$325.00	\$70,785,000
Parking Cost/Site Work	\$40,000 /structured space	\$72.04	\$15,690,000
Parking Cost/Site Work	\$5,000 /surface space	<u>\$3.00</u>	<u>\$653,750</u>
Total Direct Costs		\$400.04	\$87,128,750
Indirect Costs			
Tenant Improvements	\$40.00 /net sq. ft.	\$36.00	\$7,840,800
Legal, Insurance & Inspections	3.0% of direct costs	\$12.00	\$2,613,863
Architecture & Engineering	7.0% of direct costs	\$28.00	\$6,099,013
Commercial Housing Linkage Fee (3)	\$8.00 /net sq. ft.	\$7.20	\$1,568,160
TADIF Fee	\$0.00 /net sq. ft.	\$0.00	\$0
Other Permits & Fees (4)	3.0% of direct costs	\$12.00	\$2,613,863
General & Administrative	2.5% of direct costs	\$10.00	\$2,178,219
Financing Costs	5.0% of direct costs	<u>\$20.00</u>	<u>\$4,356,438</u>
Total Indirect Costs	31.3% of direct costs	\$125.21	\$27,270,354
Subtotal, Direct and Indirect Costs		\$525.25	\$114,399,104
Contingency (% of direct and indirect costs)	5.0% of direct and indirect costs	\$26.26	\$5,719,955
Profit Margin (% of direct and indirect costs) (5)	15.0% of all costs	<u>\$82.73</u>	<u>\$18,017,859</u>
Total Costs		\$634	\$138,136,918
RESIDUAL LAND VALUE			
Per Acre		\$31.90	\$6,948,000
			\$1,389,600

Table 2a - Baseline Scenario
Class A Office Pro Forma (Midrise, 1.5 FAR)
Milpitas Employment Lands, EPS #211034

Item	Assumption	Per Bldg. Sq.Ft.	Total
DEVELOPMENT PROGRAM			
Gross Land Area (acres)			5.0
Gross Leasable Area	1.50 F.A.R.		326,700
Elevation	8 stories		
Efficiency Ratio	90%		
Net Area			294,030
Parking Spaces	3.3 parking space per 1,000 sq.ft.		
Structured/Podium Parking	100% of parking spaces		1,089
Surface Parking	0% of parking spaces		<u>0</u>
Total Parking Spaces			1,089
REVENUE ASSUMPTIONS			
Gross Revenue (FSG) (1)	\$51.00 /net sq. ft./yr.	\$45.90	\$14,995,530
(less) Operating Expenses	25.0%	(\$11.48)	(\$3,748,883)
(less) Commissions	2.5%	(\$1.15)	(\$374,888)
(less) Vacancy Rate	5.0%	<u>(\$2.30)</u>	<u>(\$749,777)</u>
Subtotal, Annual Net Operating Income		\$30.98	\$10,121,983
Capitalized Value (2)	6.25% cap rate	\$480.85	\$157,093,172
DEVELOPMENT COSTS			
Direct Costs			
Building Construction Cost	\$325.00 /GLA sq. ft.	\$325.00	\$106,177,500
Parking Cost/Site Work	\$40,000 /structured space	\$133.33	\$43,560,000
Parking Cost/Site Work	\$5,000 /surface space	<u>\$0.00</u>	<u>\$0</u>
Total Direct Costs		\$458.33	\$149,737,500
Indirect Costs			
Tenant Improvements	\$40.00 /net sq. ft.	\$36.00	\$11,761,200
Legal, Insurance & Inspections	3.0% of direct costs	\$13.75	\$4,492,125
Architecture & Engineering	7.0% of direct costs	\$32.08	\$10,481,625
Commercial Housing Linkage Fee (3)	\$8.00 /net sq. ft.	\$7.20	\$2,352,240
TADIF Fee	\$42.52 /net sq. ft.	\$38.27	\$12,502,156
Other Permits & Fees (4)	3.0% of direct costs	\$13.75	\$4,492,125
General & Administrative	2.5% of direct costs	\$11.46	\$3,743,438
Financing Costs	<u>5.0%</u> of direct costs	<u>\$22.92</u>	<u>\$7,486,875</u>
Total Indirect Costs	38.3% of direct costs	\$175.43	\$57,311,783
Subtotal, Direct and Indirect Costs		\$633.76	\$207,049,283
Contingency (% of direct and indirect costs)	5.0% of direct and indirect costs	\$31.69	\$10,352,464
Profit Margin (% of direct and indirect costs) (5)	15.0% of all costs	<u>\$99.82</u>	<u>\$32,610,262</u>
Total Costs		\$765	\$250,012,009
RESIDUAL LAND VALUE			
Per Acre		(\$284.42)	(\$92,919,000)
			(\$18,583,800)

Table 2b - Improved Scenario
Class A Office Pro Forma (Midrise, 1.5 FAR)
Milpitas Employment Lands, EPS #211034

Item	Assumption	Per Bldg. Sq.Ft.	Total
DEVELOPMENT PROGRAM			
Gross Land Area (acres)			5.0
Gross Leasable Area	1.50 F.A.R.		326,700
Elevation	8 stories		
Efficiency Ratio	90%		
Net Area			294,030
Parking Spaces	2.4 parking space per 1,000 sq.ft.		
Structured/Podium Parking	100% of parking spaces		784
Surface Parking	0% of parking spaces		0
Total Parking Spaces			784
REVENUE ASSUMPTIONS			
Gross Revenue (FSG) (1)	\$65.00 /net sq. ft./yr.	\$58.50	\$19,111,950
(less) Operating Expenses	25.0%	(\$14.63)	(\$4,777,988)
(less) Commissions	2.5%	(\$1.46)	(\$477,799)
(less) Vacancy Rate	5.0%	(\$2.93)	(\$955,598)
Subtotal, Annual Net Operating Income		\$39.49	\$12,900,566
Capitalized Value (2)	5.75% cap rate	\$666.14	\$217,626,944
DEVELOPMENT COSTS			
Direct Costs			
Building Construction Cost	\$325.00 /GLA sq. ft.	\$325.00	\$106,177,500
Parking Cost/Site Work	\$40,000 /structured space	\$95.99	\$31,360,000
Parking Cost/Site Work	\$5,000 /surface space	\$0.00	\$0
Total Direct Costs		\$420.99	\$137,537,500
Indirect Costs			
Tenant Improvements	\$40.00 /net sq. ft.	\$36.00	\$11,761,200
Legal, Insurance & Inspections	3.0% of direct costs	\$12.63	\$4,126,125
Architecture & Engineering	7.0% of direct costs	\$29.47	\$9,627,625
Commercial Housing Linkage Fee (3)	\$8.00 /net sq. ft.	\$7.20	\$2,352,240
TADIF Fee	\$0.00 /net sq. ft.	\$0.00	\$0
Other Permits & Fees (4)	3.0% of direct costs	\$12.63	\$4,126,125
General & Administrative	2.5% of direct costs	\$10.52	\$3,438,438
Financing Costs	5.0% of direct costs	\$21.05	\$6,876,875
Total Indirect Costs	30.8% of direct costs	\$129.50	\$42,308,628
Subtotal, Direct and Indirect Costs		\$550.49	\$179,846,128
Contingency (% of direct and indirect costs)	5.0% of direct and indirect costs	\$27.52	\$8,992,306
Profit Margin (% of direct and indirect costs) (5)	15.0% of all costs	\$86.70	\$28,325,765
Total Costs		\$665	\$217,164,199
RESIDUAL LAND VALUE			
Per Acre		\$1.42	\$463,000
			\$92,600

Table 3a - Baseline Scenario
Class A Office/R&D Pro Forma
Milpitas Employment Lands, EPS #211034

Item	Assumption	Per Bldg. Sq.Ft.	Total
DEVELOPMENT PROGRAM			
Gross Land Area (acres)			5.0
Gross Leasable Area	1.00 F.A.R.		217,800
Efficiency Ratio	90%		
Elevation	5 stories		
Net Area			196,020
Parking Spaces	2.3 parking space per 1,000 sq.ft.		
Structured/Podium Parking	50% of parking spaces		249
Surface Parking	50% of parking spaces		<u>249</u>
Total Parking Spaces			498
REVENUE ASSUMPTIONS			
Gross Revenue (FSG) (1)	\$45.00 /net sq. ft./yr.	\$40.50	\$8,820,900
(less) Operating Expenses	25.0%	(\$10.13)	(\$2,205,225)
(less) Commissions	2.5%	(\$1.01)	(\$220,523)
(less) Vacancy Rate	5.0%	<u>(\$2.03)</u>	<u>(\$441,045)</u>
Subtotal, Annual Net Operating Income		\$27.34	\$5,954,108
Capitalized Value (2)	6.00% cap rate	\$441.96	\$96,258,071
DEVELOPMENT COSTS			
Direct Costs			
Building Construction Cost	\$295.00 /GLA sq. ft.	\$295.00	\$64,251,000
Parking Cost/Site Work	\$40,000 /structured space	\$45.73	\$9,960,000
Parking Cost/Site Work	\$5,000 /surface space	<u>\$5.72</u>	<u>\$1,245,000</u>
Total Direct Costs		\$346.45	\$75,456,000
Indirect Costs			
Tenant Improvements	\$30.00 /net sq. ft.	\$27.00	\$5,880,600
Legal, Insurance & Inspections	3.0% of direct costs	\$10.39	\$2,263,680
Architecture & Engineering	7.0% of direct costs	\$24.25	\$5,281,920
Commercial Housing Linkage Fee (3)	\$8.00 /net sq. ft.	\$7.20	\$1,568,160
TADIF Fee	\$42.52 /net sq. ft.	\$38.27	\$8,334,770
Other Permits & Fees (4)	3.0% of direct costs	\$10.39	\$2,263,680
General & Administrative	2.5% of direct costs	\$8.66	\$1,886,400
Financing Costs	<u>5.0%</u> of direct costs	<u>\$17.32</u>	<u>\$3,772,800</u>
Total Indirect Costs	41.4% of direct costs	\$143.49	\$31,252,010
Subtotal, Direct and Indirect Costs		\$489.94	\$106,708,010
Contingency (% of direct and indirect costs)	5.0% of direct and indirect costs	\$24.50	\$5,335,401
Profit Margin (% of direct and indirect costs) (5)	15.0% of all costs	<u>\$77.16</u>	<u>\$16,806,512</u>
Total Costs		\$592	\$128,849,923
RESIDUAL LAND VALUE			
Per Acre		(\$149.64)	(\$32,592,000)
			(\$6,518,400)

Table 3b - Improved Scenario
Class A Office/R&D Pro Forma
Milpitas Employment Lands, EPS #211034

Item	Assumption	Per Bldg. Sq.Ft.	Total
DEVELOPMENT PROGRAM			
Gross Land Area (acres)			5.0
Gross Leasable Area	1.00 F.A.R.		217,800
Efficiency Ratio	90%		
Elevation	5 stories		
Net Area			196,020
Parking Spaces	2.3 parking space per 1,000 sq.ft.		
Structured/Podium Parking	50% of parking spaces		249
Surface Parking	50% of parking spaces		<u>249</u>
Total Parking Spaces			498
REVENUE ASSUMPTIONS			
Gross Revenue (FSG) (1)	\$57.50 /net sq. ft./yr.	\$51.75	\$11,271,150
(less) Operating Expenses	25.0%	(\$12.94)	(\$2,817,788)
(less) Commissions	2.5%	(\$1.29)	(\$281,779)
(less) Vacancy Rate	5.0%	<u>(\$2.59)</u>	<u>(\$563,558)</u>
Subtotal, Annual Net Operating Income		\$34.93	\$7,608,026
Capitalized Value (2)	6.00% cap rate	\$564.72	\$122,996,424
DEVELOPMENT COSTS			
Direct Costs			
Building Construction Cost	\$295.00 /GLA sq. ft.	\$295.00	\$64,251,000
Parking Cost/Site Work	\$40,000 /structured space	\$45.73	\$9,960,000
Parking Cost/Site Work	\$5,000 /surface space	<u>\$5.72</u>	<u>\$1,245,000</u>
Total Direct Costs		\$346.45	\$75,456,000
Indirect Costs			
Tenant Improvements	\$30.00 /net sq. ft.	\$27.00	\$5,880,600
Legal, Insurance & Inspections	3.0% of direct costs	\$10.39	\$2,263,680
Architecture & Engineering	7.0% of direct costs	\$24.25	\$5,281,920
Commercial Housing Linkage Fee (3)	\$4.00 /net sq. ft.	\$3.60	\$784,080
TADIF Fee	\$0.00 /net sq. ft.	\$0.00	\$0
Other Permits & Fees (4)	3.0% of direct costs	\$10.39	\$2,263,680
General & Administrative	2.5% of direct costs	\$8.66	\$1,886,400
Financing Costs	<u>5.0%</u> of direct costs	<u>\$17.32</u>	<u>\$3,772,800</u>
Total Indirect Costs	29.3% of direct costs	\$101.62	\$22,133,160
Subtotal, Direct and Indirect Costs		\$448.07	\$97,589,160
Contingency (% of direct and indirect costs)	5.0% of direct and indirect costs	\$22.40	\$4,879,458
Profit Margin (% of direct and indirect costs) (5)	15.0% of all costs	<u>\$70.57</u>	<u>\$15,370,293</u>
Total Costs		\$541	\$117,838,911
RESIDUAL LAND VALUE			
Per Acre		\$23.68	\$5,158,000
			\$1,031,600

Table 4 - Baseline Scenario
Light Industrial Pro Forma
Milpitas Employment Lands, EPS #211034

Item	Assumption	Per Bldg. Sq.Ft.	Total
DEVELOPMENT PROGRAM			
Gross Land Area (acres)			5.0
Gross Leasable Area	0.50 F.A.R.		108,900
Efficiency Ratio	90%		
Elevation	3 stories		
Net Area			98,010
Parking Spaces	0.5 parking space per 1,000 sq.ft.		
Structured/Podium Parking	0% of parking spaces		0
Surface Parking	100% of parking spaces		<u>58</u>
Total Parking Spaces			58
REVENUE ASSUMPTIONS			
Gross Revenue (NNN) (1)	\$35.00 /net sq. ft./yr.	\$31.50	\$3,430,350
(less) Operating Expenses	5.0%	(\$1.58)	(\$171,518)
(less) Commissions	2.5%	(\$0.79)	(\$85,759)
(less) Vacancy Rate	5.0%	<u>(\$1.58)</u>	<u>(\$171,518)</u>
Subtotal, Annual Net Operating Income		\$27.56	\$3,001,556
Capitalized Value (2)	6.00% cap rate	\$445.59	\$48,525,159
DEVELOPMENT COSTS			
Direct Costs			
Building Construction Cost	\$195.00 /GLA sq. ft.	\$195.00	\$21,235,500
Parking Cost/Site Work	\$40,000 /structured space	\$0.00	\$0
Parking Cost/Site Work	\$5,000 /surface space	<u>\$2.66</u>	<u>\$290,000</u>
Total Direct Costs		\$197.66	\$21,525,500
Indirect Costs			
Tenant Improvements	\$20.00 /net sq. ft.	\$18.00	\$1,960,200
Legal, Insurance & Inspections	3.0% of direct costs	\$5.93	\$645,765
Architecture & Engineering	7.0% of direct costs	\$13.84	\$1,506,785
Commercial Housing Linkage Fee (3)	\$4.00 /net sq. ft.	\$3.60	\$392,040
TADIF Fee	\$0.00 /net sq. ft.	\$0.00	\$0
Other Permits & Fees (4)	3.0% of direct costs	\$5.93	\$645,765
General & Administrative	2.5% of direct costs	\$4.94	\$538,138
Financing Costs	<u>5.0%</u> of direct costs	<u>\$9.88</u>	<u>\$1,076,275</u>
Total Indirect Costs	31.4% of direct costs	\$62.12	\$6,764,968
Subtotal, Direct and Indirect Costs		\$259.78	\$28,290,468
Contingency (% of direct and indirect costs)	5.0% of direct and indirect costs	\$12.99	\$1,414,523
Profit Margin (% of direct and indirect costs) (5)	15.0% of all costs	<u>\$40.92</u>	<u>\$4,455,749</u>
Total Costs		\$314	\$34,160,740
RESIDUAL LAND VALUE			
Per Acre		\$131.90	\$14,364,000
			\$2,872,800

Table 5 - Baseline Scenario
Warehouse/ Distribution Pro Forma
Milpitas Employment Lands, EPS #211034

Item	Assumption	Per Bldg. Sq.Ft.	Total
DEVELOPMENT PROGRAM			
Gross Land Area (acres)			5.0
Gross Leasable Area	0.40 F.A.R.		87,120
Efficiency Ratio	90%		
Elevation	1 story		
Net Area			78,408
Parking Spaces	0.5 parking space per 1,000 sq.ft.		
Structured/Podium Parking	0% of parking spaces		0
Surface Parking	100% of parking spaces		<u>46</u>
Total Parking Spaces			46
REVENUE ASSUMPTIONS			
Gross Revenue (NNN) (1)	\$21.00 /net sq. ft./yr.	\$18.90	\$1,646,568
(less) Operating Expenses	5.0%	(\$0.95)	(\$82,328)
(less) Commissions	2.5%	(\$0.47)	(\$41,164)
(less) Vacancy Rate	5.0%	<u>(\$0.95)</u>	<u>(\$82,328)</u>
Subtotal, Annual Net Operating Income		\$16.54	\$1,440,747
Capitalized Value (2)	5.75% cap rate	\$278.98	\$24,304,775
DEVELOPMENT COSTS			
Direct Costs			
Building Construction Cost	\$85.00 /GLA sq. ft.	\$85.00	\$7,405,200
Parking Cost/Site Work	\$40,000 /structured space	\$0.00	\$0
Parking Cost/Site Work	\$5,000 /surface space	<u>\$2.64</u>	<u>\$230,000</u>
Total Direct Costs		\$87.64	\$7,635,200
Indirect Costs			
Tenant Improvements	\$20.00 /net sq. ft.	\$18.00	\$1,568,160
Legal, Insurance & Inspections	3.0% of direct costs	\$2.63	\$229,056
Architecture & Engineering	7.0% of direct costs	\$6.13	\$534,464
Commercial Housing Linkage Fee (3)	\$4.00 /net sq. ft.	\$3.60	\$313,632
TADIF Fee	\$0.00 /net sq. ft.	\$0.00	\$0
Other Permits & Fees (4)	2.5% of direct costs	\$2.19	\$190,880
General & Administrative	2.5% of direct costs	\$2.19	\$190,880
Financing Costs	<u>3.0%</u> of direct costs	<u>\$2.63</u>	<u>\$229,056</u>
Total Indirect Costs	42.6% of direct costs	\$37.38	\$3,256,128
Subtotal, Direct and Indirect Costs		\$125.02	\$10,891,328
Contingency (% of direct and indirect costs)	5.0% of direct and indirect costs	\$6.25	\$544,566
Profit Margin (% of direct and indirect costs) (5)	15.0% of all costs	<u>\$19.69</u>	<u>\$1,715,384</u>
Total Costs		\$151	\$13,151,279
RESIDUAL LAND VALUE			
Per Acre		\$128.02	\$11,153,000
			\$2,230,600

Table 6
Residential Rental (Midrise) - Baseline Scenario
Milpitas Employment Lands, EPS #211034

Item	Assumption	Total
DEVELOPMENT PROGRAM		
Land Area	2 acres	87,120
Total Units	180 units	
Elevation	7 stories	
Total Building Area	1,200 per unit	216,000
Percent On-Site BMR	15%	
Net Residential Unit Area	80%	172,800
Podium Parking Spaces	1.20 parking space per unit	216
REVENUE ASSUMPTIONS		
Gross Rental Revenue		
Market Rate (1)	\$3.75 /nsf per month	\$6,609,600
Affordable (80% of AMI)	\$2.76 /nsf per month	\$858,470
(less) Vacancy	5.0%	-\$373,404
(less) Operating Expenses (Residential) (2)	26.5%	-\$1,979,039
(less) Capital Reserves	\$0.50 /nsf	-\$86,400
Residential NOI		\$5,029,228
Effective Capitalized Value (3)	4.25% cap rate	\$118,334,782
(less Cost of Sale)	3.0% of capitalized value	-\$3,550,043
Net Value		\$114,784,738
DEVELOPMENT COSTS		
Direct Costs		
Building Construction Cost	\$260 /gsf	\$56,160,000
Site Work	\$10 /land sq.ft.	<u>\$871,200</u>
Total Direct Costs		\$57,031,200
Parking Construction Cost	\$40,000 per space	\$8,640,000
Direct Cost (including Parking)		\$65,671,200
Indirect Costs		
Soft Costs (4)	15.0% of DPC	\$9,850,680
TADIF Fee	\$40,487 per unit	\$7,287,660
Other Development Fees (5)	2.5% of DPC	\$1,641,780
Carrying and Financing Cost	5.0% of DPC	<u>\$3,283,560</u>
Total Indirect Costs	33.6% of DPC	\$22,063,680
Total Direct and Indirect Costs		\$87,734,880
Contingency (% of direct and indirect costs)	5.0% of direct and indirect costs	\$4,386,744
Profit Margin (% of direct and indirect costs) (6)	15.0% of direct and indirect costs	<u>\$13,160,232</u>
Total Costs		\$105,281,856
RESIDUAL LAND VALUE		\$9,503,000
Per Acre		\$4,752,000

Table 7a - Baseline Scenario
Residential Rental (Highrise)
Milpitas Employment Lands, EPS #211034

Item	Assumption	Total
DEVELOPMENT PROGRAM		
Land Area	2 acres	87,120
Total Units	360 units	
Elevation	12 stories	
Total Building Area	1,200 per unit	432,000
Percent On-Site BMR	15%	
Net Residential Unit Area	80%	345,600
Podium Parking Spaces	1.20 parking space per unit	432
REVENUE ASSUMPTIONS		
Gross Rental Revenue		
Market Rate (1)	\$3.75 /nsf per month	\$13,219,200
Affordable (80% of AMI)	\$2.76 /nsf per month	\$1,716,941
(less) Vacancy	5.0%	-\$746,807
(less) Operating Expenses (Residential)	26.5%	-\$3,958,077
(less) Capital Reserves	\$0.50 /nsf	<u>-\$172,800</u>
Residential NOI		\$10,058,456
Effective Capitalized Value (2)	4.25% cap rate	\$236,669,563
(less Cost of Sale)	3.0% of capitalized value	<u>-\$7,100,087</u>
Net Value		\$229,569,477
DEVELOPMENT COSTS		
Direct Costs		
Building Construction Cost	\$300 /gsf	\$129,600,000
Site Work	\$10 /land sq.ft.	<u>\$871,200</u>
Total Direct Costs		\$130,471,200
Parking Construction Cost	\$40,000 per space	\$17,280,000
Direct Cost (including Parking)		\$147,751,200
Indirect Costs		
Soft Costs (3)	15.0% of DPC	\$22,162,680
TADIF Fee	\$40,487 per unit	\$14,575,320
Other Development Fees (4)	2.5% of DPC	\$3,693,780
Carrying and Financing Cost	5.0% of DPC	<u>\$7,387,560</u>
Total Indirect Costs	32.4% of DPC	\$47,819,340
Total Direct and Indirect Costs		\$195,570,540
Contingency (% of direct and indirect costs)	5.0% of direct and indirect costs	\$9,778,527
Profit Margin (% of direct and indirect costs) (5)	15.0% of direct and indirect costs	<u>\$29,335,581</u>
Total Costs		\$234,684,648
RESIDUAL LAND VALUE		(\$5,115,000)
Per Acre		(\$2,558,000)

**Table 7b - Improved Scenario
Residential Rental (Highrise)
Milpitas Employment Lands, EPS #211034**

Item	Assumption	Total
DEVELOPMENT PROGRAM		
Land Area	2 acres	87,120
Total Units	360 units	
Elevation	12 stories	
Total Building Area	1,200 per unit	432,000
Percent On-Site BMR	15%	
Net Residential Unit Area	80%	345,600
Podium Parking Spaces	1.20 parking space per unit	432
REVENUE ASSUMPTIONS		
Gross Rental Revenue		
Market Rate (1)	\$3.90 /nsf per month	\$13,747,968
Affordable (80% of AMI)	\$2.76 /nsf per month	\$1,716,941
(less) Vacancy	5.0%	-\$773,245
(less) Operating Expenses (Residential)	26.5%	-\$4,098,201
(less) Capital Reserves	\$0.50 /nsf	<u>-\$172,800</u>
Residential NOI		\$10,420,663
Effective Capitalized Value (2)	4.25% cap rate	\$245,192,059
(less Cost of Sale)	3.0% of capitalized value	<u>-\$7,355,762</u>
Net Value		\$237,836,298
DEVELOPMENT COSTS		
Direct Costs		
Building Construction Cost	\$300 /gsf	\$129,600,000
Site Work	\$10 /land sq.ft.	<u>\$871,200</u>
Total Direct Costs		\$130,471,200
Parking Construction Cost	\$40,000 per space	\$17,280,000
Direct Cost (including Parking)		\$147,751,200
Indirect Costs		
Soft Costs (3)	15.0% of DPC	\$22,162,680
TADIF Fee	\$40,487 per unit	\$14,575,320
Other Development Fees (4)	2.5% of DPC	\$3,693,780
Carrying and Financing Cost	5.0% of DPC	<u>\$7,387,560</u>
Total Indirect Costs	32.4% of DPC	\$47,819,340
Total Direct and Indirect Costs		\$195,570,540
Contingency (% of direct and indirect costs)	5.0% of direct and indirect costs	\$9,778,527
Profit Margin (% of direct and indirect costs) (5)	15.0% of direct and indirect costs	<u>\$29,335,581</u>
Total Costs		\$234,684,648
RESIDUAL LAND VALUE		\$3,152,000
Per Acre		\$1,576,000



APPENDIX F:

Innovation District Scenarios

Table F-1. Innovation District Scenarios: Land Use by Parcel

Area	Acres	BPRD ¹	Current Allowed Uses	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Existing TASP Area							
<u>Great Mall Adjacent</u>							
Area A	2.7	BPRD-R	Non-Resi.	Commercial/Retail (55%) + Vacant (45%)	Commercial/Retail	Class A Office (60%) + Housing (40%)	Class A Office
Area B	14.7		Non-Resi.				
Area B1 (Stratford)	3.6	BPRD-H	Non-Resi.	Assembly - School	Commercial/Retail	Class A Office	Class A Office
Area B2 (Lightwave)	4.3	BPRD-R	Non-Resi.	Class B Office	Class A Office/R&D	Class A Office (60%) + Housing (40%)	Class A Office
Area B3 (Marriott Hotel)	3.2	BPRD-H	Non-Resi.	Hotel	Commercial/Retail	Hotel	Hotel
Area B4 (Marriott Hotel)	3.6	BPRD-H	Non-Resi.	Hotel	Class A Office	Hotel	Hotel
Subtotal	17.4						
<u>East TASP</u>							
Area C	3.3	BPRD-H	Resi + Non-Resi.	Industrial (46%) + Warehouse/Distribution (54%)	Commercial/Retail	Class A Office	Class A Office
Area D	4.8	BPRD-H	Resi	Industrial (77%) + Warehouse/Distribution (23%)	Commercial/Retail	Class A Office	Class A Office
Area E	2.2	BPRD-R	Resi	Warehouse/Distribution	Commercial/Retail	Class A Office (60%) + Housing (40%)	Class A Office
Subtotal	10.3						
Total Existing TASP Area	27.7						
Additional Metro SP Employment Area							
<u>North of Montague Expressway</u>							
Area F	4.5	BPRD-H	Non-Resi.	Warehouse/Distribution	Hotel	Class A Office/R&D	Class A Office/R&D
Area G	5.4	BPRD-H	Non-Resi.	Class B Office	Commercial/Retail	Class A Office/R&D	Class A Office/R&D
Area H	7.0	BPRD-L	Non-Resi.	Assembly - Church	Warehouse	Industrial	Class A Office/R&D
Subtotal	16.9						
<u>South of Montague Expressway</u>							
Area I	13.4	BPRD-H	Non-Resi.	Industrial (20%) + Warehouse/Distribution (80%)	Commercial/Retail (77%) + Open Space (23%)	Class A Office/R&D (77%) + Open Space (23%)	Class A Office (77%) + Open Space (23%)
Area J	2.0	BPRD-L	Non-Resi.	Warehouse/Distribution	Warehouse	Industrial	Class A Office/R&D
Area K	5.6	BPRD-L	Non-Resi.	Warehouse/Distribution	Warehouse	Industrial	Class A Office/R&D
Area L	1.0	BPRD-L	Non-Resi.	Industrial	Warehouse	Industrial	Class A Office/R&D
Area M	4.2	BPRD-L	Non-Resi.	Warehouse/Distribution	Warehouse	Industrial	Class A Office/R&D
Area N	3.6	BPRD-L	Non-Resi.	Vacant	Warehouse	Industrial	Class A Office/R&D
	29.8						
Total Add'l Empl. Lands	46.68						
TOTAL INNOVATION DISTRICT	74.38						

(1) BPRD-L: 1.0-2.5 FAR. Allows for lower density office, R&D, warehouses, hotels, and industrial. Office-supportive commercial retail uses are conditionally permitted.

BPRD-H: 1.0-2.5 FAR. Allows for higher density office, R&D, commercial/retail, and hotels.

BPRD-R: 1.0-5.0 FAR. Minimum of 1.0 FAR of office and R&D. Additional residential is allowed up to 5.0 FAR total. Allows office, R&D, commercial/retail, hotels, and residential.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Receive a Presentation on the Draft Milpitas Metro Specific Plan (Update of 2008 Transit Area Specific Plan)
Category:	Community Development
Meeting Date:	10/12/21
Staff Contact:	Ned Thomas, Planning Director, 408-586-3273 Kevin Riley, TASP (Metro) Manager 408-586-3292
Recommendation:	1. Receive a presentation from staff and consultants 2. Receive public comments 3. Provide feedback and direction on the Draft Milpitas Metro Specific Plan, Subsequent Environmental Impact Report, and current project timeline

Background:

Over the past few months, City staff and the Metro Plan consultant team have been preparing draft chapters of the Milpitas Metro Specific Plan (Metro Plan), which is an update of the Transit Area Specific Plan (TASP) adopted in 2008, in alignment with policy direction received from the Council earlier this year. The drafting and editing process of the six chapters that comprise the Metro Plan has been an iterative process with several rounds of review and editing by the consultants and staff from various City departments. Following the Council study session on October 12th, comments and direction received from the Council may result in further editing prior to completion of the document, which will then be presented in formal public hearings to the Planning Commission for its recommendation and to the City Council for adoption.

Preparation of the Draft Subsequent Environmental Impact Report (SEIR) is concurrently underway and, when completed, will be released for a 45-day public review period, as required under the regulation and guidance of the California Environmental Quality Act (CEQA). Written responses will be prepared for all written comments received during the public review period, and the written comments and responses will comprise the Final SEIR, which must be certified by the Council prior to adopting the Metro Plan.

At the Council study session on October 12th, the staff presentation will conclude with a progress report on the timeline of the Metro Plan and the next steps in the process. The information memo attached to this Agenda Report provides an overview of the draft Metro Plan and ongoing work on the SEIR.

Analysis:

In several study sessions held during 2020 and 2021, the Council received presentations from the Metro Plan consultants and held discussions regarding existing conditions, draft policy guidance and notable economic opportunities for new development in and around the Great Mall and a proposed Innovation District. These two areas are key elements of the Metro Plan based on their proximity to the recently opened Milpitas Transit Center. The Metro Plan seeks to take full advantage of the proximities of various land uses – residential, retail, commercial, office, research and development, and hotel – to transit and to each other, thus promoting a unique and complete neighborhood in Milpitas, all generally within a ½ mile walk of the Milpitas Transit Center. The area also has excellent access to VTA light rail, Interstate 680, and Interstate 880.

The Metro Plan will provide an updated vision and policies to guide further development and transformation of the area around the Milpitas Transit Center. The Plan calls for development of additional housing, retail, commercial, and office development at greater densities and intensities over the next 20 years and provides a flexible regulatory framework to ensure successful implementation. Consistent with Council direction in the new Milpitas General Plan, the Metro Plan enlarges the planning area by nearly 70 acres from the original TASP area and calls for a new Innovation District with employment uses that take advantage of proximity to the Transit Center. Even so, the new Specific Plan for the overall area will be more concise and generally more focused than the original TASP, as much of the land area of the original plan has been developed and is not expected to see significant change during the lifespan of the 20-year Metro Plan.

The presentation and discussion will provide an opportunity for Council and the public to see and discuss a preliminary version of the complete document. The combination of the various chapters is intended to present the City's vision for the nearly 500 acres of the Metro Plan and provide a practicable and implementable policy document that developers and builders can use to test the viability of proposed projects and to build them. In addition to laying out a buildable development scenario, the Metro Plan identifies the public infrastructure needed to make the area a vibrant and livable neighborhood of homes, jobs and services. Future work will evaluate and adjust the level of impact fees paid by new development based on the basic infrastructure program identified in the new Metro Plan.

Policy Alternatives:

This is an informational item for Council consideration, feedback and direction, and provides a first look at the whole of the Milpitas Metro Specific Plan.

Fiscal Impact:

This is an informational item. As such, there is no fiscal impact.

California Environmental Quality Act:

This report represents ongoing work on the Milpitas Metro Specific Plan; a Subsequent Environmental Impact Report (SEIR) is being prepared for consideration and certification prior to the Metro Plan adoption.

Recommendation:

1. Receive a presentation from staff and consultants;
2. Receive public comments;
3. Provide feedback and direction on the Draft Milpitas Metro Specific Plan, Subsequent EIR, and current project timeline.

Attachments:

1. Informational report from Urban Field Studio
2. Draft Milpitas Metro Specific Plan

Milpitas Metro Specific Plan Draft

Prepared by Urban Field Studio and M-Group

Project Status

The Draft Milpitas Metro Specific Plan (MMSP or Metro Plan) will be presented at the meeting on October 12, 2021, which has been a work in progress since the project kicked off in March 2020, just before the COVID-19 pandemic shelter-in-place orders were made. The project team has been productive virtually, all the while holding team meetings, community meetings, and official meetings online. Milpitas City Council has met multiple times during the planning process to provide input and direction on the framework of the Plan. The Draft Milpitas Metro Plan has six chapters and will be completed by the end of the year.

The final Metro Plan will be addressed with the 2007 Transit Area Specific Plan (TASP) Environmental Impact Report and Subsequent Environmental Impact Report that is currently being drafted. If adopted, the projects consistent with the plan qualify for a statutory exemption under the California Environmental Quality Act (CEQA). The TASP Update Scope originally included a Supplemental EIR, but as the expanded scope of the MMSP was realized, that changed to a Subsequent EIR which is more detailed than a Supplemental EIR. The EIR Completion and conclusion of the project is scheduled for June 2022.

Milpitas Metro Specific Plan Chapters

Chapter 1 is the project introduction. This chapter covers the geographical and City policy context for the Metro Area. The Milpitas Metro Specific Plan (MMSP) renames and replaces the Transit Area Specific Plan (TASP) and expands the geographic area of the Plan. The Plan will require General Plan Land Use Map Amendments, Revision of the Zoning Map, Zoning Ordinance Amendments, and new Zoning Districts. The MMSP is also prepared in coordination with the Midtown Specific Plan.

Chapter 2 addresses Land Use and Density. The vision and goals for the Great Mall, Innovation District, and Tango Subdistricts are major focus areas of the Plan. Zoning changes and land use capacities are described in this chapter. Housing is a key component of the new plan, and so are Office, Light Industrial, Retail, and Hotel. The capacity presented is additive to the TASP.

Chapter 2 also covers parks and open space. The plan uses the 3.5 acre/1,000 residents parks ratio established in the General Plan and proposes a new “level of service” rating to evaluate the quality of public space. Developers are required to provide communal open space and publicly accessible open space. The parks in the area will be more urban in nature, designed for flexible use, and will provide a greater variety of activities.

Chapter 3 covers Site and Building Design Standards and Guidelines, which address the larger scaled urban, mixed-use development desired for the area. The design of buildings in the area will be distinctive for the region with a strong emphasis on human-scaled design, which will establish a sense of place for the Metro neighborhood.

Chapter 4 is about Mobility and Circulation, and the connections needed to complete the Metro Area. The plan includes improvements to the Great Mall Parkway, the expansion of the pedestrian and bicycle network through McCandless and Tango subdistricts, and a future street grid in the Great Mall subdistrict. Draft Plan policies emphasize pedestrian and bicycle safety and a reduction in Vehicle Miles Travelled and carbon emissions. Parking for vehicles now includes a maximum requirement and a new minimum bicycle parking requirement.

Chapter 5 updates the Infrastructure needed to support a high quality of life in the Metro Area, which includes much of the District Wide Infrastructure for storm drainage, flooding, water, technology, sewer, and solid waste. The plan also addresses services like Fire and Emergency Response, Police, Schools, Libraries, and Child Care. This chapter will guide development of a new Basic Infrastructure Plan (BIP) that will be the basis for adopting updated impact fees on new development in the Metro Plan area.

Chapter 6 is about the Implementation of the plan, and the way to fund the future investments in public infrastructure and improvements called for in the plan. The City has several tools at its disposal to pay for the basic infrastructure and capital improvements, which include district specific fees and citywide fees, or through the use of special programs.

Major Themes

The presentation on October 12 will cover the major themes related to the Plan's Vision to create a more complete transit-oriented neighborhood. The urban character of the area differs from the rest of Milpitas, which has a suburban pattern.

The greatest changes of Land Uses and Densities occur in the Great Mall and Innovation District Subdistricts.

The Great Mall is a major part of this plan, as it was largely left alone in the TASP and previously zoned only for Commercial. The MMSP provides more options for the Great Mall by zoning for more land uses, including housing and envisioning the transformation of the surface parking lots and auto-factory design into a walkable, transit-oriented development pattern. New public-accessible open spaces and plazas are also planned for this Subdistrict and will create a sense of place by anchoring the subdistrict and providing gathering spaces for residents, workers, and visitors. The team recently met with representatives from Simon to discuss the Draft Plan ideas for the Great Mall.

The proximity to the Milpitas Transit Center and recent initiation of BART service is an advantage to the commercial vision for the City of Milpitas. An Innovation District centered around the key intersection of S. Milpitas Blvd. and Montague Expressway near 680 with new streets and direct roadway connections to the Transit Center is an important opportunity for Silicon Valley

businesses. New land uses that emphasize Business Park, Research, and Development are key to protecting these lands for when the market is ready to take advantage of the prime location. There have also been discussions about annexing a San Jose-owned parcel adjacent to the Innovation District and 680. The team has also recently met with VTA to discuss the parcels adjacent owned by VTA that are in the Plan Area.

The transit-oriented nature of this transit-rich area requires a focus on making it easier to walk, bike, and connect to transit within the district. The public realm is a major theme for the Metro Plan. Improvements to pedestrian and bike trails, the introduction of new streets, more walkable scaled streets, and the network of parks and open spaces are significant public investments that will be supported by the new development envisioned in the Plan.

The multi-modal focus of the Transportation policies is also appropriate in this transit-rich area. The trade-off of cars for pedestrian safety is important, and so is the proximity of uses next to each other. A shift away from the personal vehicle and auto-centric, suburban pattern was the essence of the vision for the Transit Area Specific Plan and continues with the Milpitas Metro Specific Plan.

Next Steps

- The Draft MMSP Comment period is open through November 1st, 2021.
- A Community Open House will be held by Zoom on October 25 from 6-8pm and online from October 25 through November 8th. We are encouraging participation in the survey for a prize. Staff review and comment will also be required by November 8th.
- The Final MMSP will be prepared and will be heard by the Planning Commission, who will provide a recommendation to the City Council in early 2022.
- The SEIR Notice of Preparation Review Period is between September 15-October 18, 2021.
- A Scoping Meeting for the MMSP SEIR was held on September 30, 2021.
- The Draft SEIR will be prepared for review in February 2022.
- The overall Project, including Plan adoption and SEIR completion, will conclude prior to June 2022.



CITY OF MILPITAS

MILPITAS METRO SPECIFIC PLAN

Public Draft October 2021



URBAN FIELD





The Milpitas VTA Light Rail Station is an elevated station above Great Mall Parkway in the Milpitas Metro Area. There are two stations in the area, one connecting to Milpitas BART and the other to the Great Mall.

ACKNOWLEDGMENTS

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Carmen Montano, Vice Mayor
Evelyn Chua, City Council Member
Karina R. Dominguez, City Council Member
Anthony Phan, City Council Member

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This photo taken in 2020 shows housing construction next to the VTA Light Rail Station at the Milpitas Transit Center, which is connected with a pedestrian bridge. The Metro Plan supports the completion of the neighborhood transformation in to a transit oriented community.

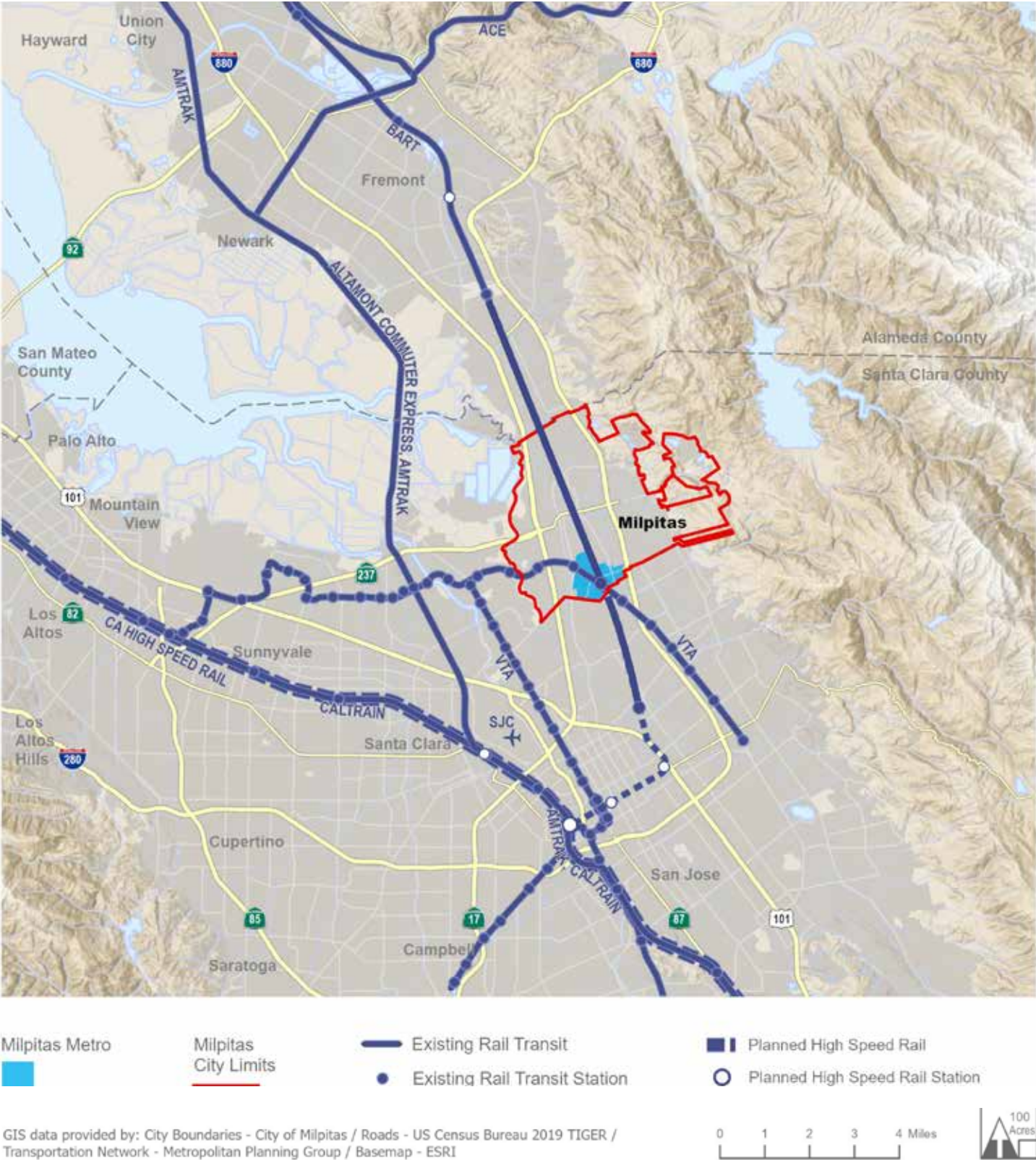
1. INTRODUCTION

- 1.1. Transit Area Specific Plan to Milpitas Metro
- 1.2. Plan Context
- 1.3. Plan Boundary
- 1.4. Area Background
- 1.5. Impacts of the Transit Area specific Plan
- 1.6. Relationship to Other Plans/ Programs
- 1.7. Regulatory Compliance
- 1.8. Community Engagement
- 1.9. Plan Vision
- 1.10. Plan Build Out
- 1.11. Basic Improvement Program (BIP) and Transit Area Development Impact Fee (TADIF)
- 1.12. Subsequent Environmental Impact Report (SEIR)
- 1.13. Milpitas Metro Plan Framework

The Milpitas Transit Area Specific Plan (TASP), adopted in 2008, is being updated and renamed the Milpitas Metro Specific Plan (Metro Plan or Plan). The long-term focus of this work is to transform this area from industrial and auto-oriented to a vibrant transit-oriented community. This plan establishes a vision for the ongoing evolution of the Metro Plan Area into an active, complete, and connected neighborhood.

This Introductory chapter covers the history and planning context of the Metro Plan Area. This chapter includes discussion of the community engagement efforts that ensure the Metro Plan reflects a shared community vision. The Plan vision, which provides a framework for policies and strategies in subsequent chapters, and the anticipated development buildout supported by land use changes are described in further detail. Finally, this chapter ends with a high-level overview of funding sources for infrastructure and service improvements in the Plan Area and the environmental impact of the Metro Plan.

Figure 1-1. Regional Context



1.1 TRANSIT AREA SPECIFIC PLAN TO MILPITAS METRO

In the late 2000's, the Milpitas Metro Plan Area (Metro Area) was a largely industrial area characterized by wide, fast-moving arterial streets, rail crossings, culverted streams, and the presence of Great Mall, a regional shopping center located in a former Ford manufacturing plant.

The City of Milpitas and the Milpitas community saw the opportunity for change in this area, catalyzed by major transit connections along the Santa Clara Valley Transportation Authority (VTA) light rail, the planned Bay Area Rapid Transit (BART) station, and the ongoing growth of Silicon Valley as well as the broader San Francisco Bay Area.

Seizing this opportunity, the City developed a transformative vision for the wider transit area, captured in the **Transit Area Specific Plan (TASP)**, which was adopted in 2008. The TASP planned for 7,577 residential units, 2,240,000 square feet of retail space, and 1,050,000 square feet of office space to be built by 2020.

Change occurred. Much of the TASP vision became a reality, including the development of the newly opened Milpitas Transit Center, new housing, parks, a grocery store, and other shops. By 2019, 92 percent of the planned residential units were under development. As the district neared its planned residential capacity, the City began a process to update the TASP, now named the **Milpitas Metro Specific Plan (Metro Plan or MMSP)**. The renaming highlights the area's focal

point at the Milpitas Transit Center, a regional destination that is an emerging metropolitan center for the City of Milpitas and the South Bay Area Region.

With roughly half of the Plan Area redeveloped, the Metro Plan encourages the completion of the transit oriented neighborhood. The long-

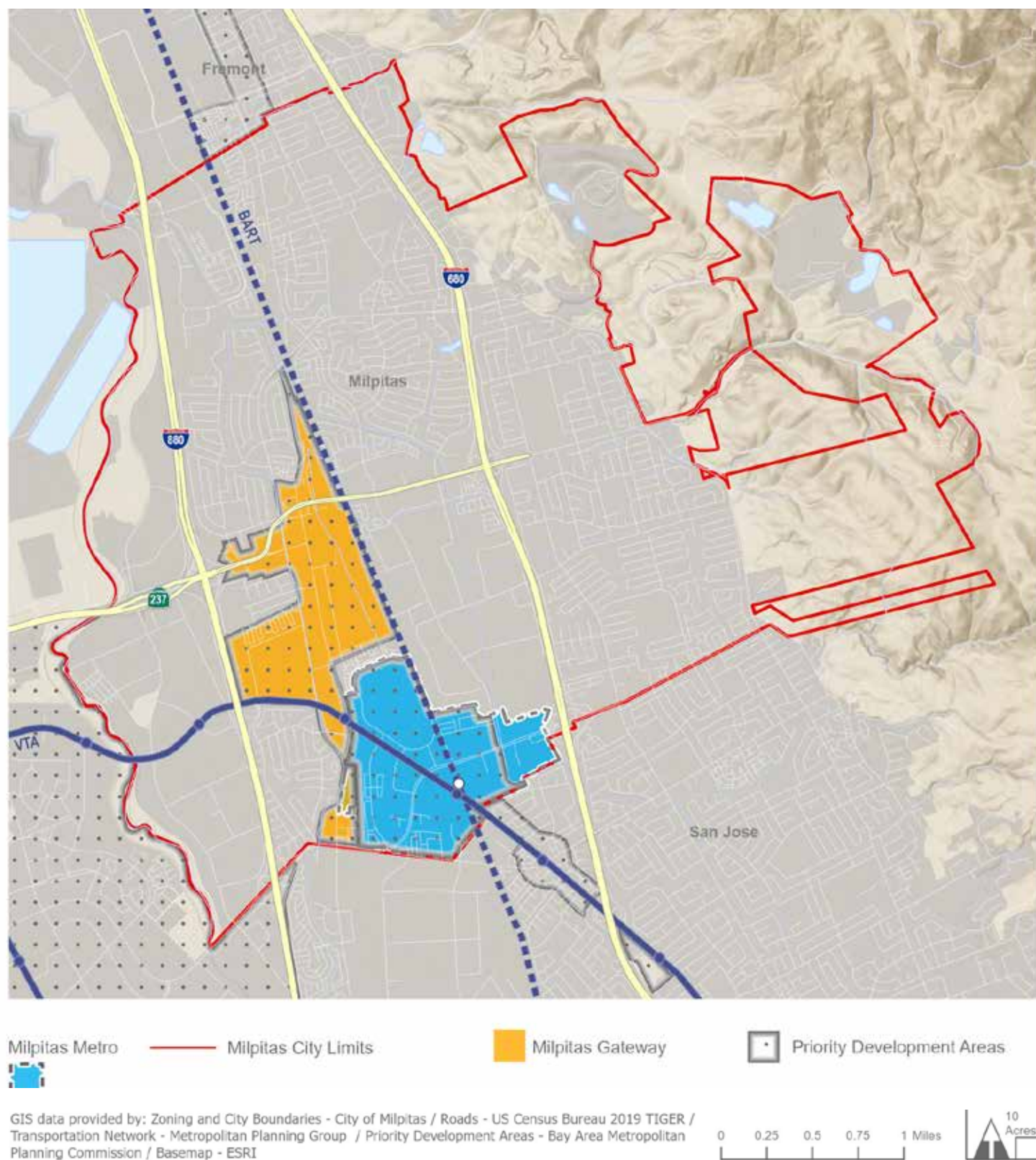


Postcard of the Ford assembly plant in 1955.

term focus of both the TASP and Metro Plan is to transform this area from an industrial and auto-oriented neighborhood to a vibrant transit-oriented community. This plan update sets forth a vision, policies, and an implementing framework to complete the evolution of the area surrounding the Milpitas Transit Center to make it a complete neighborhood.

The Metro Plan addresses the urban district with a focus on the Great Mall, the Innovation District, and the remaining connections and sites that will make this emerging area into an attractive and convenient neighborhood over the next 20 years.

Figure 1-2. City Context



1.2 PLAN CONTEXT

The City of Milpitas is located in northern Santa Clara County with the City of Fremont to the north, the City of San Jose to the west and south, and unincorporated Santa Clara County to the east, as seen in Figure 1-1. The Metro Plan Area encompasses properties within the southern end of the city. Located south of the City's Midtown Plan, the Metro Plan is centered around the Milpitas Transit Center and marks the entrance into the city from the south (Figure 1-2).

1.3 PLAN BOUNDARY

The Metro Plan Area expands beyond the TASP Area to include additional parcels on Main Street and between the Milpitas Transit Center and Highway 680, which the General Plan establishes as an Innovation District. Refer to Figure 1-3 for a map of the Plan's boundary changes.

The Metro Plan Area is organized into five subdistricts, which are generally separated by major street corridors (Figure 2-4). The location and characteristics of the subdistricts are described in further detail in Chapter 2: Land Use and Public Space.

1.4 AREA BACKGROUND

The Metro Area has a long history at this critical regional crossroad. The Southern Pacific Railroad and the Western Pacific Railroad, which still exist and established the community as a key regional shipping point.

1.4.1 Industry and Integration

Incorporated as a city in 1954, Milpitas experienced rapid expansion and has grown to become an industrial hub and residential community in Silicon Valley. In 1955, the Ford Motor Company moved its operations from Richmond to Milpitas. In the 1950s, suburban single family homes were built to house the Ford factory workers. The homes in the Sunnyhills neighborhood were the first racially-integrated community in the United States. Milpitas continues to be home for a racially diverse and growing population.

Figure 1-3. Plan Area Boundary



The Milpitas Metro Boundary expands on the TASP Boundary (gray dashed) and incorporates some of the areas that are currently part of the Midtown Specific Plan, which is in the process of being updated.



The Great Mall in the 1990s. (Photo by Dave Cowl)

1.4.2 Regional Retail

Milpitas's retail core was historically located along Main Street, north of the Metro Plan Area. As the city developed, local and regional shopping centers emerged throughout the city. One of the biggest of these shopping centers is the Great Mall. After nearly three decades of operation, the Ford assembly plant closed in 1983. The site, including the old assembly buildings, was transformed into the Great Mall of the Bay Area, which opened in 1994. The Great Mall, owned by national retailer and developer Simon Property Group, is a 1.4 million square foot indoor outlet shopping mall, the second largest in northern California. It is a regional shopping destination that includes a variety of factory and outlet retailers from a range of national and international brands, as well as Home Depot, Century Theaters Multiplex, Dave and Busters, and Legoland Discovery Center.

The site will continue to evolve as shopping and lifestyle preferences change and development opportunities arise. While there was little retail in the Plan Area outside the Great Mall for



Photographs from "The Great Mall holds a great Ford secret". <https://www.hemmings.com/stories/2016/11/16/the-great-mall-holds-a-great-ford-secret>

many years, recent development, including at the Milpitas Transit Center and along major arterials, has included more locally-serving retail and dining spaces, including a grocery store on Great Mall Parkway.



Single-story office development on McCandless Avenue that was constructed before 2008. (TASP)

1.4.3 Commercial Development at the Crossroads of Silicon Valley

The City of Milpitas is located north of San Jose and east of Mountain View along Highway 237, and is part of Silicon Valley. Tech companies and related high-skilled manufacturing businesses have been locating in Milpitas since the mid-1980s. Milpitas is often referred to as the “Crossroads of Silicon Valley” with most of its 13.63 square miles of land situated between two major freeways (I-880 and I-680), State Route 237, and County-managed Montague Expressway.

Single story, light industrial business parks were the predominant land use prior to the transformation planned with the TASP. The TASP planned for commercial and office spaces, but the market focus over the last several decades has not resulted in the full realization of this vision. To preserve land for future employment uses, the Metro Plan establishes a framework for significant office and research & development (R&D) development in the Innovation District.



The BART extension of the Warm Springs/ South Fremont line through Milpitas began construction in 2015 and opened for service in 2020. (The Mercury News)

1.4.4 Regional Transit

While Milpitas has been a major transportation hub for decades, regional transit planning in the 2000s increased the importance of the Milpitas Metro Area. The extension of VTA and BART lines into the area meant that it would be more regionally connected than any other part of the City of Milpitas. VTA completed construction of the Tasman East Extension in 2004, extending the regional light rail transit system and adding Great Mall/Main and Montague stations in Milpitas. A new Milpitas BART station, which has been constructed, was proposed at the intersection of Montague Expressway and Capitol Avenue. The TASP was developed to anticipate new development around the Milpitas Transit Center and respond to the continued growth of Silicon Valley by transforming a low-density industrial area into a mixed-use, transit-friendly area.



1.5 IMPACTS OF THE TRANSIT AREA SPECIFIC PLAN

The Transit Area Specific Plan (TASP) was adopted in 2008, just before the Great Recession. Redevelopment in the area was slow to arrive, but as market conditions approved residential projects or increasing intensity were proposed, improved and constructed throughout the Plan Area, resulting in a striking urban transformation. Table 1-1 summarizes the housing, office, retail and hotel development that was planned for under the TASP, and the amount of entitled development as of 2019.

1.5.1 Residential Development

By 2019, much of the residential capacity of the TASP was reached (Figure 1-4). Early projects in the TASP Area featured townhouses in the Piper/Montague, McCandless/Centre Pointe, and Trade Zone/Montague Subdistricts (now the Piper, McCandless, and Tango subdistricts respectively).

The majority of early townhome projects were located away from major vehicular corridors.

Subsequently, dense mid-rise residential and mixed-use projects were built and entitled along Capitol Avenue, Montague Expressway, and Main Street in the Innovation District, McCandless, and Tango subdistricts. New development where significant mixed use was realized includes “The District” across from the Great Mall on McCandless Drive, which includes neighborhood retail, urban scaled residential, and a hotel around a public gathering space.

1.5.2 Commercial Development

Commercial development envisioned under the TASP has not been fully realized. As of 2019, only a limited amount of the commercial development planned has been built. Examples of commercial development include retail, office, and hotel land uses. Several notable new commercial developments in the Plan Area include a completed grocery store and ground floor retail

Table 1-1. Development in the TASP

Land Use	Existing Development in 2008	TASP Planned New Development	Total TASP Planned Development (columns 1+2, Projected for 2020)	Entitled by 2019
Dwelling Units	468	7,109	7,577	6,955
Office (sf)	52,780	993,843	1,050,000	10,630
Retail (sf)	1,970,000	287,075	2,240,000	186,500
Hotel (rooms)	292	350	642	175

Figure 1-4. Development Since the Transit Area Specific Plan (2008)



on Montague Expressway directly across from the Transit Center; ground floor retail in mixed use development along Great Mall Parkway and Capitol Avenue; and an entitled hotel at The District.

The market conditions have favored residential, but the proximity to freeways and public transit makes this area ideal for commercial office development as part of an Innovation District.

Commercial retail in the area is well represented at the Great Mall, which is a significant regional retail destination and hosts outlets and entertainment. Neighborhood serving retail spaces are being built at the ground floor to serve the local population's daily needs.

1.5.3 Public Investment

Public investment projects include new infrastructure and maintenance of existing infrastructure that serve the Metro Area, such as publicly-owned roads, parks, utility lines, and public services, including fire, police, and school funding. These projects are typically funded through fees collected from new private development.

Since the TASP's adoption in 2008, the most significant public investment in the Plan Area is the Milpitas Transit Center, which includes a BART station, bus station, and light rail station. The fees collected from new housing also helped to fund three new parks in the Piper, Tango, and McCandless subdistricts; a pedestrian overcrossing on Montague Expressway; and a new extension of S. Milpitas Boulevard. Streetscape improvements were also made as



The Edge Apartments: New high-density mixed-use development directly across Montague Expressway from the Milpitas Transit Center.



Capitol 650: New high density residential development at Montague and Great Mall Parkway.



Townhouses in the McCandless Subdistrict.

part of new development. There are still several projects planned that have yet to be built.

Additional public investments include improvements to Montague Expressway coordinated by Santa Clara County's Roads and Airports Department and the expansion of Milpitas Unified School District's facilities. In anticipation of the new population planned under the TASP, the School District built Mabel Mattos Elementary School in the McCandless Subdistrict. Phase 1 has been completed, and Phase 2 is being redesigned to accommodate more capacity.

1.6 RELATIONSHIP TO OTHER PLANS/PROGRAMS

The Milpitas Metro Specific Plan was developed in the context of other citywide plans, Specific Plans, and topic area plans. The plans referred to include the following:

1.6.1 General Plan 2040

The General Plan 2040, adopted in 2021, is the City's guiding land use and policy document that provides a framework for future development in the City through 2040. The Milpitas Metro Specific Plan is recognized in the General Plan as an urban transit-oriented development that provides critical opportunities for regional job growth. The General Plan 2040 provides high-level goals and policies for the Metro Plan Area, which envision the Plan Area as an attractive, walkable, urban area with a mix of land uses that minimizes vehicle trips and facilitates increases in employment densities.

This visioning for the transit area is expanded upon and implemented through the Milpitas Metro Specific Plan, which provides a detailed land use and design framework to guide private development and public investment.

1.6.2 Transit Area Specific Plan (TASP)

The 2008 Transit Area Specific Plan (TASP) was adopted to create attractive high-density urban neighborhoods with a mix of land uses around the light rail stations and future Milpitas Transit Center. The 2008 TASP also aimed to create pedestrian connections and design streets and public spaces that supported a lively and attractive street character and a distinctive identity for each subdistrict.

While the TASP's flexible zoning along with market conditions has supported development focused on housing and placemaking, some placemaking work has not yet been implemented and TASP has not yet attracted significant workspace development.

The City now seeks to:

- Complement housing with workspace development;
- Create additional capacity for housing development, particularly dense, affordable, and affordable-by-design housing;
- Attract small and large office/ research & development (R&D)/ creative/ co-working and other workspaces to the TASP;

- Consider the “Manufacturing South Area” as a focused “Innovation District” for a broad range of new workspaces;
- Encourage landowners/ developers of remaining large sites to consider workspace development; and
- Assess opportunities to integrate workspaces into mixed-use residential developments.

The Milpitas Metro Specific Plan updates and replaces the original 2008 TASP and vision for the area. This plan will shape the continued transformation of this area from industrial and auto-oriented to a vibrant transit-oriented community that includes housing, retail, entertainment, commercial and park spaces, and a safe and attractive pedestrian and bicycle network.

In particular, the Milpitas Metro Specific Plan aims to:

- Strengthen connective infrastructure;
- Build sense of place and cohesion;
- Incorporate feasible commercial development;
- Foster jobs/housing balance; and
- Establish a strong policy and land use framework to support future Housing Elements and future housing development.

1.6.3 Citywide Objective Standards

Citywide Objective Design Standards provide design standards and guidelines for all

multifamily development in the City of Milpitas, as well as other development as relevant. Existing standards include setbacks and height limits. These design standards ensure high-quality development that is visually compatible with the surrounding area. The City of Milpitas is currently developing additional Objective Design Standards for residential development, including residential-only and mixed-use development. When complete, these standards will apply in the Metro Area as they do elsewhere in the City.

In addition to the citywide Objective Standards, the Milpitas Metro Specific Plan sets forth additional Plan Area specific design guidelines and standards that ensure building and site designs enhance the pedestrian realm. Plan-specific standards have been developed to supplement other municipal design documents.

1.6.4 Midtown Specific Plan/ Milpitas Gateway-Main Street Specific Plan

The Midtown Specific Plan guides the development in the Main Street/ Calaveras Boulevard area of Milpitas, which is generally north of the Milpitas Metro Plan Area, and is anticipated to be renamed as the Milpitas Gateway-Main Street Specific Plan. The specific plan provides strategies and policies to guide the development of the City’s industrial and commercial core into a mixed-use, high-density, transit oriented community. Several parcels located at the southern end of the plan area along Main Street have been incorporated into the Milpitas Metro Specific Plan Area.

1.6.5 Parks and Recreation Master Plan

The Parks and Recreation Master Plan is a strategic planning document that provides a long-term vision for the city's parks and recreational facilities. The Park and Recreation Master Plan inventories existing park facilities and establishes a framework for expanding the city's park and recreational network and programming to meet future needs. The Milpitas Metro Specific Plan's open space policies were developed in conjunction with the Parks and Recreation Master Plan's development process to ensure that open space and recreational facilities in the Plan Area meet the needs of residents, workers, and visitors in a manner that is consistent with the City's overarching vision for the park system.

1.6.6 Bicycle/ Pedestrian and Trails Plan

The Bicycle, Pedestrian, and Trails Plan provides a vision and action plan for improving the city's bicycle and pedestrian network. The plan seeks to improve bicycle and pedestrian connectivity to destinations, integrate active transportation networks with transit, and improve the safety and accessibility of the network. The Bicycle, Pedestrian, and Trails Plan also identifies priority areas for infrastructure improvements within the Milpitas Metro Specific Plan Area, which are reflected in the Metro Plan's policies and programs. This plan provides conceptual and technical guidance that informs the Milpitas Metro Specific Plan's active transportation network.

1.6.7 Urban Water Management Plan

The Urban Water Management Plan is a water supply planning tool that guides long-term water supply decisions to ensure that the City is able to meet future water supply needs. Given population growth in Milpitas and heightened drought risks as the result of climate change, sustainable water management planning is critical to ensuring adequate water supply. The Urban Water Management Plan provides water supply and demand projections and establishes a per capita water use goal. The Milpitas Metro Specific Plan has been developed in coordination with the Urban Water Management Plan to ensure that the City's water supply and distribution system has the capacity to support the projected growth in the Plan Area.

1.6.8 Climate Action Plan

The Climate Action Plan is in the process of being updated and is expected to be completed by 2022. The Climate Action Plan is the City's strategy for achieving carbon neutrality by 2045. This plan includes greenhouse gas reduction strategies and climate adaptation goals and actions that will build citywide resiliency. The Milpitas Metro Specific Plan implements the Climate Action Plan by ensuring that new development is not only aligned with citywide energy efficiency and emission reduction goals, but also serves as an early example of the implementation of critical policies. Development in the Milpitas Metro Specific Plan will lead the charge on addressing sustainability goals and will set a precedent for development elsewhere in the city.

1.6.9 Housing Element

The City is in the process of developing the Housing Element for the 6th Regional Housing Needs Allocation (RHNA) cycle. The Housing Element establishes the framework for accommodating current and future housing needs in the city. Policies and actions in this document will ensure a diverse supply of housing that is affordable to households of all income levels. The Housing Element is slated to be completed and adopted by the City Council in January 2023.

1.6.10 Urban Forest Management Plan

The Urban Forest Management Plan presents an inventory of the City's trees and provides guidelines for tree management, including priorities for maintenance and recommendations for new tree plantings to increase the City's urban forest. New park and street tree plantings in the Plan Area will be guided by strategies discussed in the Urban Forest Management Plan.

1.7 REGULATORY COMPLIANCE

The Milpitas Metro Specific Plan has been prepared in compliance with California Government Code Section 65450 through 65457 and the requirements of the California Environmental Quality Act (CEQA). The Milpitas Metro Specific Plan guides all development within the Plan Area and will require amendments to the Zoning Ordinance to ensure consistency and to implement the development regulations and land uses established in this Specific Plan. The Milpitas Metro Specific Plan is adopted under the authority of the City's Zoning Ordinance, which designates specific plans as a tool to guide land use and development consistent with the General Plan.

1.8 COMMUNITY ENGAGEMENT

The development of the Milpitas Metro Specific Plan has been guided by robust community engagement with regional public stakeholders, private developers, residents in the Plan Area and City as a whole, as well as City decision makers. Stakeholders have been engaged throughout the process to ensure that the Plan's development reflects the community's priorities. Community engagement opportunities included:

- **Website.** The Milpitas Metro Specific Plan website was created at the start of the planning process. The website provided updates on the status of the Plan and opportunities for community engagement. Community members were able to join the Milpitas Metro Specific Plan mailing list and leave comments about the Plan.
- **City Council Meetings.** The Milpitas City Council has been regularly engaged since the early visioning process. In addition to holistic check-ins, study sessions to develop the framework for land use, mobility and circulation, the public realm, and the Innovation District were held. City Council members responded to policy frameworks and gave feedback which was incorporated into the Milpitas Metro Specific Plan. City Council also reviewed the Draft Plan and approved the Final Plan and environmental documentation.



milpitasmetro.org: The project website contained a library of the information, FAQ, and links to project materials and engagement events.



The Milpitas Metro Specific Plan process included regular presentations and engagement with City of Milpitas City Council.

Figure 1-5. Community Engagement Timeline Graphic



1.8.1 Existing Conditions Phase

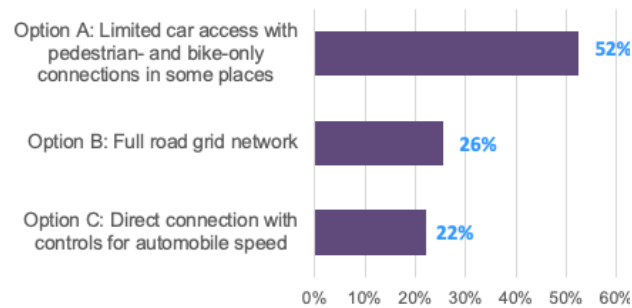
Community concerns and priorities were identified and used to guide the preliminary approaches to the Plan update.

- Map-Based Public Survey.** This map-based online survey was released at the beginning of the planning process and collected 316 responses. Respondents were asked to identify destination and service needs in the Plan Area, such as open space and retail, as well as where they would like to see future commercial, office, and housing development. The results from the survey informed conceptual ideas for the Milpitas Metro Specific Plan, which were presented to the City Council.
- Stakeholder Interviews.** Interviews were conducted with 24 different stakeholder groups, including the Chamber of Commerce, Milpitas Unified School District (MUSD), Santa Clara Valley Transportation Authority (VTA), private commercial and housing developers, and city departments, to identify priorities and concerns for development in the Metro Area.

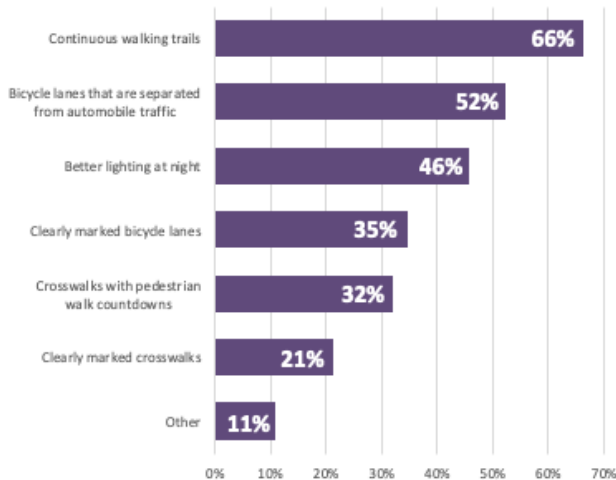


Map-based surveys and digital whiteboards were tools used to document and record feedback about the Plan.

Participants were asked to identify the type of road design they would like to see to increase access to Tarob and Sango Court.



What would make you feel more comfortable walking/biking in the Milpitas Metro Area? (Select up to 3)



Online Open House results for questions about Road Design, Walking, and Biking, and a word cloud of important considerations for the Metro Area.

1.8.2 Plan Framework Phase

In the Plan Framework phase, the community provided feedback on conceptual land use and transportation connection ideas.

- Community Meeting.** An interactive community meeting was held online on September 30, 2020 to assess the community’s attitudes towards conceptual ideas on land use and pedestrian and bicycle connections in the Plan Area. Attendees answered polling questions throughout the presentation and were able to give additional comments and have questions answered during the Q&A and open comment period.
- Online Open House.** An asynchronous Open House was available on the project website for 3.5 weeks in October 2020 following the community meeting. This was an opportunity for community members who were unable to attend the community meeting to learn about the Metro Plan and provide input. Materials presented were the same as for the community meeting. A survey that mirrored the polling questions asked during the community meeting gathered a combined total from the meeting and open house of 101 participants.

1.8.3 Draft Plan Phase

In this last phase, community members were invited to review and provide comments on the Public Draft of the Metro Plan and corresponding Environmental Impact Review (EIR) before the Plan was presented to City Council for adoption.

- **Community Meeting: Draft Plan.** A community meeting and an asynchronous online open house were held following the completion of the Public Draft of the Milpitas Metro Specific Plan. Community members were given the opportunity to respond to the draft Milpitas Metro Specific Plan and voice any feedback they would like to see incorporated into the Plan.
- **CEQA Review.** The City prepared a Notice of Preparation (NOP), which provided an overview of the Milpitas Metro Specific Plan. The City held a scoping meeting to inform public agencies and members of the public about the Project and the CEQA process in September 2021. Public comments on the scope of the EIR, per the California Environmental Quality Act (CEQA), were accepted through mid-October. Following the completion of the Draft EIR, public agencies and members of the public were given an additional opportunity to provide comments on the document.



The Milpitas Metro Plan started with a team workshop in March 2020, prior to the COVID-19 pandemic. All subsequent meetings and community outreach were conducted online.

1.8.4 Feedback Highlights

Pedestrian and bicycle connectivity and safety were primary concerns throughout the Plan Area and particularly from the neighborhoods to the Milpitas Transit Center. Respondents also reported high demand for more neighborhood retail services, including cafes, restaurants, grocery stores, and open space.

Key takeaways from the community engagement efforts included the following:

- Top priorities for the Metro Plan should be providing open space, fun destinations, and safer streets.
- Pedestrian and bicycle connectivity are generally higher priorities than addressing vehicular traffic.
- More retail activity is highly desirable.
- There are concerns about safety/crime issues, too much housing, and increases in traffic congestion.

The community provided input to address connectivity challenges in the Plan Area. 72 percent of participants at the Community Meeting and Open House expressed that pedestrian and bicycle connections are a higher priority than vehicular traffic speed. There was also an interest in limiting car access by building new pedestrian- and bicycle-only connections in the Tango Subdistrict. The top three types of open spaces identified by the community included plazas/ courtyards, farmers' markets/ community fairs/ event spaces, and trails.

1.9 PLAN VISION

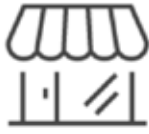
The Milpitas Metro Specific Plan envisions vibrant, connected subdistricts with active public spaces and affordable housing surrounding the Milpitas Transit Center. The Milpitas Metro identity as an urban, future-forward, inclusive, and world-class competitive district will distinguish itself from other areas in the City and South Bay Region.

The Metro Plan considers what transit riders and visitors see when they visit the Milpitas Transit Center for the first time. The Plan considers everyday experiences of people commuting and living in the area by expanding neighborhood services and the variety of retail in the area, as well as through the creation of space for jobs near transit.

The Metro Area will be strengthened by urban design standards that ensure high quality building design and public realm to create visually memorable structures. The sense of place and identity will also be enhanced by public art and landmark features. Public investment in the public realm will help to strengthen the spatial understanding of the Metro Area and the social and cultural image of the area.

The Metro Area Plan features urban housing and a bustling Innovation District in addition to a range of retail and entertainment options at the Great Mall.

This Metro District will be competitive with other major transit nodes in the region when it becomes a place that celebrates a walkable lifestyle with convenient places to live and work



To expand neighborhood services and the variety of retail



To create and expand available space for jobs near transit



To provide both affordable and market rate housing



To create a more complete neighborhood



To enhance the sense of place and identity of the Metro Area with visually memorable structures and buildings



To provide safer and more attractive multimodal connections for walking and biking



To provide a greater variety of shared public spaces

MILPITAS METRO PLAN VISION

The Milpitas Metro Plan Vision is “to create a more complete neighborhood.”

A complete neighborhood includes neighborhood services, a variety of retail, a balance of jobs and housing, with jobs near transit, affordable and market rate housing, safe and attractive multimodal connections, a variety of shared public spaces, and a strong sense of place with memorable architecture and landmarks.

with a wide range of neighborhood services and transit options just steps away. Milpitas Metro neighborhoods will be multimodal-friendly with safe routes for bicycles and pedestrians that connect housing to activity centers, such as retail services, office uses, and the Milpitas Transit Center.

Pedestrian-friendly streets will support mixed-use development that will house local community-serving retail and restaurants and high-density housing that is affordable for a range of income levels. Commercial and office uses near the Milpitas Transit Center will create a nexus of activity in the core of the Metro Area.

The Metro Plan calls for shared public spaces to provide a variety of recreational and contemplative environments for residents, workers, and visitors. Large plazas, creek trails, and small parklets will provide a balance of open space opportunities for community members to enjoy outdoor space in this vibrant urban area.

The area has transformed greatly over the last decade, but is not yet complete. The Plan will complete mobility connections and bring more commercial uses and related housing to complete the transformation of the area.

1.9.1 Great Mall Parkway

The Great Mall Parkway is the central corridor of the Metro Area and a gateway to Milpitas. Transit riders will be arriving on Great Mall Parkway below grade on BART, at grade on bus, and above grade on VTA Light Rail. Great Mall Parkway is well-traveled and wide road that has the capacity for more transportation modes and a

transformation of character.

It is possible to provide a more welcoming environment for pedestrians and cyclists without reducing the number of vehicle travel lanes on Great Mall Parkway by narrowing the central median, which is up to 40 feet wide in some areas. Adding protected bike lanes, a generous street side pathway in a linear park, and activity at the base of street-facing buildings will make the Great Mall Parkway look and feel more like a “Great Parkway” and serve the area better. The above grade light-rail tracks are a significant landmark for the area but not yet celebrated as a defining feature. Enhancing the light rail structure with public art would help visitors identify the area.

1.9.2 The Great Mall

Retail is changing. The Milpitas Metro Specific Plan envisions that the Great Mall will transform itself over time from an indoor mall into a vibrant neighborhood offering lifestyle retail and entertainment on a walkable street grid. The opening of the Milpitas Transit Center across Montague Expressway from the Great Mall brings new regional access within walking distance of the Great Mall Subdistrict, which includes multiple ownerships. The Great Mall is an important asset in the area, with regional-serving entertainment, outlet shopping, and a large format retail. The Metro Plan provides options for the future evolution of this property by allowing more land uses and more density.

The Metro Plan envisions jobs and housing, especially portions of the subdistrict nearest

transit, with a central gathering space, walkable street grid, and new development along Great Mall Parkway to reflect the scale of development on the other side of the street.

1.9.3 The Innovation District

The Innovation District is envisioned as an employment destination featuring modern office and R&D buildings. The Innovation District is located in the area directly east of the Transit Center, just past Berryessa Creek and around the intersection of Montague Expressway and S. Milpitas Boulevard. The opening of the Milpitas Transit Center with the Milpitas BART station changes the outlook for the Innovation District area by giving it access to the BART system and providing regional connections to other parts of the Bay Area. A new roadway will be built over Berryessa Creek, providing direct connections from the eastern part of this subdistrict to S. Milpitas Boulevard Extension and the Transit Center.

1.9.4 Public Realm and Streetscape

The public realm includes the spaces shared by everyone in the community, which include open spaces, parks, streets, and public amenities. The successful development of the public realm is the result of public investment and contributions from private developers. Milpitas' public infrastructure program, funded by the Transit Area Development Impact Fee (TADIF) and Citywide funds, will provide many of the public amenities planned for in this document.



Public realm improvements near the Milpitas Transit Center include open spaces, streetscape improvements, and new pedestrian overhead bridges.



The Edge Apartments: New high-density residential development on Montague Expressway near the Milpitas Transit Center.



Anton Aspire Apartments: New high-density residential development in the Tango Subdistrict.



Townhouses: New townhouse development in the McCandless Subdistrict.



The Milpitas BART Station was opened in June 2020. This station is part of the Phase I extension of BART to San Jose and is the second to last station, with Berryessa Station as the end of the line.

Private development further contributes to the public realm with the construction of streetscape and amenity features that serve the public. Newly developed mixed-use and multifamily projects have enhanced and will continue to improve the public realm with parks, pathways, and generous streetscape improvements that support the pedestrian experience.

The design of the public realm is important because it is integral to a sense of place. The public realm is a place where social interaction can take place and where the neighborhood's vibrancy is on display. New neighborhood parks throughout the Metro Area in the Piper, McCandless, and Tango subdistricts were built as a result of the TASP. The park proposed in the Tango Subdistrict will be expanded beyond the original TASP concept. New publicly accessible parks in the Innovation District and Great Mall subdistricts are also planned. The City has been purchasing land to establish the parks in the Metro Area with funds collected from new development in the area. New development has also been providing publicly accessible amenities and on-site improvements that make the area more livable.

The public realm, through a network of pathways, helps to connect the area and provide access between subdistricts and to transit. The public investment from the TASP has brought significant improvements to the Metro Area. The improvements include a pedestrian overcrossing over Montague Expressway. Additionally S. Milpitas Boulevard Extension, McCandless Boulevard, Main Street, and internal roads are

all streets that the City of Milpitas improved as Complete Streets in the Metro Area. Santa Clara County was responsible for improvements to Montague Expressway with landscaping, new street lighting, and sidewalks. These improvements are critical to the connectivity of the neighborhood.

The necessary connections in the Metro Area are not yet complete. It is important for additional improvements outlined in this plan complete the connections that surround the Transit Center. The Metro Plan continues to require development standards and streetscape improvements that have made the TASP so successful.

1.9.5 Urban Form

The new urban form of buildings in the Milpitas Metro Area make it stand out from the rest of Milpitas. Well-designed, tall buildings can help establish a sense of place for the City of Milpitas. Taller buildings signify the City's importance, and their physical form establish landmarks to help people orient themselves.

The Metro Plan landmarks that define its character will include taller new development, the linear park along Great Mall Parkway, public art on the light rail structure and bridges, and inviting trails over creeks and recreation pathways.

A bicycle- and pedestrian-focused urban form is necessary to complete the transit connectedness for the Metro Area and to make it easier to travel without a private vehicle.

1.9.6 Wayfinding

Wayfinding is the experience of an individual making their way through an unfamiliar environment. The identity of the neighborhood and how to navigate it is most explicitly expressed through wayfinding signage. Clues in the structure of the city itself also help orient people in the environment, but in a more implicit way.

Consistent signage will help people understand that they are in the Metro Area. The use of consistent terminology and graphics across a range of mediums will build a distinctive sense of place and projects a consistent image for the area while encouraging increased rates of active transportation by helping people identify alternative routes. Milpitas Metro branded signage is envisioned to be integrated with citywide branding and will set a welcoming, energetic tone for the community. Signage can also help express Milpitas Metro's diverse neighborhoods and unique character. The design for signage should be easy to identify and tailored to the needs of pedestrians, bicyclists, transit riders, and low speed electric vehicles as well as automobiles and trucks. Signage in Milpitas Metro should be integrated into the City's branding, signage, and wayfinding program.

1.9.7 Urban Destinations and Retail Mix

The attractions in the Metro Plan area currently include the Great Mall's regional-serving shopping and entertainment, neighborhood parks, and emerging neighborhood retail in the McCandless Subdistrict. The Metro Plan envisions the evolution of the Great Mall as a regional destination with a greater variety of uses; the McCandless Subdistrict as an emerging local destination for neighborhood services and gathering; the Innovation District as a regional employment destination; and the local parks as destinations connected by a trail network for the residents in the area, which will include a linear park on Great Mall Parkway. The envisioned attractions will strengthen the area and make it more livable.

The Metro Plan envisions retail concentrated into nodes along Shopping Streets within subdistricts, where ground floor retail will be highly visible and economically viable.

1.9.8 Leading-Edge Sustainability

Milpitas has a citywide goal of cutting greenhouse gas emissions by nearly 50 percent from 2005 levels by 2030 and reaching carbon neutrality by 2045. To reach these targets, the city has taken a holistic approach to reduce emissions, particularly in the transportation sector and energy usage in buildings.

The majority of development in the city is expected to be in the rapidly growing Metro Area. Sustainability strategies implemented in the Metro Plan will have a big impact on the City of Milpitas and greater environment. The Metro Plan

implements the Climate Action Plan and contains policies that will increase the sustainability of the area through building standards that reduce emissions and increase reliance on renewable energy sources; transportation strategies that manage automobile usage and promote low- and zero-carbon transportation options; targeted strategies to reduce waste; and landscaping requirements to ensure reductions in water use.

1.10 PLAN BUILD OUT

Since 2008, the Plan Area has experienced significant change and development. The TASP resulted in approximately 92 percent of all planned-for residential to be built or entitled by 2019; however, commercial, office, retail, and hotel development largely lagged behind. Table 1-2 summarizes the build out of the TASP and the

anticipated build out generated by the Milpitas Metro Specific Plan.

Many of the early projects in the Plan Area included townhouses in the Piper Subdistrict, the McCandless Subdistrict, and along Trade Zone Boulevard. More recent projects include several denser residential and mixed-use projects located along Great Mall Parkway, Main Street, and Montague Expressway.

While significant development has occurred in the Plan Area, several large sites have not been redeveloped or intensified in accordance with the TASP, including the Great Mall, three VTA-owned sites, and properties in the Innovation District. Figure 1-6 identifies the properties that have not been developed or redeveloped (beige) since the TASP was adopted, and proposed expansion areas (blue).

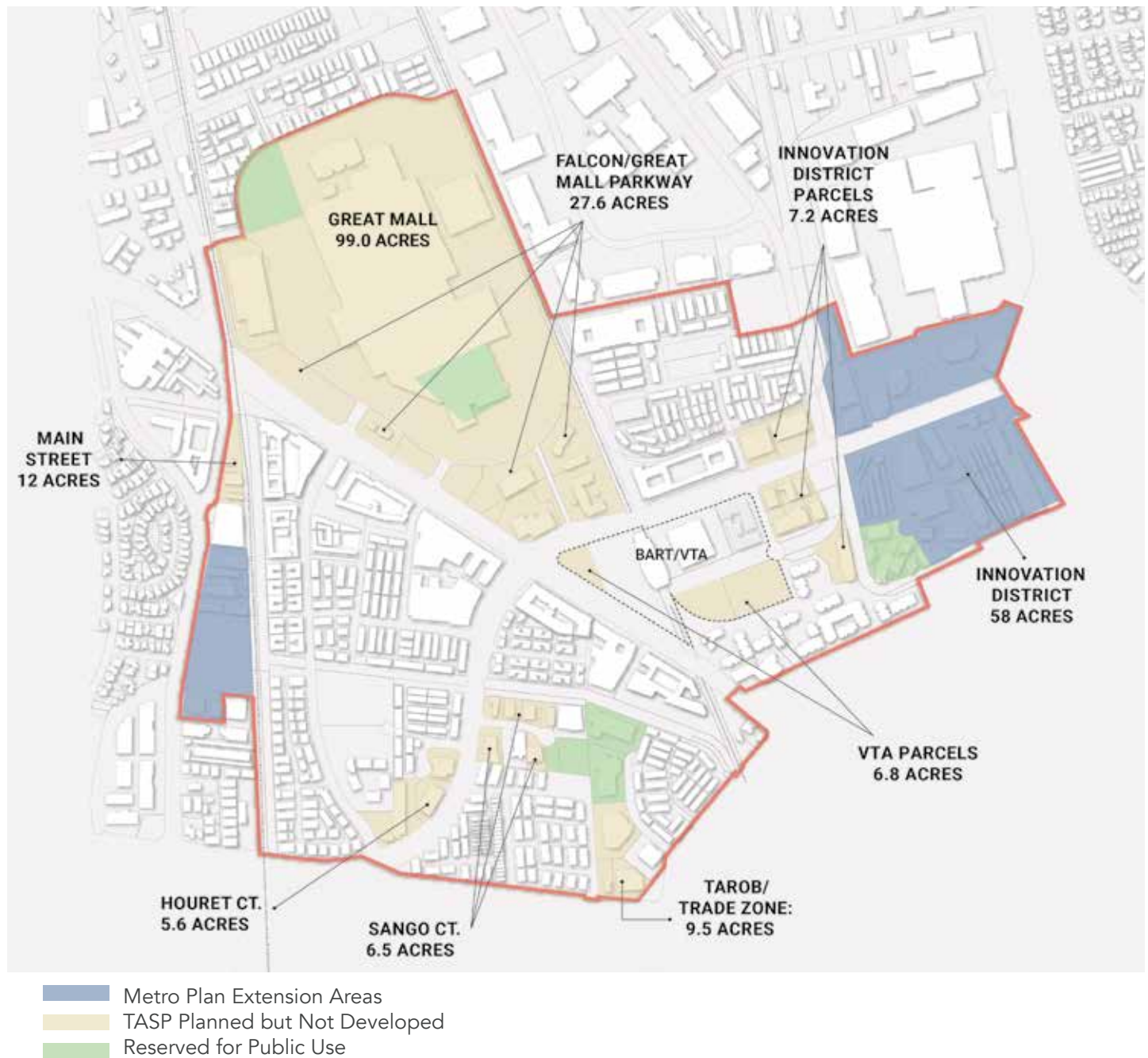
Table 1-2. Development Capacity Comparison to TASP

Land Use	Existing Development in 2008	TASP Planned New Development	Total TASP Planned Development (columns 1+2, Projected for 2020)	Entitled by 2019*	Additional Projected for Milpitas Metro Specific Plan by 2040
Dwelling Units	468	7,109	7,577	6,955	7,000
Office (sf)	52,780	993,843	1,050,000	10,630	3,000,000 (includes 500,000 sf of industrial)
Retail (sf)	1,970,000	287,075	2,240,000	186,500	300,000
Hotel (rooms)	292	350	642	175**	700

*Entitled, under construction, or constructed/occupied

**2021 amendments to Lot 3 in Lyon Living's The Fields development will reduce the hotel room count from 175 to 162 and reduce the entitled housing unit count from 1,955 to 1,889 units.

Figure 1-6. Properties Yet to be Developed from the Transit Area Specific Plan (2008).



The remaining parcels include additions to the Plan Area, infill sites throughout the area, and the Great Mall.

The Metro Plan’s build out is determined by considering the capacity of the remaining undeveloped parcels for more commercial and residential development. The Innovation District is a largely undeveloped area that will support office and industrial growth in the next 20 years. Of the 3,000,000 square feet of new office space projected in the Plan Area, 2,500,000 square feet will be accommodated in the Innovation District. Great Mall is another site that is critical to future development. This site is expected to support the remaining anticipated office space, a substantial amount of multifamily housing, and the bulk of new retail.

1.10.1 Jobs/Housing

Milpitas Metro continues to be a major opportunity site for housing development in Milpitas. The City’s next Housing Element is due in January 2023, and the process to develop it has begun. Housing staff have been involved in the Milpitas Metro Specific Plan’s planning process to ensure that this plan aligns with citywide housing strategies.

The currently calculated draft capacity for additional residential units in Milpitas Metro is 5,000-7,000 total, with 2,000-4,000 units on the Great Mall site, and 3,000 units on other sites. When the Housing Element is developed, the City will determine which sites to include in the Housing Element.

There is an opportunity for the Great Mall Subdistrict to have a higher diversity of retail, housing, and employment. The regional draw for the area will be strengthened by the Milpitas Transit Center. The Metro Plan will treat the Great Mall Subdistrict as an opportunity site for transit-oriented development much like what has been planned around it. It is also a site that could accommodate neighborhood amenities that would complete the Metro Area.

The Milpitas Metro Plan envisions the development of not only housing, but also commercial office and R&D uses that will serve as employment hubs and balance Milpitas’ housing provision with local employment. Projected job generation by land use is summarized in Table 1-3.

Table 1-3. Employment Generation

Land Use	Employment Density Assumptions	MMSP Development Potential	New Jobs Generated
Retail	350 square feet per job	300,000 square feet	857
Office (sf)	260 square feet per job	2,500,000 square feet	9,615
Hotel	1 room per job	700 rooms	700
Industrial/R&D	450 square feet per job	500,000 square feet	1,111

1.11 BASIC IMPROVEMENT PROGRAM (BIP) AND TRANSIT AREA DEVELOPMENT IMPACT FEE (TADIF)

The 2008 TASP envisioned a broad range of public infrastructure and improvements to serve and support the new TASP development. The City identified and estimated costs for the required improvements in its Basic Improvement Program (BIP). The BIP included investments in road improvements and traffic mitigation improvements (33 percent of total net costs), sewer and water facility improvements (20 percent), and parks and community facilities (47 percent).

The City established the Transit Area Development Impact Fee (TADIF) to ensure new TASP development contributed proportionately and appropriately to the BIP costs. Fees were established for residential development on a per-unit basis and for non-residential development (on a per building square foot basis). As is typical for development impact fee programs, the fee levels have been adjusted through time based both on automatic cost-indexed increases as well as more comprehensive updates. The most recent fee adjustment, which occurred in 2019, was progressively phased in with the full updated fee levels in place as of November 2020 and provided below:

- Residential - \$40,487 per unit
- Retail - \$26.49 per square foot
- Office - \$42.52 per square foot

The TASP has facilitated substantial residential development. Between the Plan's adoption and 2019, over 90 percent of the planned 7,577 dwelling units had been entitled, permitted, or built by 2019. Approximately 30 percent of the new units are townhouses and 70 percent are multi-family developments. At the point of pulling building permits, all but the original 468 units existing at the time of the TASP adoption have or will pay the TADIF residential fee providing substantial funding towards the transportation, parks, and utility projects included in the BIP. Only new development pays impact fees under the specific plan requirements.

As of 2019, residential fees have generated the large majority of the development fee revenue and have resulted in the completion of three parks: Bob McGuire Park in the Piper Subdistrict, McCandless Park in the McCandless Subdistrict, and August Rathbone Park in the Tango Subdistrict. Other improvements that have been completed include subdistrict connections, a public plaza by the Milpitas Transit Center, multiple privately-owned public spaces, and trail improvements along Penitencia Creek. TADIF revenues for TASP infrastructure/ improvements funding has also been augmented by grants and other funding sources.

The Milpitas Metro Specific Plan builds upon the original vision of the 2008 TASP by focusing on making a more complete neighborhood. The Milpitas Metro Specific Plan aims to build a stronger identity for the area, encourage complementary land uses, develop connections between the different subdistricts in the Plan Area, and expand open space opportunities. The Milpitas Metro Specific Plan is expected to result

in some refinements to the BIP, and the TADIF is expected to remain as the primary source of public infrastructure/ improvement funding from new development. The Milpitas Metro Specific Plan recommends that the TADIF be updated to account for the new infrastructure and development planned for and described herein.

The TASP also created a Community Facilities District (CFD) that utilizes a portion of the Plan Area's property tax revenues to supply a fund for services and maintenance of certain public improvements, such as certain police and fire protection services, public lighting, storm protection, and hazardous cleanup. In this way, the General Fund is not negatively affected by residential development in the Metro Area while still benefiting from the new revenues generated by non-residential development.

1.12 SUBSEQUENT ENVIRONMENTAL IMPACT REPORT (SEIR)

UPDATE IN FINAL PLAN TO ENSURE CONSISTENCY WITH CEQA WORK

The Milpitas Metro Specific Plan is accompanied by a Subsequent Environmental Impact Report (SEIR) to assess and mitigate, as feasible, the impacts of the Milpitas Metro Specific Plan project. As noted above, the Milpitas Metro Specific Plan would replace the Milpitas TASP, for which a prior Environmental Impact Report (EIR) was prepared. The 2007 Draft EIR (2007 EIR) was prepared to analyze, at a program level, the environmental impacts of implementation of the TASP. Given the expanded scope of

the Milpitas Metro Specific Plan project and changes in circumstances in the project area since certification of the 2007 EIR, the SEIR fully evaluates certain topics, including transportation, air quality/greenhouse gas emissions, noise, population and housing, land use, public services, and utilities. Other topics included in the CEQA Checklist, such as biological and cultural resources, have been scoped out of the full SEIR analysis, as the Milpitas Metro Specific Plan (i.e., the revised project) would not result in new or more significant impacts related to these resource topics. As supported by recent CEQA case law, the SEIR analysis focuses on the potential impacts of the changes to the project and does not reassess the project as a whole. Accordingly, the SEIR examines the revised project in the context of the 2007 EIR focusing on the changes to environmental impacts and mitigation that would result from the revisions to the project.

1.13 MILPITAS METRO PLAN FRAMEWORK

1.13.1 Plan Organization

Chapter 1 provides background context on the Metro Plan and includes an overview of the Plan's vision. Chapters 2 through 5 of the Plan contain goals and policies that respond to the Milpitas Metro Specific Plan's overarching vision statement and direct future development in the Plan Area. Goals in each chapter will be achieved by the subsequent policies which provide concrete actions that guide implementation. Chapter 6 contains the implementation and funding plan to make the plan vision a reality. The Milpitas Metro Specific Plan consists of the following chapters:

- **Chapter 1: Introduction** provides background information on the Milpitas Metro Specific Plan, explains the Plan's relationship with other municipal regulatory documents, establishes the Plan Vision, and projects expected plan build out.
- **Chapter 2: Land Use and Public Space** establishes the land use and open space strategy for the Plan Area.
- **Chapter 3: Site and Building Design Standards and Guidelines** includes the Milpitas Metro Specific Plan's strategy for activating the public realm, including sidewalks and pathways, and provides guidance on building design in the Plan Area.
- **Chapter 4: Mobility and Circulation** describes strategies to create a multimodal network, reduce vehicle miles traveled through transportation demand

management policies, and decrease automobile dependency.

- **Chapter 5: Infrastructure** describes the public infrastructure and services needed to support growth in the Plan Area.
- **Chapter 6: Implementation** details the implementation of the Milpitas Metro Specific Plan by the City of Milpitas, including funding sources and time frames for public infrastructure projects.
- **Appendix** includes supporting documents that provide additional background information on the Milpitas Metro Specific Plan, such as the market study.

1.13.2 Plan Horizon

The Milpitas Metro Specific Plan is a planning document that embodies the vision for the neighborhoods around the Milpitas Transit Center for the next 20 years. It shall be prepared, adopted, and amended in the same manner as a General Plan. The Metro Plan may be adopted by resolution or by ordinance and may be amended or repealed as often as deemed necessary by the legislative body.





Residential development completed in 2020 in the McCandless Subdistrict (top) and the Tango Subdistrict (bottom).



2. LAND USE AND PUBLIC SPACE

- 2.1. Land Use Development Framework
- 2.2. Great Mall Subdistrict
- 2.3. Innovation District
- 2.4. Piper Subdistrict
- 2.5. McCandless Subdistrict
- 2.6. Tango Subdistrict
- 2.7. Land Use Policies
- 2.8. Parks and Public Spaces Framework
- 2.9. Existing and Proposed ParkS Open Space Strategy
- 2.10. Public Space Policies
- 2.11. Private On-Site Common Spaces

This chapter establishes the land use framework and public space strategy for the Milpitas Metro Plan Area to support complete and connected subdistrict. This chapter identifies the goals and policies, land use designations, and zoning regulations identified for the Plan Area.

This chapter also provides an overview of the vision for the subdistricts. The Plan does not establish consolidated sets of policies for each subdistrict. Instead, the Plan provides universally-applicable policies, and where necessary subdistricts are referenced to identify specific policies and improvements in those areas.

Most of the housing envisioned by the TASP has been developed. This should be celebrated. However, other aspects of the original TASP

vision, including non-residential and affordable housing development, have not yet come to fruition. The policies in the Milpitas Metro Plan are written to encourage development of the land uses that are needed to complete the neighborhood.

Finally, this chapter addresses the need for parks and shared open spaces in Milpitas Metro. Complementing urban development with a variety of functional open spaces is essential to making the area more livable. Policies for Parks and Public Spaces establish a framework for a network of spaces that will serve the area's population as it grows.

The Milpitas Metro Area is a dense urban environment that supports transit use and balances a mix of uses at higher densities and intensities of development to sustain commercial activity and an interesting and vibrant streetscape. The Milpitas Metro Specific Plan seeks to enhance the evolution of the area from what was allowed under the TASP by planning for higher densities to establish the Plan Area as a full and complete urban center.

The next era of development envisioned by the Milpitas Metro Specific Plan aims to align incentives to expand neighborhood retail and services, generate jobs and attract employment uses, support the development and implementation of the City's Housing Element, expand housing affordability, and increase the quantity and quality of shared public spaces.

2.1 LAND USE DEVELOPMENT FRAMEWORK

2.1.1 Land Use Strategy

The Milpitas Metro Plan revises land use densities originally established by the TASP to respond to current market conditions and community vision for the area, to better sustain commercial activity and to foster a vibrant streetscape environment. The Milpitas Metro Specific Plan builds on the TASP by refining land use designations, and adding new land uses to better address the Great Mall subdistrict, Innovation District, and remaining infill parcels. Land uses support the concentration of higher density development towards the Milpitas Transit Center and larger street arterials, and opportunities for denser development throughout the district.

Encouraging a mix of uses is critical to creating a more complete neighborhood and ensuring the vibrancy of the area. Mixed-use buildings create destinations that organically facilitate community interaction and reduce traffic during the workday by providing jobs and essential services within walking and biking distance of homes. A vibrant pedestrian-friendly street environment will be achieved by continuing to focus retail uses along designated Shopping Streets.

The land use strategy acknowledges the dynamic character of this rapidly changing area and market conditions by preserving land for employment uses. Building off of the direction in the General Plan, the Milpitas Metro Specific Plan establishes the Innovation District as a future employment hub of office campuses and research and

development buildings with exceptional access to regional transit and highways. Residential uses will not be allowed in this subdistrict, primarily east of Berryessa Creek.

In order to support the development of the Innovation Districts, the City of Milpitas is discussing a potential annexation of a parcel located between the Innovation District and Highway 680 with the City of San Jose (Figure 2-1). The character of the parcel is more similar to the surrounding uses in Milpitas. If incorporated, this parcel will become part of the Innovation District and support office park and light industrial development.

Figure 2-1. Annexation Areas



2.1.2 Land Use Densities

Milpitas Metro is a unique district in Milpitas. While other areas of the city are characterized largely by low-rise development, the Metro District is a dense, transit-oriented hub. In order to foster the evolution of the district into a complete neighborhood, the Metro land use framework offers density incentives to residential mixed-use development. The highest permitted densities are located along major corridors and in the Innovation District. Densities and intensities are reduced on parcels farther from the corridors and closer to existing residential neighborhoods.

Table 2-1 specifies density and floor area ratio (FAR) ranges for each land use classification:

- Residential Development: Intensities are determined on a dwelling unit per acre basis when a project consists of residential uses only.
- Non-Residential Development: Densities are calculated based on FAR.
- Mixed-use with Residential Development: FAR is used for all portions for mixed-use projects, including residential and non-residential portions.

Development densities and intensities are calculated per parcel, as opposed to gross acreage. This is intended to ensure the type of development built more accurately reflects the vision expressed in the Plan.

For mixed-use projects, Floor Area Ratio (FAR) is used and a range is stated to indicate the anticipated density of the project. In the case of mixed-use projects any stated density is

advisory only, and indicates provisional City expectations. For certain land use classifications in and adjacent to the Innovation District that allow mixed-use development, a minimum commercial FAR is required to ensure that parcels do not develop as residential-only. These land uses include Boulevard Very High Density Mixed Use and Business Park Research & Development, Residential.

Maximum heights are defined for each subdistrict using potential number of stories and/or maximum feet. Where both stories and feet are provided, the maximum height in feet may not be exceeded.

2.1.3 Land Use Classifications

To fulfill the land use vision, the Milpitas Metro Specific Plan establishes eight land use classifications that are specific to the Plan Area, as shown in Table 2-1. These classifications are illustrated in the Land Use Map in Figure 2-2 and include:

- **Residential Retail High Density Mixed Use (RRMU).** Supports vertically mixed-use development that have ground floor retail and active uses with residential or office uses on upper floors.
- **Boulevard Very High Density Mixed Use (BVMU).** Supports high-density housing, retail, and small-format employment.
- **Multi-Family High Density Residential (MFH).** Supports medium-density residential development such as stacked flats and apartments.

Table 2-1. Land Use Classification with description, allowed density, maximum height, and allowed zoning districts

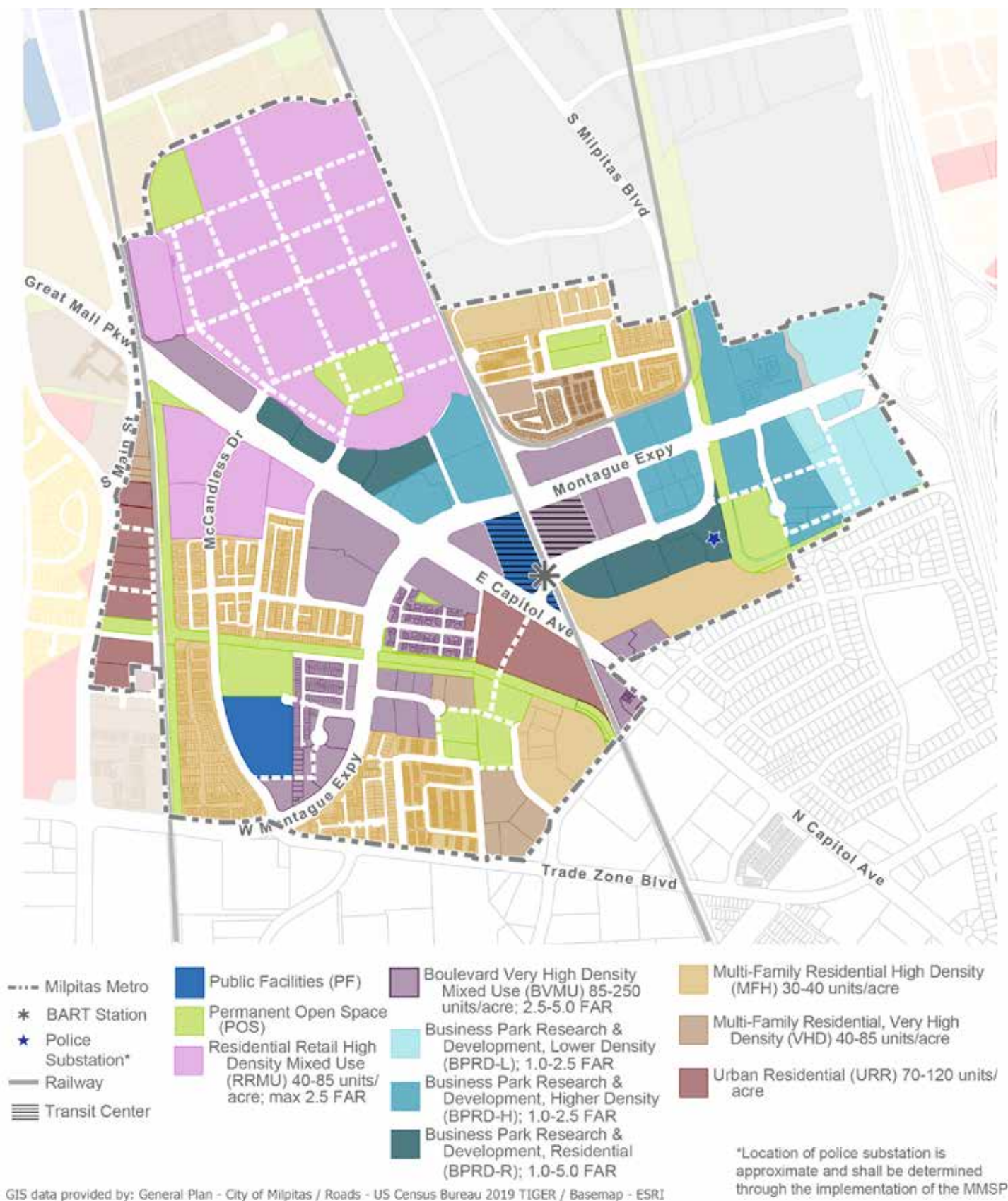
Land Use Classification	Allowed Density	Maximum Height	Active Use Requirements	Allowed Zoning Districts
Residential Retail High Density Mixed Use (RRMU)	Mixed Use ¹ : 1-2.5 FAR Residential Only: 40-85 units/ac	85 feet Within 60 feet of adjacent existing residential zoned parcels, building height shall be stepped down to be the same max height plus 10 feet of the adjacent parcel.	Ground floor retail and active uses are required on 80 percent of the ground floor facade along any Shopping Street.	Metro High Density Mixed Use (MXD2-Metro)
Boulevard Very High Density Mixed Use (BVMU)	Mixed Use ¹ : 2.5-5.0 FAR Residential Only: 85-250 units/ac	275 feet 50 percent of base footprint above 85 feet and 25 percent of base footprint to a maximum height of 275 feet tall	Ground floor retail and active uses are required on 80 percent of the ground floor facade along any Shopping Street.	Metro Very High Density Mixed Use (MXD3-Metro)
Multi-Family High Density Residential (MFH)	Residential: 30-40 units/ac	75 feet	N/A	Metro Multi-Family High Density Residential (R3-Metro)
Multi-Family Very High Density Residential (VHD)	Residential: 40-85 units/ac	35-85 feet	N/A	Metro Multi-Family Very High Density Residential (R4-Metro)
Urban Residential (URR)	Residential: 70-120 units/ac	6 stories and 75 feet	N/A	Metro Urban Residential (R5-Metro)

¹ On Housing Element opportunity sites, upper story non-residential uses are prohibited.

Land Use Classification	Allowed Density	Maximum Height	Active Use Requirements	Allowed Zoning Districts
Business Park Research & Development, Lower Density (BPRD-L)	Non-residential: 1.0-2.5 FAR	N/A	Ground floor retail and active uses are required on 80 percent of the ground floor facade along any Shopping Street.	Innovation District Lower Density (INND-L)
Business Park Research & Development, Higher Density (BPRD-H)	Non-residential: 1.0-2.5 FAR	N/A	Ground floor retail and active uses are required on 80 percent of the ground floor facade along any Shopping Street.	Innovation District Higher Density (INND-H)
Business Park Research & Development, Residential (BPRD-R)	Mixed-use: 1.0-5.0 FAR; minimum of 1.0 FAR of office or R&D	275 feet	Ground floor retail and active uses are required on 80 percent of the ground floor facade along any Shopping Street.	Innovation District Residential (INND-R)

- **Multi-Family Very High Density Residential (VHD).** Allows high-density residential development, such as multi-story apartments and condos.
- **Urban Residential (URR).** Allows very high-density, residential-only development, such as multi-story.
- **Business Park Research & Development, Lower Density (BPRD-L).** Allows for lower density office, R&D, warehouses, and hotels. Office-supportive commercial retail uses are allowed.
- **Business Park Research & Development, Higher Density (BPRD-H).** Allows for higher density office, R&D, office-supportive commercial retail, and hotels.
- **Business Park Research & Development, Residential (BPRD-R).** Supports office, R&D, office-supportive commercial retail, hotels, and residential.

Figure 2-2. Land Use



This framework locates residential mixed-use development with commercial at the ground floor along the major corridors. This is intended to cluster pedestrian-oriented retail and personal services in proximity to high-density residential populations, as well as making them convenient to employment sites. These parcels are permitted to develop with higher densities and taller building heights as incentives to provide commercial uses. Designated “Shopping Streets” identify locations where ground-floor commercial uses will be required, as shown in the Circulation Network Map (Figure 4-6). Building frontages on Shopping Streets must include retail and active ground-floor uses. Active uses are uses that encourage pedestrian activity, including storefront retail and personal services, ground-floor office, or residential shared amenities, such as a lobby, gym, or conference room.

Medium- to high-density residential land use classifications provide opportunities for residential-only buildings within the interior of subdistricts. With a range of height and density standards, these residential classifications allow for transitions to lower density areas outside the plan boundaries.

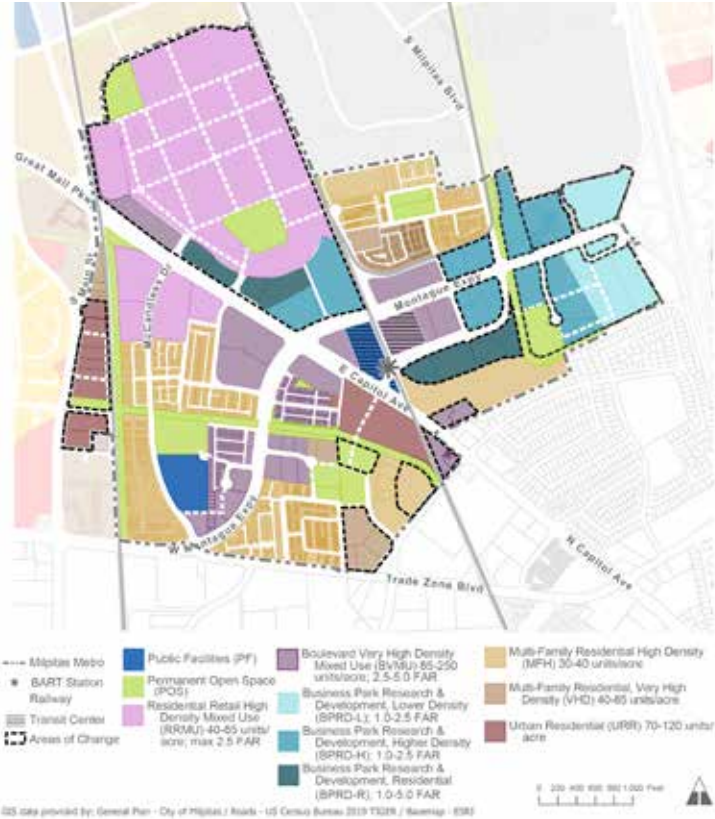
The City is developing Housing Opportunity Zones (HOZ), which will designate opportunity areas for increased housing densities. Proposed development projects in the HOZ will be eligible for additional densities provided that they comply with City requirements including design standards and affordable housing requirements.

Three new land uses have been developed to support the evolution of the Innovation District: Business Park Research & Development, Lower

Density (BPRD-L); Business Park Research & Development, Higher Density (BPRD-H); and Business Park Research & Development, Residential (BPRD-R). These land use classifications support research and development activities, offices, high tech, hotels, retail services, and education uses. The classification addresses the eastern portion of the Innovation District and the southern portion of the Great Mall Subdistrict. BPRD-L occurs further from the Transit Center near the freeway and BPRD-H occurs near the intersection of Montague Expressway and South Milpitas Boulevard and parcels near the Milpitas Transit Center. BPRD-L and BPRD-H allow only non-residential uses to encourage clustering of shopping and employment uses, provide opportunities for large-footprint buildings and adequate parking, and to prevent encroachment by residential uses. Mixed-use developments can include limited residential uses in BPRD-R if minimum non-residential densities requirements are met.

The Metro Plan maintains two General Plan land use designations: Public Facilities (PF) and Permanent Open Space (POS). The Public Facilities designation applies to parcels owned by public agencies and are intended to be accessed by the public, including schools and transit centers. Areas that are intended for parks, waterways, creek corridors, and trails are designated as Permanent Open Space. Development in these areas is limited to structures that support open space uses, such as park facilities, restrooms, and signage.

Figure 2-3. Areas of Change



While the MMSP updates all land uses in the Plan Area, most development changes are anticipated in several key areas indicated on the Areas of Change Map (Figure 2-3). These highlighted parcels were not redeveloped under the TASP and are expected to redevelop over the next 20 years.

2.1.4 Zoning

The Milpitas Metro Specific Plan establishes eight new zoning districts that implement the Metro Area’s land uses. The two mixed use zoning districts and three residential-only zoning districts are similar to the existing MXD2, MXD3, R-3, R-4, and R-5 zones contained in the City’s zoning code. Density and height regulations for the new zoning designations shall be consistent with the corresponding land use standards established in Table 2-1. Table 2-2 contains additional setback requirements for each zone.

Parking minimums are also associated with each of these zones, and are generally lower in the Metro Area compared to other areas of the city due to closer proximity with transit. Many of the trips in the Metro Area are anticipated to be made by foot, bike, or transit due to the dense mixed-use, transit-rich environment. For off-street parking requirements, refer to Table 4-3 in Chapter 4: Mobility and Circulation.

Table 2-2. Zoning District Setbacks

Zoning District	Front Setback Minimum	Rear Setback Minimum	Side Setback (interior) Minimum	Side Setback (street side), Minimum
Metro High Density Mixed Use (MXD2-Metro)	0 feet min, 20 feet max	10 feet; 15 feet when abutting residential; 20 feet for portions of buildings over 60 feet or 4 stories tall	0 feet; 10 feet when abutting residential use and for portions of buildings over 60 feet or four stories tall	0 feet
Metro Very High Density Mixed Use (MXD3-Metro)	12 feet min, 20 feet max	15 feet; 20 feet when abutting residential; 30 feet for portions of buildings over 60 feet or 4 stories tall	10 feet; 15 feet when abutting residential; 20 feet for portions of buildings over 60 feet or 4 stories tall	12 feet min, 20 feet max
Metro Multi-Family High Density Residential (R3-Metro)	20 feet	Single story: 30 feet 2-2.5 story: 35 feet 3-3.5 story: 40 feet	Single story: One side 5 feet min, total of 12 feet 2-2.5 story: One side 10 feet min, total 25 feet 3-3.5 story: One side 12 feet min, total 30 feet	10 feet
Metro Multi-Family Very High Density Residential (R4-Metro)	8 feet min, 20 feet max from the back of the sidewalk	10 feet	10 feet	8 feet min, 15 feet max from the back of the sidewalk
Metro Urban Residential (R5-Metro)	12 feet min, 20 feet max from the back of the sidewalk	15 feet; 20 feet for building over 3 stories which abut residential uses	15 feet 20 feet for building over 3 stories which abut residential uses	12 feet min, 20 feet max from the back of the sidewalk

Zoning District	Front Setback Minimum	Rear Setback Minimum	Side Setback (interior) Minimum	Side Setback (street side), Minimum
Business Park Research & Development, Lower Density (BPRD-L)	0 feet	10 feet min	10 feet min	0 feet
Business Park Research & Development, Higher Density (BPRD-H)	0 feet	10 feet min	10 feet min	0 feet
Business Park Research & Development, Residential (BPRD-R)	10 feet min, 20 feet max	10 feet min	10 feet min	10 feet min, 15 feet max

2.1.5 Affordable Housing Approach

The Milpitas Metro Specific Plan aims to increase the amount of affordable housing in the Plan Area through the implementation of both citywide policies and the Milpitas Metro Specific Plan vision and policies, and through support of the Housing Element.

The TASP was successful in generating new market rate housing, including smaller transit-oriented units that were affordable by design. However, it did not generate the anticipated amount of housing that is typically subsidized for

households earning below the area median income (AMI).

In 2018, the City of Milpitas adopted an inclusionary housing ordinance that requires 15 percent of new housing to be affordable at below-market rates. In general, these units must be built within individual development projects, though a developer can request that the City Council approve off-site development or an in-lieu impact fee payment. The citywide policies in the existing General Plan Housing Element and future Housing Elements that aim to expand

affordable housing are and will be the major policy drivers on affordable housing and will apply to the Milpitas Metro Specific Plan Area.

In accordance with Milpitas' inclusionary housing goals and policies, the Milpitas Metro Specific Plan will also require at least 15 percent of new housing to be affordable at below-market rates. Additionally, the Plan envisions a series of neighborhoods that will be "affordable by design" due to their excellent access to high-quality transit and multimodal access, higher density design, small to moderate unit sizes, and low parking ratios. Additionally, through future Housing Elements, the City will define affordable housing sites and establish Housing Opportunity Zones that support the development of affordable housing, which is likely to include sites within the Metro Plan Area.

2.1.6 Subdistricts

The Metro Plan is organized into five subdistricts which have unique characteristics and support different land uses (Figure 2-4).

These subdistricts are reoriented and reorganized from the original TASP subdistricts to better define them as cohesive neighborhoods, typically bounded by major streets and centered around a common open space area or business district. This section qualitatively describes each neighborhood; identifies recent changes as a result of development and implementation of the TASP; anticipates where new development is expected; and describes circulation, park, and infrastructure improvements that are documented in other chapters of the Milpitas Metro Specific Plan.

2.2 GREAT MALL SUBDISTRICT

The Milpitas Metro Specific Plan envisions repositioning the Great Mall Subdistrict, which includes the Great Mall itself, from a retail-only shopping center to a new transit-oriented high-density mixed-use neighborhood with a finer-grain street grid and signature public open spaces. Given the site's proximity to the Milpitas Transit Center and the potential of Great Mall site evolution, this subdistrict has a high opportunity for growth and the potential to transform into an transit oriented district that is committed to advancing sustainability and equity goals through high performance targets in areas such as access and mobility, community health, and energy

Figure 2-4. Subdistricts



The Milpitas Metro Subdistricts redefine subdistricts in the TASP.



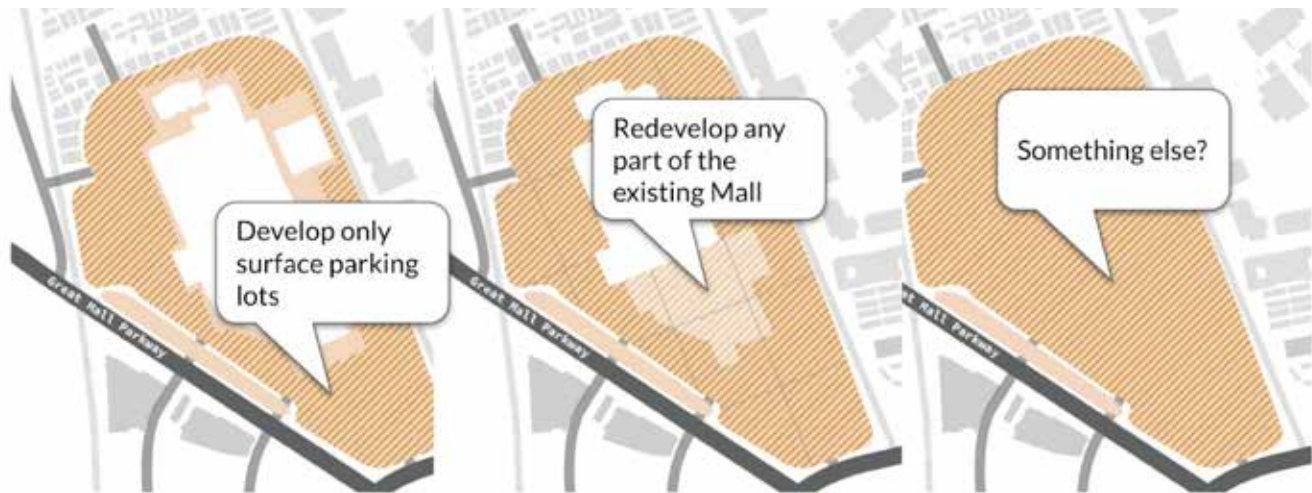
The vision for the Great Mall subdistrict as a transit-oriented high density, mixed-use neighborhood. This view is at Great Mall Parkway and McCandless Drive, looking through new development at the edges of the subdistrict to the Great Mall itself.



Illustration of the transformation of the Great Mall Parkway.



This illustrative Plan of the Great Mall Subdistrict demonstrates the vision for this subdistrict with a concept that includes part of the original mall remaining, residential infill at the north of the site, urban scaled buildings along Great Mall Parkway, commercial buildings that tie into the Innovation District located closest to the Milpitas Transit Station, a central public gathering place and linear park, and a walkable street grid.



The potential evolution of the Great Mall will be responsive to the local market and property owner needs and expertise.

usage. The Great Mall Subdistrict also has the potential to support a performing arts center, which could draw both local and regional visitors, given its location and accessibility from transit.

The subdistrict was largely unaddressed in the 2008 TASP and is currently zoned for general commercial use, which prohibits residential uses. The suburban character of the subdistrict has low building form and looks underdeveloped in comparison to the transit-oriented neighborhoods that have grown up around it. To provide flexibility and capacity for change, this subdistrict now includes land uses that support high-density mixed use throughout the majority of the subdistrict while maintaining parcels close to the Milpitas Transit Center as commercial and retail only.

This subdistrict is bound by Great Mall Parkway and Main Street to the west, the BART rail tracks to the east, and Montague Expressway to the south. The Subdistrict includes the Great Mall, owned by Simon Property Group, and, the parcels at the edge of the Great Mall site along Great Mall Parkway and Montague Expressway that are owned by a variety of owners. For planning purposes the Great Mall subdistrict is divided into distinct development pads, and each has been assigned development capacity. These pads may be individually identified as opportunity sites in the Housing Element.

2.2.1 Great Mall Subdistrict Priorities

The priorities for this area are:

- A walkable public street grid that is built with the phases of development that occur within the subdistrict. Streets would divide large parking lots into walkable blocks and streets that can be activated by the uses around them
- A central outdoor gathering space, and supporting publicly accessible open spaces that build a sense of place. These spaces will be the new amenities that anchor the entire district and would provide social gathering spaces for residents, workers, and visitors.
- Higher density mixed use development located close to the Great Mall Parkway and across from the Milpitas Transit Center where the urban scape is the most appropriate
- A mix of ground floor commercial space and housing for a variety of opportunities to live, work, and play near transit. Dedicated Shopping Streets with ground floor retail and services located parallel to Great Mall Parkway and extending into the Great Mall site that provide a lively and active sidewalk experience.
- New pedestrian and bicycling connections along Great Mall Parkway between both VTA Light Rail Stations and connections to adjacent neighboring areas to the north with opened streets, to the east with bridges across barriers, to the south with a dedicated cycletrack and linear park, and to the west with improved Great Mall Parkway pedestrian safety.



Walkable street grid.



Open space network with central plaza.



Mixed-Use development with higher densities near the Transit Center.



Concentration of new development near transit.

Illustrative graphics show the possibilities for the Great Mall Subdistrict and not what is proposed.

2.2.2 Great Mall

The Great Mall stretches from parking lots located close to the Transit Center to neighborhoods north of the site that are associated with Main Street. The structure of the Great Mall, originally developed in the 1960s as a major Ford auto factory, is 1.4 million square feet and one to two stories tall, with one multi-level parking garage on the north side of the mall.

The Great Mall continues to be a major Milpitas attraction and a highly successful location for retail. However, retail is evolving, and there is currently high potential for “lifestyle” retail, fitness, entertainment or a central gathering space to be the anchor for this regional destination. In addition, there is an excellent opportunity to provide housing and establish a strong employment base with direct access to transit within this subdistrict.

The evolution of retail will mean that there are complementary and additive changes to the site over time, and that we might anticipate redevelopment in phases. The City of Milpitas will partner with the owner of this site to establish a development plan for the property when appropriate. Refer to Figure 6-1 in Chapter 6:

Implementation for development pads on the Great Mall site that will support the phased evolution on the parcel.

- In the first phase, redevelopment at the Mall may include development of the surface parking lots around the site. It may start at the northern end of the site where new development could blend with the existing residential neighborhood that borders the subdistrict. Access at the northern end would improve access from Main Street to the Great Mall and Milpitas Transit Center.
- A mid-term phase could involve redeveloping the southern end of the site, closest to the Milpitas Transit Center, the Innovation District and hotels along Montague Expressway. This could involve replacement of any portion of the existing Great Mall structure to continue to transform the site into a more urban walkable block structure.
- In the long-term the Mall could be replaced with a variety of new uses, including retaining and reformatting substantial and profitable retail commercial uses.

2.2.3 VTA Bus Station

The sites at the edge of the Great Mall Subdistrict have potential for redevelopment. One key site located on Great Mall Parkway is the former VTA Bus Station, which was relocated to the new Milpitas Transit Center in June 2020. VTA has indicated it is likely that they will pursue redeveloping this site to include a significant amount of affordable housing and support their goal of 35 percent affordable housing across their property portfolio. This site is at a critical location in the subdistrict and could serve as a figurative bridge between recent mixed-use development at Great Mall Parkway and McCandless Drive and anticipated redevelopment on the Great Mall site. Redevelopment of the VTA site could improve



The former VTA Bus Station is now an opportunity site.



VTA owns another opportunity site next to the new VTA Bus Transfer Station at the Milpitas Transit Center.

mobility at the intersection of Great Mall Parkway and Main Street and incorporate existing and planned pedestrian overcrossings from the LRT station. This addition could be key to the success of the Main and Great Mall Parkway intersection, which is fraught with long, complicated, and uncomfortable walking conditions. A concept for improving this intersection and a plaza at the Great Mall subdistrict is further illustrated in Chapter 4.

2.2.4 Commercial Properties at Montague Expressway and Great Mall Parkway

The southern portion of the Great Mall Subdistrict includes several commercial priority parcels that are ideal for high-density office, R&D, office-supportive retail, and hotel uses between the Great Mall site and Montague Expressway. These parcels extend the Innovation District by preserving and encouraging employment land uses close to the Milpitas Transit Center while also providing a gateway experience to the arriving commuters and visitors.

2.3 INNOVATION DISTRICT

The Innovation District is a mixed-use, office, R&D and light industrial subdistrict located on the east side of the Plan Area. The subdistrict includes the Milpitas Transit Center and the crossroads of Montague Expressway and S. Milpitas Boulevard. It is bound by I-680 to the east and Capitol Avenue to the west.

The vision for the Innovation District of a new center for innovation and technology in Silicon Valley. The highest-density employment uses will be ideally located closest to transit, services and housing, and the construction of a vehicular bridge over Berryessa Creek will provide a direct connection to the rest of the Metro Area. New streets and sidewalks located south of Montague Expressway will connect employment centers

to Milpitas Boulevard and the Milpitas Transit Center. A new park and creek trails, which will provide workers with outdoor recreational space, are planned along Berryessa Creek. The strategy for the Innovation District is focused primarily on the employment uses and supportive services that make the Metro area a complete neighborhood.

There are three primary areas in the Innovation District:

- The Milpitas Transit Center, which includes the Milpitas BART station and VTA bus stops, is in the western part of the Innovation District. The sites closest to the Milpitas Transit Center are owned by VTA and potentially include housing, with commercial uses at the base buildings. Mixed-use development in this area will provide housing opportunities that complement the employment uses in this subdistrict.



A view from one of the upper levels of commercial office buildings looking upon the street extending over Berryessa Creek into the Innovation District.



Illustrative Plan of Innovation District and potential development around the Milpitas Transit Center.

- Sites near the intersection of Montague and S. Milpitas Boulevard are a central part of the Innovation District, an area that extends from the Great Mall past Berryessa Creek towards I-680. These sites are zoned Business Park Research & Development, Higher Density (BPRD-H) and intended to preserve employment lands by prohibiting residential uses and supporting primarily office and industrial uses.
- Along the easternmost portion, at the edge of I-680 are sites that are both freeway and transit accessible. These areas are anticipated to be R&D or industrial uses that are not as dense as envisioned for the center of the subdistrict and are zoned Business Park Research & Development, Lower Density (BPRD-L)

These land uses will accommodate business parks, high-density office buildings, research and development facilities, light manufacturing parks, and light industrial areas that provide for a variety of employment opportunities and services for Milpitas and the region. Uses that support businesses including health and fitness centers, restaurants and cafés, limited convenience retail, and day care facilities will also be encouraged to complement the campus-like development.

Given the high development potential for the Innovation District and its anticipated density, the feasibility of integrating high performance sustainability measures through the creation of an EcoDistrict, described in policy LU 1.5 below, will be explored. The Innovation District is conveniently located within walking distance of the Milpitas Transit Center and will support new

higher density development which could provide an opportunity for advancing sustainability measures related to accessibility, energy use, and resource management.

2.4 PIPER SUBDISTRICT

The Piper Subdistrict is the most built-out subdistrict in the Plan Area. The Metro Plan modifies the subdistrict by changing the land use of properties near the intersection of South Milpitas Boulevard and Montague Expressway to BPRD-H, which does not allow residential use, and reassigning these properties to the Innovation District.

This Piper subdistrict is bounded by the BART tracks to the west, Milpitas Boulevard to the east, and Montague Expressway to the south. The subdistrict includes Bob McGuire Park at the center of the subdistrict, surrounded by Multi-Family Residential High Density and Multi-Family



Aerial view of the Piper Subdistrict.

Residential Very High Density. A pedestrian overcrossing connects the Piper Subdistrict to the Milpitas Transit Center. The direct connectivity to the Milpitas Transit Center has made it attractive for developers to propose high density residential projects and build mixed-use development in the Piper Subdistrict.

2.5 MCCANDLESS SUBDISTRICT

The McCandless Subdistrict is mostly built out and is a visible result of planning from the TASP. This original subdistrict included the residential neighborhood south of Great Mall Parkway and west of Montague Expressway and has been expanded to include several additional residential parcels on Main Street. The expansion of the subdistrict to Main Street will increase the development potential for high-density residential parcels to the Plan Area. These areas are closely connected on Great Mall Parkway and close to the Great Mall VTA Light Rail Station.

The subdistrict is characterized by high-density mixed-use development along larger, busier streets and lower density townhouse development in central area. A signature part of the subdistrict is a neighborhood serving commercial district at The Fields with a Trader Joe's grocery store, retail, and a public gathering place, a block from the intersection of Great Mall Parkway and McCandless Drive.

Further down McCandless Drive, Mabel Mattos Elementary School has been constructed following the identification of the site for school use in the TASP. The second phase

of school construction is expanding to accommodate projected new development in the area. McCandless Park, a centerpiece of the McCandless subdistrict has been completed as the largest park in the Metro Area, and will serve the school and public through a joint-use agreement. McCandless Park is bordered by Penitencia Creek East Channel where a trail and pedestrian bridges are planned to connect across the creek and beyond.

The last part of this subdistrict to redevelop is a stretch along Montague Expressway between McCandless Avenue and Houret Court. This Plan established the framework for a new street pattern in the southern portion of the subdistrict that could ultimately provide access between McCandless Drive and Montague Expressway, via Houret Court. Houret Court will be redesigned as a part of that connection to make the adjacent parcels more feasible for mid-rise residential development and to facilitate access for mixed-use retail commercial development at McCandless Drive.

2.6 TANGO SUBDISTRICT

The Milpitas Metro Plan's focus in the Tango Subdistrict is to better connect and complete the internal circulation for the subdistrict and connect it to the Milpitas Transit Center which is adjacent to it, across Capital Avenue at S. Milpitas Boulevard Extension.

The name of the subdistrict is a combination of the names of two cul-de-sacs in the subdistrict, Tarob Court and Sango Court, that do not currently connect within the subdistrict. Barriers, such as South Penitencia Creek - East Channel



Illustrative Plan of the McCandless and Tango Subdistricts Districts.

divide the subdistrict. Large arterial streets - Montague Expressway, Capitol Avenue, and Trade Zone Boulevard that surround the subdistrict are also barriers to connectivity and circulation within the Metro Area.

Several residential and mixed-use buildings have been developed following the TASP, including the higher density apartments on Capitol Avenue and townhouses in the southern part of the subdistrict

along Trade Zone Boulevard. While there has been some development, the Tango Subdistrict is still transitioning from business park and industrial uses to “transit-oriented” as envisioned in the TASP. The remaining parcels in the subdistrict are located south of the creek and are envisioned to be higher density housing with some neighborhood-serving commercial services within walking distance to the Milpitas Transit Center.

Development fees are paying for a new pedestrian bridge, parks, and new streets to connect to the heart of the Tango Area. In 2020, the City of Milpitas bought key parcels in the subdistrict that will be developed as roadways, pathways, and parks to complete the Tango Subdistrict with a connection to the Milpitas Transit Center. A planned pedestrian bridge across Montague Expressway will connect the McCandless Subdistrict with the Tango Subdistrict along the Penitencia Creek Trail. When completed, this pedestrian and bicycle network will provide safe connections to the Milpitas Transit Center and to employment in the Innovation District. The circulation strategy in this area is described in more detail in the Mobility and Circulation Chapter (Chapter 4).

2.7 LAND USE POLICIES

LU 1. Mix of Uses. Provide a mix of land uses, including residential; neighborhood-serving, local, and regional retail and entertainment destinations; commercial; office; research and development facilities; parks; and public facilities, to create a complete neighborhood.

LU 1.1. Establish the Land Use Classifications outlined (Table 2-1) and the Land Use Map (Figure 2-2) to identify areas appropriate for residential, commercial, mixed use, office, and industrial development. Retail commercial uses shall be concentrated in a pedestrian-oriented pattern, further described with development standards (Chapter 3).

LU 1.2. Update the General Plan to establish the Metro Plan's boundaries to include parcels on Main Street and parcels east of Berryessa Creek as identified in the Plan Area Boundary map (Figure 1-3).

LU 1.3. Convert transit facilities into high density mixed use if they are not needed for transit.

LU 1.4. Within each subdistrict, no more than 20 percent of new development can be permitted without 20 percent of planned park/open space area being dedicated to that use.

LU 1.5. Explore the feasibility of creating an EcoDistrict in the Innovation District and/or the Great Mall Subdistrict: a vibrant, mixed-use neighborhood committed to advancing sustainability, resilience,

and equity through targeting a variety of performance areas, such as access and mobility, appropriate development, community health and well-being, energy, water, and materials management.

LU 1.6. Consider establishing or supporting the establishment of a performing arts center in the Great Mall Subdistrict.

LU 2. Transit Orientation. Capitalize on the transit orientation of the Plan Area to support transit ridership, reduce traffic congestion and greenhouse gas emissions, and support livability.

LU 2.1. Arrange the highest density areas supported by strong pedestrian and bicycle access ways and along the major corridors and transit-adjacent areas.

LU 2.2. Accommodate hotels in designated locations along major arterials that maximize access and visibility; are close to higher intensity businesses, shopping, entertainment, and dining; and enjoy good access to BART and light rail.

LU 2.3. Establish a strong pedestrian and transit orientation throughout the Plan Area and limit development design that prioritizes automobile access. Policies defining development design are found in Chapter 3: Site and Building Design Standards and Guidelines.

LU 2.3.1. Drive through formats are not allowed.

LU 2.4. Concentrate neighborhood retail uses along Shopping Streets, as designated in

Figure 4-6, to support nearby uses, reduce automobile dependence and support alternative modes of transportation. Refer to LU 6: Retail and Active Ground Floor Uses for guidance on desirable retail uses and design of street frontages.

LU 3. Housing Diversity and Affordability.

Provide transit-oriented housing that is accessible and affordable for a range of household types and income levels.

LU 3.1. At least 15 percent of the planned 5,000 to 7,000 new housing units in Milpitas Metro should be affordable, as regulated by the City of Milpitas' Inclusionary Housing Ordinance.

LU 3.2. Accommodate housing for a range of housing types, income levels, and rental and ownership models, including the following:

- Live/work units
- Group housing
- Co-living
- Senior housing
- Student housing

LU 3.3. Establish development intensities in Table 2-1 that support transit ridership, home-to-work convenience, neighborhood retail and active open spaces. Set minimum densities to prevent the underutilization of sites.

LU 3.4. Refer to Section 2.11 Private On-Site Common Spaces for requirements regarding the provision of publicly accessible open space.

LU 3.5. Encourage the development of affordable housing using frameworks established by the City, such as a Housing Opportunity Zone designation.

LU 3.6. When determining the density or unit count of non-traditional housing configurations, such as dormitories, co-living, or Single-Room Occupancy buildings, three bedrooms may be counted as the equivalent of one unit.

LU 4. Hotel. Allow hotels in mixed-use, commercial or research and development areas to encourage vitality and support local businesses.

LU 4.1. Hotels are an allowed use in the Business Park Research & Development, Lower Density; Business Park Research & Development, Higher Density; and Business Park Research & Development, Residential districts.

LU 4.2. Hotels may be designed to be converted into to residential rental properties

LU 5. Office. Preserve employment lands that accommodate a range of office and light industrial uses, including small businesses, larger offices, and R&D and technology uses.

LU 5.1. Create a well-connected, dynamic office and R&D employment destination by concentrating office and light industrial

uses and prohibiting housing in the Innovation District.

LU 5.2. Promote the development and appeal of flexible office and research and development uses in the Innovation District by ensuring strong connections to transit and the rest of the Metro Area. For street connection standards and guidelines, refer to Chapter 4: Mobility and Circulation.

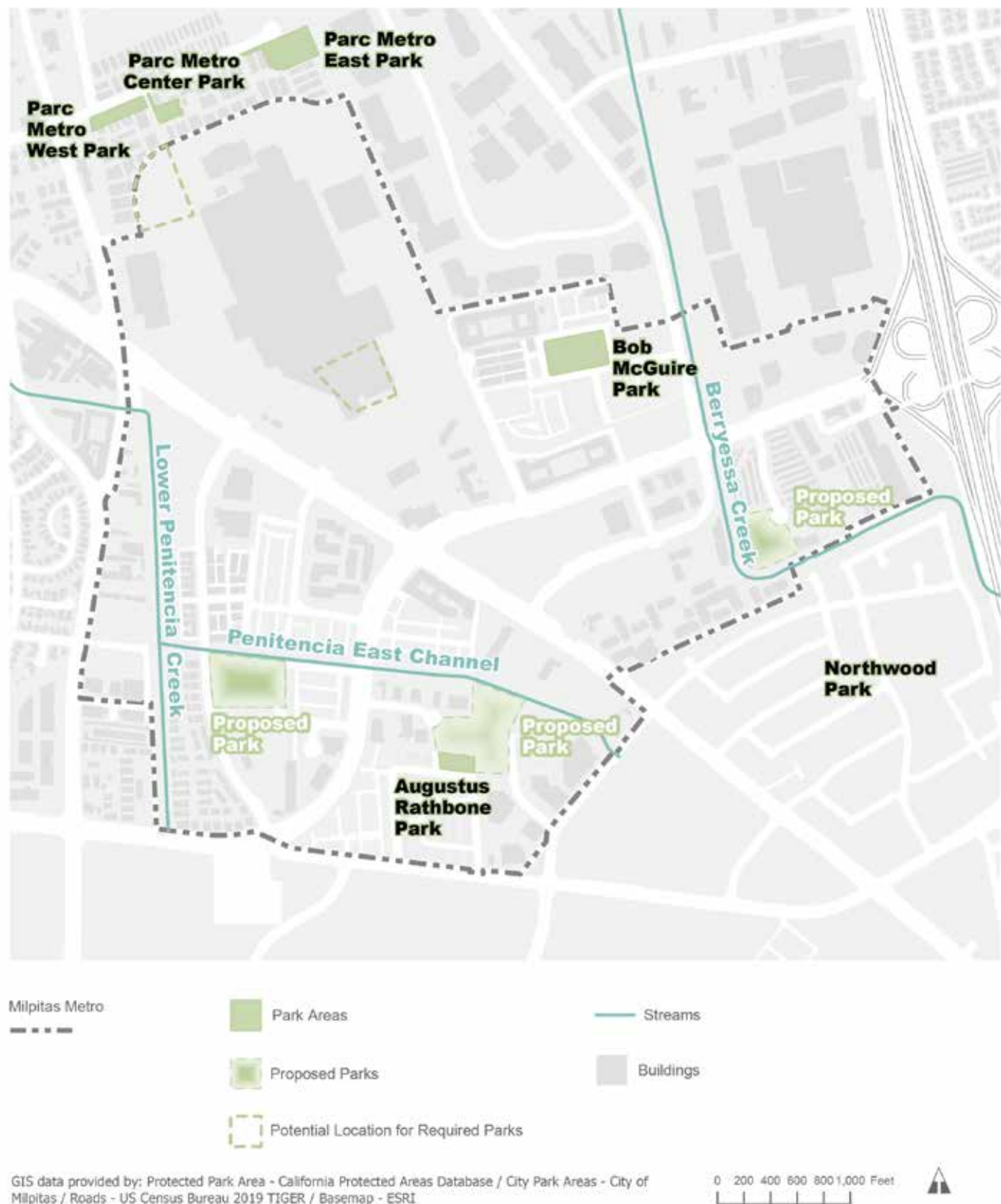
LU 5.3. Office and R&D buildings in the Innovation District should be highly adaptable to accommodate the needs of research-oriented sectors such as applied sciences and creative industries with specialized manufacturing.

LU 5.4. Encourage supporting food and beverage and neighborhood convenience retail in the Innovation District and in close proximity to other employment facilities. Office-supportive services should be located on the ground floor and in social hubs of the development where they can be directly accessed by the public.

LU 5.5. Office spaces throughout the Metro Area, and particularly in the Innovation District, are encouraged to be designed as incubators, accelerators, maker spaces, shared working spaces, and labs associated with innovation-driven economies. Large format high employee based offices are permitted.

LU 5.6. Support small-format offices (generally less than 5,000 square feet) within residential mixed-use buildings

Figure 2-5. Existing and Proposed Parks



outside of the Innovation District, where retail is not required, and through co-working configurations.

LU 5.7. Commercial office uses and commercial infill development are encouraged near Great Mall Parkway, Montague Expressway, and the Milpitas Transit Center to create a more mixed and complete neighborhood with the opportunity for employment. Office should be located close to transit and major streets.

LU 5.8. All office buildings and the supporting public spaces around them should be designed to stimulate connectivity, collaboration, and innovation.

LU 6. Retail and Active Ground Floors. Support a mix of neighborhood and regional serving retail and active ground floors that are compatible with surrounding land uses and are economically viable, as seen in the Land Use Map, Figure 2-2.

LU 6.1. Refer to 3.2 Buildings Design Standards and Guidelines for additional guidance.

LU 6.2. Retail and active ground floors are required on frontages along Shopping Streets. Refer to Chapter 4: Mobility and Circulation for additional standards regarding Shopping Streets.

LU 6.3. Ground floor retail uses shall encourage activities and foot traffic at the street frontage and may include uses such as restaurants, retail shopping, service-oriented uses, small offices, medical

clinics, gyms, and other similar uses.

LU 6.4. Prohibit drive-through establishments and other new automobile prioritized uses such as gas stations or car-oriented convenience stores.

LU 7. Public Services. Expand infrastructure and public services in parallel with new development.

LU 7.1. Consider locating a Police Substation in the Innovation District in proximity to the Milpitas Transit Center. Refer to Land Use Map, Figure 2-2 for approximate location.

LU 7.2. Consider developing a reuse facility in the Innovation District, in the nearby industrial district or elsewhere in the City that makes building materials available to customers, and acts as an outlet for reusable items otherwise destined for landfill.

LU 8. Community Spaces. Locate shared public spaces within each subdistrict to be easily accessible for residents.

LU 8.1. Refer to Section 2.10 Public Space Policies for public space policies and guidelines.



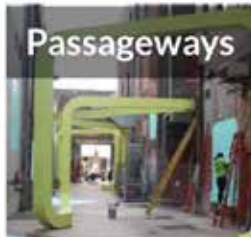
"Public Space"



"Open Space"



"Parks"



Some examples of Open Space Typologies that are envisioned for the Milpitas Metro Area.



An illustration of a creek trail along South Penitencia Creek - East Channel in the Tango Subdistrict. The pedestrian bridge and Tango District Park can be seen in the background.

2.8 PARKS AND PUBLIC SPACES FRAMEWORK

Open space is a critical component in dense urban communities where residents have limited to no private outdoor space and public open spaces become an extension of their homes. These spaces support social gatherings and recreational opportunities as well as places for quiet contemplation. Well-designed public spaces can also contribute to placemaking and be used to define the character and aesthetics of a neighborhood. In addition to social and health benefits, open spaces also have environmental benefits. Landscaping, parks, and gardens can help with stormwater management, reduce the heat island effect in urban areas by providing shade, and provide additional habitats for pollinators and other wildlife.

Open space is both a highly desired amenity and a limited resource in the Metro Area. Parks and other shared public spaces provide residents, workers, and visitors with recreational opportunities and can improve overall community health. Given the scarcity of undeveloped land that can be used for parkland, the Metro Plan uses a combination of acreage of open space and quality of open space to meet park demands. A variety of park typologies will be used to create a varied open space experience that will meet the different needs of the diversity of the people who live, work, and play in the Metro Area.

2.8.1 Relevance to Other City Plans

Providing open space that is safe, convenient, and is equitably accessible is a key tenet of the General Plan. General Plan Goal PROS-1 sets a citywide goal to “Provide a diversified and high quality public park and trail system that provides recreational opportunities for all residents.” The goals and subsequent strategies and actions contained in this chapter are intended to enhance and expand the citywide park and trail systems to maximize the recreational value of public amenities.

The City’s Parks and Recreation Master Plan (2021) establishes a long-term vision and strategy for the provision and programming of parkland and other public spaces across the City. The Master Plan evaluates existing park and recreational facilities and provides a policy framework for the City to respond to new opportunities and meet the changing needs of residents, workers, and visitors.

The Milpitas Metro Specific Plan’s vision of providing a greater variety of shared public spaces is consistent with the Parks and Recreation Master Plan’s overall vision, goals, and policies. The intent of this chapter is to implement the Parks and Recreation Master Plan and provide additional detail and discussion for parks planning within the Milpitas Metro Area. Developers should refer to the Parks and Recreation Master Plan for additional park guidelines not contained in the Milpitas Metro Specific Plan.

2.8.2 Determining Park Demand: Acres Ratio vs. Recreation Value System

Cities have traditionally calculated open space demand based on an acre to population ratio due to high cost of land against return in recreational value. Thus, areas with higher populations require more parks to be built. Requiring a particular number of acres of parkland creates a challenge to also provide sufficient funding for constructing and maintaining park amenities and might result in open spaces with limited amenities and limited or deferred maintenance. The General Plan establishes an overall goal of 3.5 acres of open space per 1,000 residents in the Milpitas Metro Area. The Milpitas Metro Specific Plan maintains this ratio as a standard, but provides additional nuance by using the Recreational Value System to quantify a public space's level of service.

Relying solely on a ratio of open space acres to population can create challenges for cities to adequately evaluate the quality of existing park spaces and to identify recreational needs. Additionally, dense urban areas where the need for public open space is higher due to the lack of private open spaces tend to have a shortage of space due to the competition for land.

The City's Parks and Recreation Master Plan establishes a Recreational Value System to maximize recreational opportunities, capacity, and experiences. The Recreational Value System provides a quantitative system for evaluating existing and proposed public parks on their capacity to provide social gathering, contemplative, and active recreational opportunities. This system will ensure that parks

are meeting their maximum potential in providing residents and workers with flexible and usable space. This type of value system prioritizes the variety of experiences, access and proximity to experiences, and a comprehensive range of spaces. The Recreational Value System strives to provide a more holistic picture of the City's park systems and illuminate future park opportunities.

2.8.3 Existing Park System Park Acreage and Location

The Milpitas Metro Area is home to the following publicly accessible park amenities:

- **Bob McGuire Park.** Located in the housing development east of the Great Mall, this popular three-acre park includes four tennis courts, an amphitheater, playgrounds, and a field.
- **McCandless Park.** Conveniently located next to Mabel Mattos Elementary School and adjacent to the creek walking trails, this four-acre park is under construction and will be completed in 2021.
- **Augustus Rathbone Park.** This small 0.7-acre neighborhood park is located in the Tango District. It contains playgrounds and grassy open space.
- **Creek Trails.** The trails that run adjacent to Penitencia Creek are popular outdoor recreational destinations for residents.

2.8.4 Park System Needs

The planning process for the Milpitas Metro Specific Plan included multiple outreach efforts which engaged over 400 people. The need for additional public outdoor spaces in the Milpitas Metro Area was identified as a top priority by community participants. The community's top three preferences for types of public space included places to gather, contemplative spaces, and recreational spaces. More specifically, the top three preferences were for plazas and courtyards, farmer's markets and community event spaces, and trails.

There are several opportunities for additional open space in the Milpitas Metro Area, including the following.

- **Tango District Park.** The City has secured land for a new public park in the Tango District north of the existing August Rathbone Park. This proposed park will be designed to be flexible to meet a diversity of different users and will add additional recreational open space to this growing residential neighborhood.
- **Creek Trails.** Improvements to the Penitencia Creek Trail are being guided by the Bicycle, Pedestrian, and Trails Plan. The existing creek trails will be expanded to connect to a larger citywide trail network to provide residents, workers, and visitors with more recreational access.
- **Great Mall.** As the city responds to changing economic markets, Great Mall and the area around it are anticipated to evolve into vibrant mixed-use areas that are centered around the pedestrian experience and landmark open spaces. The evolution of the Great Mall presents an opportunity for public plazas and flexible spaces that can support community events.
- **Innovation District.** A publicly accessible park is planned in the Innovation District adjacent to Berryessa Creek and the new roadway connection to S Milpitas Boulevard Extension. The proposed park is designed to provide recreational opportunities for workers and provide open space in a subdistrict that currently lacks park space

2.9 EXISTING AND PROPOSED PARKS OPEN SPACE STRATEGY

2.9.1 Open Space Typologies

The Milpitas Metro Specific Plan relies on several different open space typologies to achieve parks and open space goals. In the urban setting that is envisioned for Milpitas Metro, open spaces will look different than much of what exists now in the City of Milpitas. Parkland could include pocket parks, plazas, playgrounds, paseos, squares, performance venues, dog parks, and urban recreational spaces. With people living in smaller units without private yards, these shared open spaces will serve as the backyard for the community.

Given the land constraints of the Milpitas Metro Area, public parks alone may be inadequate for meeting the open space needs of residents and workers. Adequate open space will be ensured by evaluating public parks and privately-owned public spaces based on the Recreational Value System, while private communal space will be enforced through required minimums per unit.

- **Public Parks:** Public parks and spaces are owned and managed by the City and are accessible to the general public. Examples of public parks in the Milpitas Metro Area include Bob McGuire Park and Augustus Rathbone Park.
- **Privately-Owned Public Spaces:** Privately-owned public spaces are recreational or outdoor spaces that can be accessed by the general public and are owned and managed

by a private developer. Privately-owned public spaces must be designed to be easily accessed by the public from sidewalks or pathways and should be clearly marked as public spaces. These spaces have the same function as publicly-owned parks and plazas but are owned and maintained by a private party.

- **Private Communal Spaces:** Private communal spaces are recreational or outdoor spaces that are accessible to residents living within a residential community but are not open to the general public. These spaces may include balconies, porches, rooftop gardens, gyms, and other communal spaces that can only be accessed by residents in a particular building complex or community.

2.9.2 Open Space Network

The addition of public open space in the Milpitas Metro Area is a critical component to making the neighborhood more complete. The Milpitas Metro Specific Plan will create a connected network of public spaces by integrating new public spaces into the area and enhancing the quality of existing open space. Bike and pedestrian connections, including trails and sidewalks, are part of the open space network and will also increase accessibility to parks and other public space destinations.

Public space can come in a variety of different forms and sizes, including sports fields, plazas, parklets, courtyards, walking trails, and rooftop gardens. The Milpitas Metro Specific Plan utilizes different scaled public space and emphasizes partnership with private developers to meet the

outdoor needs of residents and workers. The Milpitas Metro Specific Plan will provide high-quality public space that maximizes recreational experiences within the space constraints of this urban environment.

2.9.3 Guiding Principles

The policies for public space are guided by the following principles:

- Require that phased projects prioritize the development of public amenities to serve new populations.
- Require residential and mixed-use projects to develop and maintain private public spaces that are accessible to residents and the general public.
- Use a hybrid model of an acres ratio and the Recreational Value System to assess public space facilities and identify opportunities for growth.
- Ensure that each subdistrict will ultimately include open space with amenities suitable to serve the uses and activity within or planned for the area.

2.10 PUBLIC SPACE POLICIES

PPS 1. Access. Ensure safe, broad, and equitable access to urban public spaces, such as parks, trails, and rooftop gardens.

PPS 1.1. Establish connections to parks and open spaces from the street and trail network that are easy to access.

PPS 1.2. Ensure that at least three sides of a park shall be accessible by pedestrians and bicyclists via a sidewalk, pathway, or trail.

PPS 1.3. The parks adjacent to Penitencia Creek and Berryessa Creek shall be designed to provide trailheads for accessing the citywide creek trail system.

PPS 1.4. Distribute public spaces to maximize accessibility from residential neighborhoods, workplaces, and commercial areas.

PPS 1.5. Create multiple smaller public urban spaces throughout the plan area rather than a single large park, locating at least one park in each subdistrict within walking distance from housing.

PPS 1.6. Locate small neighborhood-serving parks away from major thoroughfares, such as Montague Expressway.

PPS 1.7. Locate parks and outdoor gathering spaces adjacent to higher density residential development to provide a visual and activity amenity for housing, as well as to ensure safety through casual surveillance.

PPS 1.8. Activate parks to the extent feasible, by orienting development entrances to face onto parks and trails to enhance access and safety.

PPS 1.9. Consider including publicly accessible open space as part of the development of City-owned parcels along Main Street.

PPS 1.10. Refer to M 8.5 for parking requirements for publicly accessible parks.

PPS 2. Public Space Typologies. Provide a variety of different sized public spaces, including urban parks, neighborhood parks, community parks, plazas, and pathways that are appropriately scaled for their surroundings and support different activities.

PPS 2.1. Support a range of activities within parks that meet the active and passive recreation needs of Milpitas Metro Area residents and workers.

PPS 2.2. Provide for a range of activities within the parks, including: walking, jogging, picnicking, bicycling, arts and exercise classes for both children and adults, sports playing fields and courts, and flexible pop-up spaces. Provide:

- Passive recreation parks near housing that provide a visual amenity as well

as place to walk dogs, take children to play, etc.;

- Parks with sports fields;
- Urban plazas and courtyards with landscaping, paving, benches and trees;
- A community center where City recreation programs and classes can be offered;
- Staging areas along the trail network where people can access the trail system; and
- Parks along creeks where people can enjoy passive recreation in a creek setting.

PPS 2.3. Parks in the Great Mall Subdistrict shall be a minimum of 1 acre in area.

PPS 3. Recreational Value. Enhance and expand public open space facilities based on the Recreation Value System provided by the Parks and Recreation Master Plan.

PPS 3.1. Use the Recreational Value System to guide existing and future park improvements to ensure all parks provide a diversity of active, contemplative, and social gathering experiences.

PPS 3.2. Provide private open space to supplement public open space in meeting the outdoor and recreational needs of residents.

PPS 3.3. Private development must provide on-site open space at a rate of 100

square feet per unit. Refer to Section 2.11 Private On-Site Common Spaces for additional details on private on-site open space requirements. If developments are unable to provide the required private open space, they may pay an in-lieu fee as described in Chapter 1 Section 9 of the Municipal Zoning Code on a project-by-project basis.

PPS 3.4. Ensure that parking at parks and community centers are monitored and parking time limits are enforced to ensure the availability of parking for facility users.

PPS 4. Trails and Paths Network. Design the citywide trail system (as described in M 5) as an asset of the Plan Area's open space network in addition to the system's circulation role to connect subdistricts and residential neighborhoods with transit, shopping, and employment.

PPS 4.1. Complete a pedestrian and bicycle network that connects trails and pathways with pedestrian bridges, enhanced pedestrian-friendly environments, and bicycling enhancements to create a loop that connects the entire Milpitas Metro Area.

PPS 4.2. Refer to trail policies in SD 12 in Chapter 3: Site and Building Design Standards and Guidelines for guidance on the design of the trail network.

PPS 4.3. Develop and locate signage along the creek trails to educate trail users on the importance of preserving native vegetation, habitats, and resources.

Signage shall be compliant with wayfinding and signage guidelines and standards contained in Chapter 3: Site and Building Design Standards and Guidelines.

PPS 5. Public/Private Partnership. Work with property owners to develop public parks and open spaces as a part of development projects.

PPS 5.1. Activate the Great Mall Subdistrict with flexible urban public open spaces that support a range of purposes, including social gatherings.

PPS 5.2. Consider a range of ownership and maintenance options when developing open spaces within larger developments. Ownership and maintenance of publicly accessible open spaces will be negotiated between the developer and the City on project-by-project basis.

PPS 5.3. Development agreements that maintain public access to privately owned parks are prohibited from installing private single access gates from a single homeowner's property into the public space.

PPS 5.4. Permit applications for public improvements must identify location of, funding for, and ownership of identified public or publicly-accessible improvements on or adjacent to each site, including roadways, parks, trails, sidewalks, and other similar improvements, as agreed upon with the City.

PPS 5.5. Require developers to submit a soils report for all publicly accessible

improvements. The developer shall be responsible for remediating contaminated soils to acceptable standards as defined by the California Department of Toxic Substances Control.

PPS 5.6. Require privately-owned public spaces to be clearly visible and directly connected to the street or pedestrian pathways.

PPS 5.7. Developers may provide at least one of the following types of public open spaces as part of their development project:

- Park
- Plaza
- Garden
- Public sitting area

PPS 5.8. Require all existing and planned privately-owned public spaces to include a sign that is adjacent to a major public sidewalk and trail and is easily visible from the street and adjacent trails that states the space is open to the public.

PPS 6. Programming. Program parks and public open spaces to provide a variety of both temporal and ongoing experiences and opportunities for community events and education.

PPS 6.1. Coordinate with the Recreation and Community Services Department to activate parks and plazas with community events and allow residents and non-residents to rent out public spaces for events in compliance with citywide policies.

PPS 6.2. Encourage pop-up markets, food trucks, and other temporary events that activate the open space and encourage community gatherings.

PPS 6.3. Renew and develop park facilities to foster education about and engagement in the natural world.

PPS 6.4. Where there is strong public support to manage and maintain them, establish community gardens and edible landscapes within the neighborhood parks that will provide education, access to healthy foods, and economic support for the local food system.

PPS 7. Community Gardens. Include Community Gardens for community wellness and benefit.

PPS 7.1. Make food services available on/at community-level parklands to benefit residents, park visitors, and the environment.

PPS 7.2. Encourage naturally occurring biological pest control.

PPS 7.3. Adopt cultural practices that include cultivating, pruning, fertilizing, maintenance and irrigation practices that reduce pest problems.

PPS 7.4. Encourage use of alternate plant species or varieties that resist pests.

PPS 7.5. Limit monoculture plantings where possible.

PPS 7.6. Require community gardens to be consistent with Community Rules and Regulations, which emphasizes:

- No parking in or outside of the garden is allowed.
- Only flowers, fruits, vegetables, and herbs may be grown in the plots. Animal husbandry is not allowed. Only plant species that do not present a danger to others and that produce edible food may be grown. No illegal plants are allowed.

PPS 8. Plazas. Plazas should serve as destinations for community members of all ages, income levels, and abilities, and should be safe, inclusive, and welcoming.

PPS 8.1. Require developer to fund and construct a new public plaza at the Great Mall. Ownership and maintenance of the plaza will be negotiated between the developer and the City.

PPS 8.2. Refer to BD 12 in Chapter 3: Site and Building Design Standards and Guidelines for guidance on the design of plazas.

PPS 9. Landscaping. Provide drought-tolerant landscaping and shade trees that contribute to a comfortable pedestrian experience and maximize environmental benefits.

PPS 9.1. Landscape and maintain all waterway riparian areas where creek trails provide a public presence. All plants and trees located adjacent to public rights of way or in publicly-accessible areas shall be locally-sourced native, drought-tolerant, or water conserving species.

PPS 9.2. Require development projects to include on-site vegetated stormwater treatment and landscaping and shade trees at a rate of one tree per 5,000 square feet of the residential building footprint and one tree for every 10,000 square feet of developed lot area for non-residential or mixed use development to reduce heat island effect.

PPS 9.3. Require native species to be planted along creek corridors. Private property owners shall replace invasive and non-

native species with native plants and trees when significant re-landscaping or remodeling occurs.

PPS 9.4. Require development projects to rehabilitate areas where vegetation is displaced or disturbed by the development.

PPS 9.5. Daylight existing creeks and waterways, supporting permeable creek beds where practical in collaboration with regional water management agencies.

PPS 9.6. Identify opportunities to expand the use of plants, including those listed by the Santa Clara Valley Urban Runoff Pollution Prevention Program, in the planning area.

PPS 9.7. Expand shade tree coverage in the Plan Area, particularly in areas underserved by street trees.

PPS 10. Recreation and Cultural Centers.

Enhance Milpitas Metro as a recreational and cultural destination.

PPS 10.1. Promote the establishment of a community and regionally-focused performing and visual arts center.

2.11 PRIVATE ON-SITE COMMON SPACES

Communal and public outdoor spaces are essential elements of residential development. All residential developments and developments with residential components are required to provide a mix of common and private space. Table 2-3 summarizes the minimum on-site open space that shall be provided and examples of open space types that can be used to fulfill these requirements are described below.

2.11.1 Common Shared Spaces

Description. Common shared spaces are areas that are intended for common use by residents of the building. Plazas and open space areas intended for common use should have clearly defined visual and physical connections that promote a comfortable transition from the public to the private realm.

Requirements. The provision and design of personal open spaces must comply with the following standards.

CSS-1. At least 30 percent of the total on-site open space provided must be common shared spaces.

CSS-2. At least 5 percent of the total open space provided should be accessible to the non-residents.

CSS-3. Developments within mixed-use zones that provide at least 50 percent of their units at or below 80 percent AMI are not required to provide public-serving open space.

CSS-4. A maximum of 20 percent of landscaped areas that are at least 5 feet wide is allowed to count towards on-site open space requirements.

CSS-5. Types of shared spaces that can be used to fulfill this requirement include but are not limited to:

- Courtyards
- Gardens
- Play areas
- Outdoor dining
- Recreation amenities
- Rooftop amenities
- Landscaping

CSS-6. Common open space construction, irrigation and planting must be completed before the occupation of a building.

2.11.2 Private Open Spaces

Description. Private open spaces, such as patios and balconies, are outdoor spaces that are only accessible to the residents of an individual unit. Private open spaces are required not only because they provide access to the outdoor environment but also because they provide visual interest to the design of buildings. Boundaries between private open spaces and shared walkways and communal spaces should be clearly delineated and private open spaces should be designed to ensure privacy and provide a sense of enclosure.

Requirements. The design of private open spaces must comply with the following standards.

POS-1. Private open space must be at least 6 feet in width, length, or depth to ensure that the space is large enough to be usable.

POS-2. Examples of private open space that can be built include, but are not limited to balconies, private yards, terraces, decks, and porches.

POS-3. Private open space construction, irrigation and planting must be completed before the occupation of a building.

Table 2-3. Private On-Site Common Space Requirements for Residential Development

	Minimum Requirement	Common Shared Space	Accessible to the Public
Required On-Site Open Space	100 square feet per unit	Minimum of 30% of total open space	Minimum of 5% of total open space

Higher density residential development
on Capitol Avenue near the Milpitas
Transit Center.

3. SITE AND BUILDING DESIGN STANDARDS AND GUIDELINES

3.1. Site Design Standards and Guidelines

3.2. Building Design Standards and Guidelines

This chapter implements the Plan's vision by establishing policies that relate to the layout of sites and architectural design of buildings. Underlying the design standards is the intent of creating an exceptional and interesting sense of place, which can be achieved through building design, signage, public art, and other design features. Site and building design guidelines are critical to enhancing the lasting value of the public realm. Several site design elements, such as wayfinding signage and public art, will be developed through the City's Business Improvement Program (BIP) and would not be constructed by the developer. These publicly funded projects are identified in Chapter 6: Implementation.

The chapter is organized starting at a site scale and moving to the building scale. The following policies are particular to the Milpitas Metro Specific Plan Area and additional to the Citywide Building Standards and Design Guidelines for residential projects.

3.1 SITE DESIGN STANDARDS AND GUIDELINES

The site design policies focus primarily on the public realm, whether publicly or privately owned or developed, which includes all places and spaces that are accessible to everyone, including streets, lanes, squares, plazas, courtyards, sidewalks, trails, parks, and open spaces. The majority of the public realm will fall within City-owned/ controlled rights of way. These guidelines are intended to provide private development with information about design consistency. Private development will be responsible for some of the design and construction of the amenities within the public realm. Policies that guide the design of the public realm strengthen the sense of place and walkability with features that enhance the Metro district identity and weave together the varied elements of the district.

SD 1. Blocks. Blocks shall be limited in length to encourage an interconnected, walkable urban fabric.

SD 1.1. Maximum Block Length. The maximum block length is 400 feet between street centerlines on rights

of way that are intended for vehicular use. Ideally, walkable block lengths are 300 feet or less.

SD 1.2. Mid-block Passages. Publicly accessible mid-block pedestrian-accessible passages are required for building facades longer than 300 feet to ensure a walkable scale. These mid-block passages must lead to a public amenity and through to another public street to make large blocks more walkable.

Streets, Trails and Passageways. Streets, trails, and passageways shall be designed to safely and comfortably support multimodal mobility, engaging transitions to the private realm, and ease of access to destinations throughout Milpitas Metro.

SD 2. Circulation and Access Requirements.

New streets shall include an easement for public access and shall be considered rights of way, whether they are owned by a public or private entity.

SD 2.1. Walkability. New streets shall prioritize walkability and pedestrian safety through human-scaled streetscape design as well as provide vehicular access.

SD 2.2. Street Grid. New public streets shall be carefully planned and constructed in the Great Mall Subdistrict and Innovation

District to provide a walkable and bicycle friendly street grid. These new streets include three types: pedestrian retail street, neighborhood street, and trails.

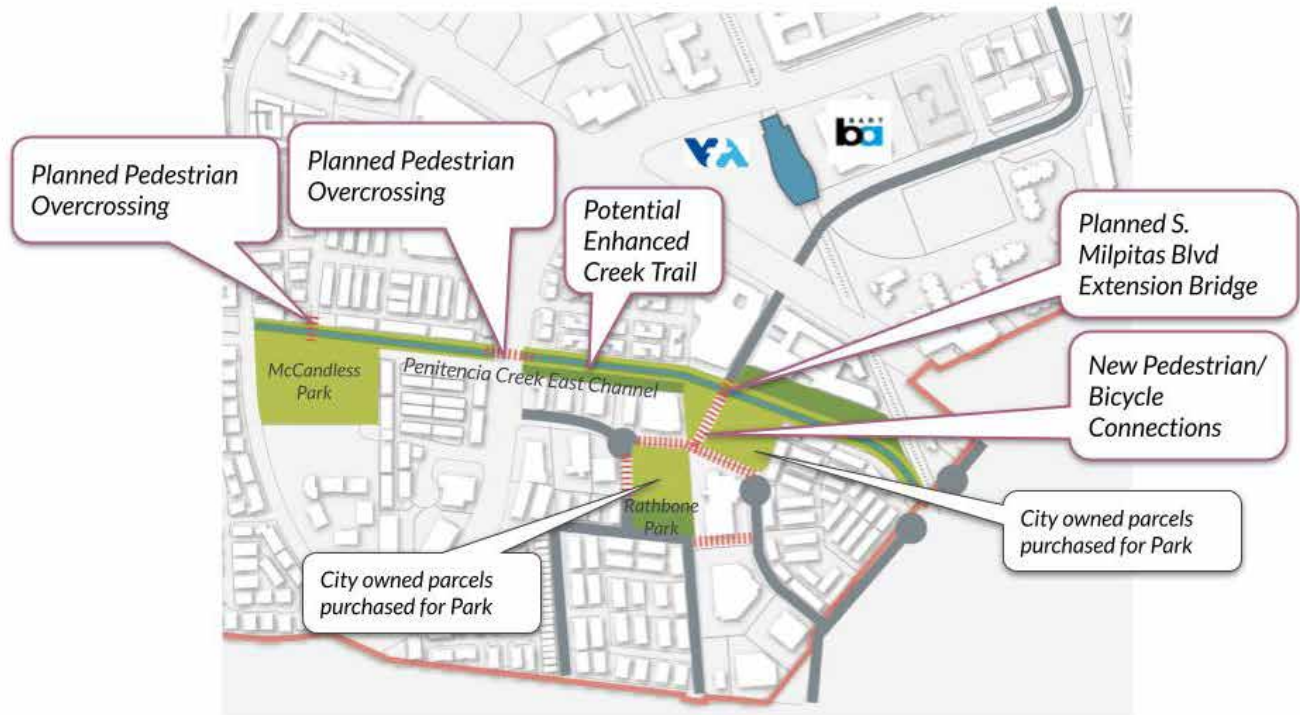
SD 2.3. Travel Lane Dimensions. Single-direction travel lanes shall be 9-11 feet wide. Ten feet is generally adequate.

SD 2.4. Low-Volume Streets or Access Roads. 2-way streets or access roads with low or medium volumes of traffic may benefit from the use of a dashed center line with narrow lane widths or no center line at all. In such instances, the City may allocate additional right-of-way to bicyclists or pedestrians while permitting motorists to cross the center of the roadway when passing.

SD 2.5. Parking Lane Dimensions. Parking lanes shall be 7-9 feet wide.

SD 2.6. Street Development and Ownership. Developers of parcels with edges that abut a new street shall install complete street improvements to the centerline of the street as part of the development. The street right-of-way will then be transferred to City ownership and maintenance unless developed as a private street. Developers of parcels through which a proposed street runs are responsible for the development and ongoing maintenance of the public right-of-way and shall provide an access

Figure 3-1. Tango Subdistrict Connections



easement to the right-of-way.

SD 2.7. Multimodal Streetscape. A protected bike lane and linear park shall be provided on Great Mall Parkway to improve the walking and bicycling experience and transform the corridor into a multi-modal streetscape. Refer to Figure 4-7 for the proposed street section on Great Mall Parkway.

SD 2.8. Tango Improvements. New public pathways and streets shall be carefully planned and constructed in the Tango Subdistrict to provide clear and efficient pedestrian and bicycle connectivity

to the Milpitas Transit Center and adjacent neighborhoods. The publicly-funded pathway and pedestrian bridge that connects to S. Milpitas Boulevard Extension shall be designed for Emergency Vehicle Access but restricted from through traffic. A pedestrian pathway shall connect northward from the end of Tarob Court with the creek trail and at midblock on Tarob Court with Journey Way. New street and sidewalk extensions are required at Jubilee Street to meet Sango Court and from Sango Court to meet Tarob Court to complete connectivity in this subdistrict. Refer to Figure 3-1 for

proposed connections.

SD 2.9. Trail Improvements. Trail improvements and new trails shall be provided along both sides of Berryessa Creek and South Penitencia Creek East Channel to improve connectivity to the Milpitas Transit Center and between subdistricts. All trail improvements must be designed in partnership with Valley Water. Trails are envisioned as providing minimum 8-foot-wide multi-weather pathways that can also accommodate maintenance vehicles, and landscaping minimally on the outside edge of trails away from water channels. Trails should be lit with pedestrian-scale, fully downward-shielded lighting.

SD 2.10. Houret Court. Vehicle circulation and pedestrian pathways off of Houret Court shall be redesigned to provide access to McCandless Drive and McCandless Park. This includes redesigning a portion of the existing cul-de-sac to permit through traffic while continuing to accommodate existing driveways and access points.

SD 2.11. Emergency Access. Development projects on South Main Street that are adjacent to the railway must provide a vehicular easement at the rear of the site adjacent to the railway in order to facilitate Fire Department access and

access to rear parking facilities.

SD 2.12. Loading Zones. Truck and freight loading is prohibited in the public right-of-way.

SD 3. Sidewalks. Design the streetscape to enhance the pedestrian experience and provide as much connectivity among neighborhoods and open space amenities throughout the district as possible.

SD 3.1. Dimensions. Sidewalks must be a minimum of 6 feet wide without obstacles of any kind and must include a minimum of eight feet of vertical clearance without obstructions.

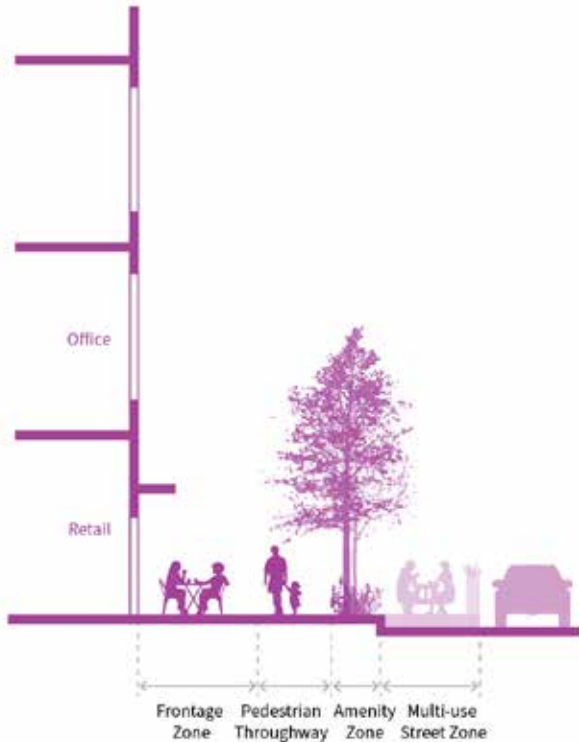
SD 3.2. Curb Cuts. The sloped portion of any ramps and curb cuts shall not extend into the pedestrian circulation pathway (sidewalk).

SD 3.3. Sidewalk Clearance. Street furniture, utility poles, street lighting, traffic signs, street trees, mailboxes and signage may not obstruct the pedestrian pathway on sidewalks.

SD 3.4. Location of Utilities. Where practical, manholes, vaults, and other utility access points should be located out of the sidewalk area.

SD 3.5. Location of Mailboxes. Mailboxes shall be located adjacent to internal site circulation or inside buildings. Mailboxes

Figure 3-1. Sidewalk Zones on Shopping Streets



shall not be located on primary roadways.

SD 4. Shopping Streets. Ground floor retail is required along Shopping Streets. The sidewalk on Shopping Streets has a frontage zone, a pedestrian pathway, and an amenity zone. Shopping Streets also include a multi-use street zone for on-street parking, loading, parklets, landscaping, or other pedestrian amenities. Shopping Streets are described in further detail in Chapter 4: Mobility and Circulation.

SD 4.1. Orientation. Ground floor retail storefronts and entrances must be

oriented toward Shopping Streets.

SD 4.2. Loading Areas. Loading and service entrances for ground floor retail must not be visible on Shopping Streets.

SD 4.3. Preferred Commercial Uses.

Shopping Streets include retail and service establishments; food and beverage, such as restaurants; cafes; bars and brew pubs; co-working spaces; art and craft studios; gyms; and other similar uses. Office uses are permitted if operations provide products or services to the public in a manner similar to retail sales (e.g. travel and real estate businesses).

SD 4.4. Decorative Elements. On streets with commercial frontages, businesses are encouraged to provide decorative elements (e.g. landscaping, potted plants, patios, architectural elements, etc.) that activate the public streetscape, visually enhance the building frontage, identify building entrances, and generally engage the public realm, without constricting the flow of pedestrian traffic.

SD 4.5. Signage. Signage along Shopping Streets shall be provided at both a pedestrian and vehicular scales and orientations. All signage shall be consistent with City and local wayfinding and branding systems.

SD 5. Frontage Zone. A Frontage Zone is a

transition entry zone located on private property or on the outside edge of the clear sidewalk area adjacent to the ground floor building frontage that supports adjoining commercial uses by accommodating features and activities, such as outdoor dining.

SD 5.1. Pedestrian Access. An unobstructed pedestrian walkway at least 5 feet wide must be maintained in frontage zones at all times.

SD 5.2. Private Furnishings. Private furnishings are permitted in the frontage zone. Furnishings may include seating, tables, planters, and art.

SD 5.3. Sidewalk Cafes. Sidewalk cafes are encouraged within the frontage zone. Such uses must comply with all applicable local, state, and federal regulations for permitting, accessibility, and health issues.

SD 5.4. Vertical Clearance. Awnings, canopies, and umbrellas used within the frontage zone should provide a minimum vertical clearance of 8 feet and should not project into the vehicular right of way.

SD 5.5. Width. Where installed, an ideal minimum frontage zone width is 1.5 feet. A frontage zone is not needed if the sidewalk corridor is adjacent to a landscaped space or public plaza.

SD 5.6. Constrained Frontage Zones. In the event there is insufficient right-of-way

width, the frontage zone can be reduced to augment widths of the walkway and amenity zones. If there is insufficient frontage zone space to accommodate private uses such as cafes and sidewalk displays, additional area should be taken from the private realm rather than constrain the function or character of the walkway and amenity zones.

SD 5.7. Paving Treatments. Paving within the private frontage should be compatible with that in the Pedestrian Zone. Variation may occur where permanent private retail amenities such as outdoor eating area perimeter railings occur. Large paved plaza areas on private property are not covered by this policy. Examples of areas appropriate for unique paving may include plazas, paseos, and deeply set back building entries.

SD 5.8. Small Plazas. Small plazas are encouraged where the building and storefront entryway is setback. Plaza areas, music performance areas, and other gathering spaces are encouraged.

SD 6. Amenity Zone. Amenity zones shall be located between the street and the Pedestrian Zone and provide amenities contributing to pedestrian comfort, convenience, safety and interest, and support positive social interaction.

SD 6.1. Consolidated Elements in the

Amenity Zone. Features such as public utilities and street furniture shall be consolidated in the Public Amenities Zone to keep them from becoming obstacles in the Pedestrian Zone. This includes, but is not limited to street trees, planting strips, street furniture, bicycle parking, signal poles, pedestrian scaled street lighting, signal and electrical cabinets, signs, parking meters, fire hydrants, transit shelters, and kiosks.

SD 6.2. Setback from Curb. To the degree feasible, elements within the Public Amenity Zone should be set back at least 3 feet from the face of the street curb to avoid conflict with on-street parking (e.g. car doors, passenger loading, etc.), but no less than 1.5 feet.

SD 6.3. Seating. Benches and seating areas should typically be located in mid-block locations where there is less potential conflict with pedestrian traffic flow. Short walls that are 18-24 inches tall with a minimum width of 12 inches are allowed to provide informal seating.

SD 6.4. Street Trees. Street trees shall be planted in the Amenity Zone at a maximum of 30 feet apart. Street trees shall be selected from Milpitas's Approved Street Trees list. No more than one species shall be planted per block in planters between the street and

the sidewalk. Trees should be the same species on both sides of the street on each block. Specimens may be more varied adjacent to buildings.

SD 6.5. Unified Design Identity. Provide a continuity of streetscape features along the length of a street. At a district scale, coordinated design, type, color and material of street furniture contribute to a sense of community identity, and reflect and strengthen the local character.

SD 7. Multi-Use Street Zone. The Multi-use Street Zone is typically used for on street parking but could also be a place next to travel lanes that is used for loading, parklets, extensions of landscaping, and other pedestrian amenities.

SD 7.1. On-Street Parking and Loading Zones. On-street parking and loading zones may be marked with a painted curb. However, a curbless street with differentiated paving from typical streets is also allowed and encouraged to provide a pedestrian-prioritized environment.

SD 8. Parklets. Public spaces can be provided in the street right-of-way in place of existing parking spaces near any food and beverage establishment. These types of spaces are typically called "parklets."

SD 8.1. Length. The minimum length for a

parklet and its required safety features is 20 feet. While there is no maximum length for a parklet, proposals that use more than 2 parking spaces (more than 40 feet) will require additional review.

SD 8.2. Width. In locations with parallel parking, the maximum parklet width is 6 feet, measured from the curb. A 1-foot setback shall be provided from the edge of an adjacent bike lane or vehicle travel lane. A wider parklet may be possible on streets with back-in angle parking.

SD 8.3. Buffer. A minimum 4-foot buffer is required on both ends of the parklet. This means that the smallest parklet structure would be 12 feet long. If the parklet is at a corner, the buffer is not required, but the parklet should leave at least 5 feet between your parklet and the stop bar at an intersection.

SD 8.4. Wheel Stops. Wheel stops shall be installed at the back of the buffers to prevent parking too close to the parklet.

SD 8.5. Dining. The extension of the sidewalk for public seating and dining is allowed in all on-street parking zones.

SD 8.6. Seating. Seating and gathering spaces should be provided in parklets to extend the visible pedestrian realm and establish public space on both sides of the sidewalk. Seating areas should be

protected from traffic with highly visible barriers and must be approved by the Public Works Department.

SD 8.7. On-Street Bike Parking. On-street bike parking is allowed and encouraged next to parklets. Provide at least 4 feet of space on either end of the rack to give bikers space to use the rack.

SD 8.8. Extended Landscaping. Bulb-outs, bioswales, pocket gardens, and other features that extend the pedestrian realm should be explored to enhance walkability and the streetscape.

SD 9. Great Mall Parkway Complete Streets Improvements. Great Mall Parkway between Montague Expressway and Main Street shall be transformed into a complete street by narrowing travel lanes and the central median and adding protected bicycle lanes and a linear park with a minimum width of 20 feet, next to a sidewalk with a minimum width of 20 feet. This corridor requires building entrances and active ground floor uses to orient towards Great Mall Parkway. Refer to Figure 4-7 for the cross section of Great Mall Parkway and street amenities that should be included.

SD 10. Neighborhood Streets. Neighborhood streets include a planting strip, sidewalk, and landscaped setback.

SD 10.1. Active Frontages. Neighborhood

Street typologies are referenced in Figure 4-6. Active frontages are required (where indicated). Active uses can be storefront commercial, live/ work, ground floor office, or ground floor residential shared amenities, such as a lobby, gym, or conference room.

SD 10.2. Landscaping. Landscaping in the planting strip may include low bushes and street trees and must be clear of the sidewalk.

SD 11. Passageway Design. Opportunities for new mid-block connections, such as pedestrian paseos, pedestrian paths, or other pedestrian routes should be considered to break up long block length and enhance pedestrian connectivity. These public accesses extending to the rear of a development should be configured as

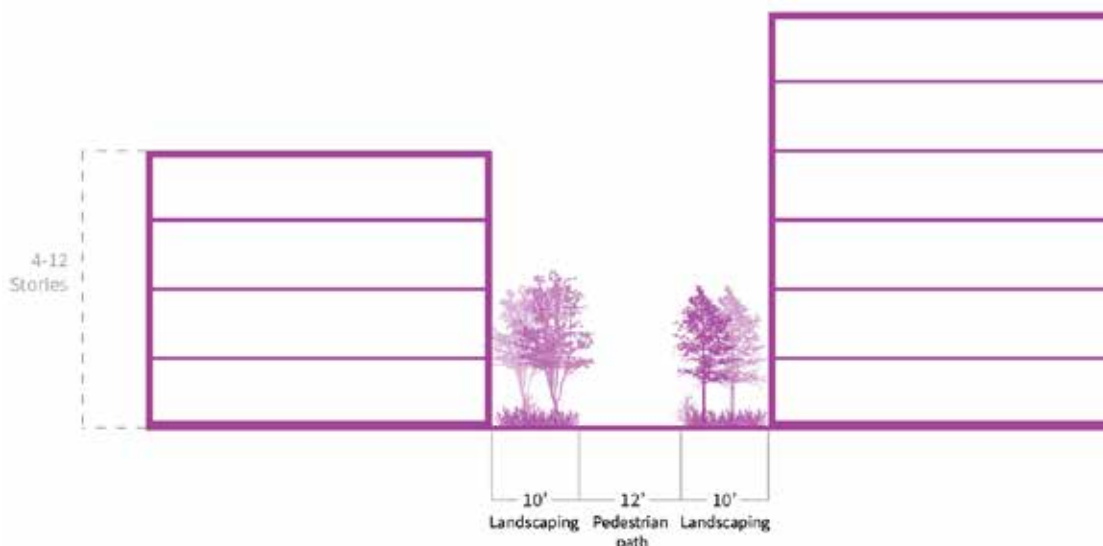
a paseo with active uses and building entries. A paseo is defined as a narrow lane that can accommodate light service traffic and pedestrian circulation but has the characteristics of a pedestrian walkway with regard to pavement, furnishings, lighting, and signage.

SD 11.1. Width. Passageways shall include a minimum of 12 feet wide unobstructed pedestrian clearance and a buffer of a minimum of 10 feet on either side for a minimum of 32 feet between building faces.

SD 11.2. Visibility. Passageway should be visible from adjacent buildings and well-lit for safety.

SD 11.3. Accessibility. All mid-block

Figure 3-2. Passageway



connections shall encourage public use for all members of the community.

SD 11.4. Uses. Passageways can be used for outdoor dining, gathering spaces and children’s play areas. A clear pathway should be maintained through the passageway for accessibility and incidental emergency vehicle access, though these passageways may not be considered adequate for required emergency vehicle access, which must be designed in conference with emergency service providers.

SD 11.5. Passageway Elements. Landscaping, seating, tables, potted plants, artworks, bicycle racks, kiosks and textured or decorative paving should be considered to promote passageway activity and create visual interest.

SD 11.6. Utility and Trash Enclosures. All utilities located in the passageway should be screened.

SD 12. Trails. Recreational trails are part of a connective network that includes the Transit Center. Trails are multi-use and support non-motorized recreational activities. Refer to Figure 4-15 for additional guidelines.

SD 12.1. Coordination. All creek-side trail construction shall be coordinated with Valley Water and include considerations for flood control.

SD 12.2. Relationship to Development.

When appropriate, trails should relate to adjacent development. This could be defined as an access point, complimentary landscape palettes, or shared public space.

SD 12.3. Multi-use Trails. Multi-use trails intended for pedestrians and bicyclists shall be a minimum of 10 feet wide.

SD 12.4. Landscaping. Shade trees along trails should be placed an average of 30 feet on-center at the edges of parcels along the multi-use path.

SD 12.5. Lighting. Adequate lighting shall be provided along trails for safety at night.

SD 13. Special Conditions along Rail Lines. Any development projects, parks, or pedestrian trails built directly adjacent to a rail line (i.e. sharing a property boundary, not separated from the rail line by a roadway) shall build continuous fencing or solid walls between the development and the rail line to ensure that there will be no pedestrian access to the line. Fencing shall be designed to deter graffiti and trespassing.

SD 14. Access. Refer to Citywide Standards for Loading/ Service, Mail/ Delivery, Waste Removal, and Public Safety.

SD 15. Publicly Accessible Open Spaces. Publicly accessible open spaces allow opportunities for recreation, socialization,

reflection, and other activities. These spaces must be located and designed to provide a high level of utility and contribute to the local sense of place.

SD 15.1. Location/ Access Requirements

SD 15.1.1. Location. A publicly accessible open space is required in every subdistrict.

SD 15.1.2. Great Mall Subdistrict. A publicly accessible central gathering place for the district must be located in the Great Mall Subdistrict

SD 15.1.3. Accessibility. Publicly accessible open spaces must be accessible at all times and entry may not be controlled through fencing or gates.

SD 15.1.4. Privately Owned Spaces. Privately owned public spaces may be provided in addition to public spaces.

SD 15.2. Size. Parks must be a minimum of 1 acre in size, unless otherwise agreed to by the City. Privately-developed open space that is applying for full or partial waiver of open space related fees or requirements must receive City approval.

SD 15.3. Types of Open Space. Open spaces may include plazas, squares, gathering places, paseos, passageways, trails, and parklets. The types of open space desired provide amenities for

socializing in big and small groups, performance, recreation, events, and pets. Refer to the City's Parks and Recreation Master Plan and Chapter 2: Land Use and Public Space for additional descriptions on different types of open spaces and amenities.

SD 15.4. Accessibility. Spaces should be designed to be accessible to the highest possible number of users. They should be accessible from a public sidewalk and be inviting to the public. Public plazas shall be constructed with ADA-compliant ramps and tactile warning strips at the crosswalks. Extra attention should be paid to how mobility-impaired and sight-impaired individuals will navigate these spaces. Clear, direct pedestrian routes that are at least 5 to 8 feet wide are required through gathering space. Equipment and facilities such as tables, trash cans, restrooms, and drinking fountains should allow for universal access, including people of all ages and ability levels.

SD 15.5. Design of Open Space. Open spaces may be any combination of hardscape (paving) and softscape (planted area). Plazas should be designed with durable materials. Spaces should be designed to be multi-functional and make the most of every square foot and accommodate flexible programming and activities. Design elements that extend

a community spaces' hours of use and months of use should be used, such as lighting and weather protection.

SD 15.6. Edge Treatment. Community gathering places shall be framed by placing a building or strong edge on at least two sides, preferably more. Where open spaces cannot be framed by buildings, an active use, architectural elements, or significant landscaping can be used to create a sense of enclosure. Shared building entrances should be oriented to adjacent open spaces, where possible.

SD 15.7. Seating. A variety of seating opportunities shall be provided. This should include moveable and fixed seating as well as seat walls, steps, boulders, and other multi-use objects. Seating should allow for both social interaction and private relaxation; be placed along pathways and within or near gathering spaces; and be comfortable yet durable.

SD 15.8. Landscaping. Landscaping must be designed using a unique landscape palette, one that incorporates plants at a variety of heights and with a range of visual textures, colors, and blooming habit. Open spaces should include native, drought-tolerant plantings that are inviting to local wildlife.

SD 15.9. Special Features. Unique

experiences such as fountains, sculptures, landscaping, and/ or artwork should be provided as an integral part of the landscape design. Lighting should be thoughtfully placed within any fountains and around plaza furniture to provide ambiance and promote safety.

SD 16. Public Art. Public art helps to define community identity and contributes to a stronger sense of place. Public art can provide a sense of belonging for district residents and a landmark for visitors.

SD 16.1. Art and Transit. Work with VTA and community groups to promote public art on VTA light-rail infrastructure and take advantage of the special overhead arrangement of the light rail in Milpitas. Engage with local artists, architects, engineers, and VTA to collaboratively integrate public art into infrastructure and facilities, such as on columns, underside of light rail tracks, and on road median, to create a unique sense of place.

SD 16.2. Location. Public art should be provided at all publicly accessible places, especially along pathways to the Transit Center. Public art should be displayed in areas with high levels of pedestrian traffic and be easily visible and accessible to the public.

SD 16.3. Appeal and Function. The design of public art is encouraged to be

interactive and serve all ages. Art should be used to create landmarks and establish a unique local sense of place, and may also be used as a wayfinding element or integrated into functional street furniture, such as benches, planters, and tables.

SD 16.4. Municipal Code. On-site artwork shall be included per the City's public art requirements (Chapter 20 of the Municipal Code).

SD 17. District Branding, Signage, and Wayfinding. Develop and install attractive, consistent District Branding, Signage, and Wayfinding that builds off the City of Milpitas's branding and wayfinding.

SD 17.1. Wayfinding Signage Design.

Design signage that enhances and highlights opportunities for public transit, walking, and cycling by providing a cohesive and legible physical and virtual navigation system. Provide consistent navigational information for pedestrians. Information may include regional maps, directional signage, walk and bike distance and mileage to destinations, local maps, community guides, mile markers, and interpretive signage. Signage should be coordinated with nearby public art to heighten the entry experience and create a cohesive look and sense of place for the Milpitas Metro Area.

SD 17.2. Trails Signage. Promote trail

usage by providing navigational and safety signage for the public trail that demonstrate the connectivity in the system. Trail signage may list the trail system's amenities, including seating, bicycle racks, planting, and other site furnishings.

SD 17.3. District Signage. Provide streetlight banners and entry signs at major intersections and corridor access points, near transit, and on Great Mall Parkway and Montague Expressway. District signage should be placed at major intersections and corridor access points where pedestrians, bikers, and drivers will be making route decisions.

SD 17.4. Universal Design. Wayfinding signage should be accessible by a wide range of users, including people of all ages and ability levels.

3.2 BUILDINGS DESIGN STANDARDS AND GUIDELINES

The following standards and guidelines guide building design in the Metro Plan Area, which are additional to design standards and guidelines that apply citywide. The Metro building design standards and guidelines ensure that these urban mixed-use buildings are pedestrian-scaled, support a high-quality urban realm, and foster a unique sense of place.

BD 1. Distinctive and Innovative Architecture.

Milpitas Metro is centered around the Transit Station and is envisioned as an urban transit-oriented neighborhood. The Metro Area is distinctive because the type of development is denser and streets are designed to support multiple modes of travel in contrast with other areas in the city. Milpitas Metro's regional connectivity within Silicon Valley makes this a particularly important place for innovation, which should be reflected in the architectural design of buildings in the Metro Area.

SD 1.1. City Review. The City of Milpitas will review the design of new buildings to ensure that they promote high-quality design, are well-crafted and maintained, use high-quality building materials, are environmentally sustainable, and are attentive to the design and execution of building details and amenities.

SD 1.2. Unique Identity. Buildings are encouraged to have their own identity and use contemporary methods to define the character of the district.

SD 1.3. Architectural Variation. Design creativity and variation in built form and architectural expression is embraced, including variation in building massing, form, and facade articulation for the purpose of visual interest.

BD 2. Mid-Rise Multi-Family and Mixed-

Use Buildings. The compact development anticipated around transit will include mid-rise and high-rise multi-family and mixed-use buildings in the Milpitas Metro District.

SD 2.1. Compliance with Objective

Design Standards. Mid-rise and high-rise multi-family residential buildings shall follow Citywide objective design standards for Massing and Form, Facade Design, Ground Floor Design, Building Elements, Usable Open Space, and Special Conditions.

SD 2.2. Sustainability. Mid-rise multi-family and mixed-use buildings shall comply with Sustainability design standards and guidelines in BD 12.

BD 3. Commercial and Mixed-Use Buildings.

Commercial buildings should be designed as signature, distinctive, and innovative reflecting the research and development that is occurring within them and the prestige of companies that occupy them.

SD 3.1. Site Specific Design: Site specific building design is encouraged. There should be differences between buildings depending on their location. Buildings are encouraged to demonstrate identity within each phase.

SD 3.2. Flexibility of Use and Design: Office/ R&D buildings should be designed to be flexible and adaptable through use of modularity. The module will influence the structural system design.

SD 3.3. Universal Access: Universal access best practices should be integrated into all building designs.

SD 3.4. Noise Management: Noise from loading areas, emergency supply areas, and equipment should be mitigated to not disturb users of nearby public open spaces.

SD 3.5. Massing: Massing should vary and remain flexible until specific projects are identified and their program requirements are understood. Applicants should consider segmenting the building into smaller masses that correspond to the

internal function of the building and employing variations in the building facades that provide more visual relief, such as streetwall indents and recessed building planes, deep entry and window openings, balconies, window bays, varied horizontal treatment (i.e. a roof, cornice or parapet), and piers at corners and structural bays.

SD 3.6. Articulated Facades. Facade design should include high quality materials, windows, solar control devices, and other design elements to provide a well-articulated building. Long building façades shall use modulation and articulation to create break up long street walls. Provide visual interest and variation on major facades by utilizing at least two of the following architectural elements: recesses; awnings; colonnades; pronounced



Articulated facades - Architectural features and changes in massing are used to create visual interest on the building facade.

entrances; projections; step-backs; changes in height, floor level, and roof form; window reveals; cornice treatments; parapets; and changes in color or material.

SD 3.7. Height: Office/ R&D Buildings are expected to be five to ten stories in height and may include variable roof lines.

SD 3.8. Safety at Exit Doors: Minor entry and exit door alcoves on the building exterior are discouraged when they do not share space with active visual surveillance such as primary entries or active pedestrian circulation.

SD 3.9. Equipment Screening: Screening should be incorporated into the overall architectural character of the building and should screen all mechanical equipment, including rooftop and ground-level equipment.

BD 4. Landscaping. Plantings shall be used to activate building facades, soften building contours, highlight important architectural features, screen less attractive elements, provide shade, and add color, texture, and visual interest.

SD 4.1. Climate Appropriate Planting and Materials. Landscape materials should be of high quality and suitable for the Bay Area climate. In order to reduce water consumption, naturalized and low-water-use plant species are preferred.

SD 4.2. Amenities. Site development for places of employment should include generous gathering spaces, comfortable and attractive outdoor environments, and amenities that support multi-modal transportation. Whenever possible, make outdoor amenities available to the public.

BD 5. Material Guidelines. Building materials must be selected to contribute to a high-quality urban realm and low carbon footprint.

SD 5.1. Finishes. High-quality, durable exterior finishes should be utilized.

BD 5.1.1. Mitigate Glare. Façade materials should serve to mitigate visual glare from both diffused interior lighting and reflected exterior sources.

BD 5.1.2. Exterior Materials. Preferred exterior wall materials include: glass, concrete, precast concrete, aluminum and high quality metal panels, composite panels, stone, and stucco.

BD 5.1.3. Glass Materials. Preferred glass types include: clear glass, frit glass, sandblasted glass, spandrel glass, and channel glass. Glazing should provide a high degree of light transmittance and be non-reflective.

BD 5.1.4. Roofing Materials. Preferred roofing materials include: vegetated roofs, high-albedo built-up roofs, high-albedo single-ply roofing, metal, slate,

terracotta tile, concrete tile, composite concrete tile, skylights, solar collectors, and photovoltaics.

SD 5.2. Carbon Storage. Require building materials that store carbon (e.g. wood, calcium carbonate-based cementitious substances, synthetic limestone) in all non-residential construction.

BD 5.2.1. Concrete. Concrete materials must be low-carbon in all viable applications.

BD 5.2.2. Metal-Frame Windows. Metal-frame windows must be thermally broken.

BD 5.2.3. Wood-Frame Windows. Wood-frame windows must have metal or fiberglass cladding on the exterior.

BD 5.2.4. Prohibited Window Materials. Vinyl-frame windows and doors are not allowed.

BD 5.2.5. Functional Architectural Features. Extraneous building elements that cannot be functionally justified, such as faux deep walls, window embrasures, and false facades are prohibited.

BD 6. Building Base and Orientation. The design of the lower floors of mid-rise and high-rise buildings affects the public realm and pedestrian environment. The role of the base building is to frame the public realm and adjacent open spaces, articulate entrances, and assist in the creation of an attractive and animated public realm which provides a safe, interesting, and comfortable pedestrian experience. The ground floor should be designed to be an attractive and animated public realm which provides a safe, interesting, and comfortable pedestrian experience.

SD 6.1. Framing Open Space. The base of towers must be designed to form and enhance open spaces and sidewalks at the ground level.

SD 6.2. Minimizing the Perception of Mass. The building base should provide a change in color, massing, recess or projection to differentiate the base, which can be at minimum the ground floor level to reduce the perception of mass along the street frontage. Buildings must step back after the first 3-5 floors.

SD 6.3. Building Entrances. The base of buildings must place active ground floor uses and primary building entrances along their primary facades oriented to adjacent streets, parks, and open space. The main entrance may not face a parking

lot. Multiple entrances for buildings are encouraged from the side and/ or rear streets. Exit door alcoves on the building exterior are encouraged to share space with primary entries and active pedestrian circulation where possible.

SD 6.4. Primary Entrance Enhancements.

Primary entrances can be enhanced with extra detailing, framing, awnings and signage to provide visual interest, wayfinding, and weather protection.

SD 6.5. Transparency. Follow objective design standards for glazing transparency for Commercial and Residential Frontages. The intent is that it is easy to see activity at the ground floor to provide visual interest.

SD 6.6. Solar Orientation. Consider orienting buildings to be south-facing to maximize passive solar heating and cooling for sites greater than five acres in the Innovation District and Great Mall Subdistrict.

SD 6.7. Lobby Design: Primary entry lobbies should be designed to provide visual interest, orientation, and a sense of welcome from streets, public rights of way and plazas.

SD 6.8. Ground Floor Façade: All ground floors of office/ R&D buildings should provide colonnades or similar identifying design elements and should be integrated

with ramps and stairs as required for entry.

BD 7. Ground Floor Design. The ground floor of a commercial building delivers an important sense of design to the adjacent streets and other uses, as serves as a transition area between public spaces and the interior of the building. These ground floor guidelines aim to help maximize the function of the ground floor.

SD 7.1. Active Uses. Locate active ground floor uses along the primary facade. Active ground floor uses include retail, office, live/ work, and residential common spaces such as mail rooms, bike rooms, communal kitchens, community rooms, conference rooms, social gathering areas (porches/ patios), and lobbies. In commercial buildings, gathering areas such as auditoriums, meeting rooms, cafeterias, reception areas, and shared work spaces should be located on the first floor to encourage interaction with sidewalks, public areas, and plazas.

SD 7.2. Open Space and Pedestrian Access. Ground floor interest may also be achieved by introducing plazas, courtyards, walkways, and alleys that allow access through development and create visual breaks in the facade.

SD 7.3. Commercial Mix. Vertical mixed-use in mid-rise and high-rise buildings

is encouraged. Mixed-use buildings throughout the district may include ground floor neighborhood retail.

BD 7.3.1. City of Milpitas Design Standards for Commercial Frontages apply.

These addresses transparency, weather protection, provisions for setback design, depth of use, floor-to-floor heights and more.

SD 7.4. Maximize Leasability. Design ground floor retail spaces to accommodate leasable features.

SD 7.5. Efficiency of Space. Locate demising walls around columns in larger retail spaces to maximize the efficiency of the space and minimize small gaps between columns and walls. Provide a minimum of 5 feet between walls and columns.

SD 7.6. Space Considerations. Provide a space with a minimum of 60 feet in depth for a minimum of 50 percent of the space, and a minimum of 40 feet in depth any remaining space.

SD 7.7. Ground Floor Height. Ground floor retail must have a minimum of 18 feet floor to floor height to be leasable.

BD 7.7.1. Interchangeable Storefront.

Provide interchangeable storefront systems to accommodate changes in tenants.

BD 7.7.2. Restaurant Considerations.

Where food and beverage retail is anticipated, grease traps are required.

SD 7.8. Placement of Upper-Level

Lobbies. Lobbies for commercial office or residential uses above the ground floor shall be oriented to ensure continuous and uninterrupted retail and other active uses along the ground floor.

SD 7.9. Parking Layout. On-site parking shall be provided at the rear of the site and above the ground floor, wherever possible. Structured parking is preferred and should be screened from the primary street; no parking shall be allowed along the main frontage of buildings.

BD 7.9.1. Flexibility of Ramps. Ramps from the ground floor to upper parking levels should be designed in a way that can be adaptable for future conversion of parking spaces to usable space.

BD 7.9.2. Curb Cuts. Parking access shall use the minimum feasible curb cuts and may be a minimum of 12 feet wide and accommodate ingress and egress.

BD 7.9.3. Access. Parking entry points are preferably accessed from nearby lanes or side streets rather along the primary frontage where conditions apply.

BD 7.9.4. Separated Pedestrian Entrances. Pedestrian entries to parking garages

should be separate from vehicular entrances and located along major pedestrian connections where they are easily seen and conveniently accessed as a pedestrian or cyclist. They should be designed to be as open and visible as possible, incorporating adequate lighting to promote a feeling of security and comfort.

BD 7.9.5. Bicycle Parking. Bicycle parking shall be located at the ground floor in a conveniently accessible location near a shared pedestrian entrance to a multi-family or mixed-use building.

SD 7.10. Flood Elevation for Residential Mixed-Use Buildings. The lowest floor of all new residential construction located in the floodplain shall be built at least one foot above the Base Flood Elevation. For buildings located within Zone AO as identified in the Federal Emergency Management Agency's (FEMA) Flood Insurance Rate Map (FIRM), the lowest floor must be built at least one foot above the number identified on the FIRM.

SD 7.11. Flood Elevation for Non-Residential Buildings. The lowest floor of non-residential construction in the floodplain can be built at the Base Flood Elevation.

BD 8. Stand Alone Parking Structures. These design standards and guidelines are additional to citywide design standards.

SD 8.1. Concealed. All parking garages should be concealed as much as possible from public view. Whenever feasible, parking should be either located below ground, wrapped behind buildings, located on the interior of blocks where it is screened from public view.

SD 8.2. Design for Conversion. The design of parking structures shall be designed for future conversion to other uses. Parking floors shall not be sloped and parking circulation should be designed in a way that anticipates its removal.

SD 8.3. Facade. Where structured parking is visible to the public realm, the design of the facade shall be treated in a similar manner as the adjacent buildings. The facade shall not repeat the sloping floor lines of interior parking ramps on the facade.

SD 8.4. Street Access. Vehicular access to parking structures should be provided primarily from side (i.e. secondary) streets to reduce conflicts with pedestrians and minimize interruptions to the continuity of the primary street facade. Signage for public parking shall be clearly marked and visible from the street.

SD 8.5. Vehicular Entry. At grade entries facing the street shall be no more than 20 feet wide and recessed a minimum of three feet from the facade

SD 8.6. Pedestrian Entry. An at grade pedestrian entry, including a walking path to the public pedestrian circulation network, shall be provided on each street frontage.

SD 8.7. Lighting. Structured parking shall be designed such that interior lighting shall be fully shielded and automobile headlamps shall not be visible from adjacent buildings, parcels, streets, public parks, publicly accessible outdoor space or designated open space area.

SD 8.8. Tandem Parking. Parking configurations may utilize tandem parking for more efficient use of space, provided that both parking spaces are used by the same tenant or otherwise conform to a site parking plan approved by the City.

SD 8.9. Parking Lifts. Parking lifts may be used for more than one unit. Parking lifts may not require backing one car out to get to another car.

SD 8.10. Bicycle Parking. Bicycle parking is required in all parking garages or other approved alternative on-site locations that serve commercial and residential uses. Bicycle parking should be located

near entrances and exits and secured and weather protected.

BD 9. Rooftop Design. Roofs of buildings and parking structures may be used as shared spaces. Rooftops may also include green roof systems, alternative forms of energy production, and rainwater catchment systems.

SD 9.1. Multifunction Roofs: Roof designs should consider systems such as vegetated roof covers (green roofs), alternative forms of energy production, and rainwater catchment systems.

SD 9.2. Materials and Amenities. The standard roofing materials must have a low albedo, cool roof system or finish. Rooftop amenities that provide vegetation, generate energy, or are designed as shared amenities are an exception to the standard design.

SD 9.3. Screening. Screening should be incorporated into the overall architectural character of the building. Rooftop mechanical equipment must not be visible from the street and must be visually screened from public view and next to shared spaces like rooftop gardens and patios.

SD 9.4. Natural Lighting. Roofs are encouraged to utilize skylights to maximize natural lighting within buildings.

SD 9.5. Universal Access. Provide universal access to rooftop amenities.

SD 9.6. Accessibility. Provide an accessible path to a publicly accessible restroom on an adjacent floor or at the rooftop level for any common outdoor open space on the rooftop.

SD 9.7. Landscape. A minimum of 20 percent of the open space shall be landscaped. Drought tolerant vegetation and landscape variety are encouraged on rooftop gardens.

BD 10. Service and Loading Areas. Service and loading areas must be designed to efficiently allow access to delivery points while screening public areas from the noise and visual impacts of these facilities.

BD 10.1. Curb cuts should be located to minimize transit, bicycle, and pedestrian conflicts.

BD 10.2. Loading zones should be located away from major pedestrian routes and intersections and shared with parking entrances, where possible.

BD 10.3. Access to loading spaces should include adequate space to maneuver trucks and service vehicles into and out of all provided spaces, and be designed so as to facilitate access to the building while minimizing interference with street and sidewalk circulation.

BD 10.4. Entrances to loading facilities should be minimized in size and designed with visual buffers from pedestrian areas.

BD 10.5. Adequate reservoir space should be provided for entrance of vehicles to loading zones.

BD 10.6. Service entrances should include either opaque or translucent garage door panels or treat that portion of the service yard visible from the public realm with the architectural character employed throughout the rest of the building.

BD 11. Special Conditions. Housing units next to rail lines must be constructed to mitigate negative impacts of train noise.

SD 11.1. Bedrooms Adjacent to Railways.

The acoustical exterior of bedrooms in areas within 200 feet of rail right of ways shall be enhanced to address the sound of the trains.

BD 12. Sustainability. The Milpitas Metro Plan Area is a center of development and change in Milpitas, and will serve as an exemplar for the implementation of sustainable building practices in the city. Additional sustainability policies are located in the City of Milpitas Climate Action Plan.

SD 12.1. Energy. New buildings shall include features that include the most impactful methods for reducing energy uses and greenhouse gas emissions.

SD 12.2. Residential Electrification. All new residential buildings shall be all-electric.

SD 12.3. Nonresidential Electrification.

All new nonresidential buildings shall be all-electric, unless uses essential to the key functions of the internal business, such as manufacturing or laboratory work, require natural gas. Kitchens and cooking do not require natural gas. All new nonresidential buildings shall install electric cooking appliances, water heaters, and space heaters.

BD 12.3.1. Solar Systems. All new nonresidential buildings shall install solar photovoltaic systems or purchase electricity from a community energy provider (e.g. Silicon Valley Clean Energy).

BD 12.3.2. Solar Management Plan. All new developments shall develop a management plan for solar exposure, including optimizing natural lighting and managing passive heating and cooling.

BD 12.3.3. Generators. All new residential and nonresidential buildings shall use zero-emission generator engines for generators with a supply of 25 kW or less.

BD 12.3.4. On-Site Energy Generation. Encourage on-site renewable energy generation, including the use of solar

panels on rooftops and over parking lots.

BD 12.3.5. Construction Equipment.

All off-road heavy-duty construction equipment shall use high-performance renewable diesel.

BD 12.3.6. Electric Outlets. All

new development shall install sufficient exterior electrical outlets to power electric-powered landscaping equipment.

SD 12.4. Water. New buildings shall include features that reduce water usage and incorporate water recycling systems.

BD 12.4.1. Low Impact Development

and Stormwater Runoff. All projects shall comply with State, regional local regulations related to Low Impact Development and Stormwater capture and treatment, and be designed and constructed in accordance with Low Impact Development principals to mimic the site's predevelopment hydrology.

BD 12.4.2. Retention. Encourage

incorporation of water collection and retention devices, such as rain barrels and cisterns, into building design to allow for water reuse.

BD 12.4.3. Runoff. Encourage incorporation

of water runoff strategies such as rain gardens, bioretention swales, and permeable pathways into development,

roadways, and parks.

BD 12.4.4. Low Flow. Require ultra-low-flow fixtures in residential and nonresidential development.

BD 12.4.5. Retention. Encourage incorporation of water collection and retention devices, such as rain barrels and cisterns, into building design to allow for water reuse.

BD 12.4.6. Runoff. Encourage incorporation of water runoff strategies such as rain gardens, bioretention swales, and permeable pathways into development, roadways, and parks.

BD 12.4.7. Recycled Water for Industrial Uses. Incorporate the use of recycled water for industrial uses and landscape irrigation where feasible, within the parameters of State and County Health Codes and standards and in compliance with regional agency requirements.

BD 12.4.8. Recycled Water for Residential and Nonresidential Uses. All new residential and nonresidential development shall include a separate piping system for recycled water (i.e. purple pipes) to be used for irrigation and other outdoor water uses, as feasible.

BD 12.4.9. On-site Recycled Water. All new

development projects shall install on-site recycled water systems (i.e. greywater systems) and rainwater harvesting systems, consistent with all State and County Health Codes and standards and in compliance with regional water agency requirements.

BD 12.5. Solid Waste. Building construction and operations shall incorporate measures to screen waste areas from view, reduce waste generation and maximize waste diversion from landfills and reuse.

BD 12.5.1. Location. Waste and recycling facilities and other services are to be provided for all buildings in a location that balances access, convenient pick-up, and maintenance, and is screened from pedestrian zones.

BD 12.5.2. Waste Diversion. All construction and demolition projects shall achieve a 75 percent diversion waste rate.

BD 12.5.3. Organic Waste Collection for Residential. All multifamily residential buildings shall provide organic waste collection services for tenants and employees.

BD 12.5.4. Organic Waste Collection for Nonresidential. All nonresidential buildings shall provide collection containers for organic waste and

recyclables in all areas where disposal containers are provided, except in restrooms.

The overhead VTA light rail at the Milpitas Station, located near the Transit Center.



4. MOBILITY AND CIRCULATION

- 4.1. Planning Context
- 4.2. Approach
- 4.3. Mobility and Circulation Policies

This chapter describes mobility and circulation conditions in the Metro Area and sets standards for street and roadway design to create a balanced multimodal transportation environment. New development will bring more residents, workers, and visitors to the area. Standards and guidelines in this chapter detail roadway improvements to ensure efficient and safe circulation for pedestrians, bicyclists, transit, and automobiles throughout the Plan Area. Additional transportation demand management (TDM) policies strategically address curb space and parking demand.

4.1 PLANNING CONTEXT

Because the Metro Plan Area is flanked by the I-680 and I-880 freeways on the east and west, respectively, and the Montague Expressway serves as a connector between the two for regional traffic circulation, there will be substantial traffic that passes through the area that cannot be diminished. Similarly, Great Mall Parkway/ Capitol Avenue is a significant east-west corridor that carries high traffic volumes. Both of these regional roadways pass through the area and cannot be reduced in capacity by design, but improvements are planned to overcome the incompatibility of the roadway with the goals of the Metro Plan. Particularly high traffic volumes occur during AM and PM commute hours, but these roadways are generally well traveled most hours of the day. The planned infrastructure improvements are intended to enhance safety and convenience for those living in, working in, and visiting the Metro Area.

4.1.1 General Plan Direction

The City of Milpitas' General Plan Circulation Element directs the City to maintain and improve multimodal transportation opportunities by providing safe and efficient transportation options that are equitably located and accessible to all people. Through strategic transportation solutions, the City will support a network of transportation facilities that improves safety and promotes an active lifestyle by increasing opportunities for physical activity for all people. The Metro Plan is consistent with and implements the following six circulation goals from the General Plan:

- **CIR-1 Circulation and Transportation**

Network: Provide a transportation system that efficiently, equitably, and effectively supports the City's land use vision, minimizes vehicle miles traveled (VMT), enhances connectivity of the existing network, and supports the use of all modes of transportation.

- **CIR-2 Complete Streets:** Provide safe, healthy, comfortable, equitable, and efficient transportation choices for all modes of transportation that enable people of all races, cultures, ethnicities, religions, sexual orientation, genders, income levels, ages and abilities, especially people of color and those disproportionately affected by access to a personal vehicle, systemic transportation inequities, racism, oppression, and poverty

to increase safe physical activity, reduce usage of personal vehicles, access goods and services, employment opportunities, and for personal travel; to provide for efficient goods movement.

- **CIR-3 Transit:** Support the development and maintenance of the public transit system to provide integrated, accessible, convenient, safe, equitable, health-promoting, comfortable, and effective mobility options.
- **CIR-4 Bicycle/Pedestrian/Trails:** Promote, provide, and maintain an expanded, safe, convenient and comprehensive network of facilities for pedestrians and bicyclists of all ages and abilities to support walking and bicycling as viable modes of transportation, for recreational use, and to promote public health.
- **CIR-5 Transportation Demand Management:** Implement measures that increase transit use and other non-motorized travel modes that lead to improved utilization of the existing transportation system, such as accessibility improvements to public transit stops and stations by walking and biking, and provide transit stops near employment centers and higher density residential developments and in areas where infrastructure is lacking and access without a car is unsafe.
- **CIR-6 Sustainability:** Support and expand the City's efforts to promote economic, environmental and social sustainability

through initiatives to reduce greenhouse gas emissions and other air pollutants, reduce runoff, promote public health, equity and engage the community in an inclusive planning process.

As part of the community outreach process for the Milpitas Metro Plan, the community also expressed that improving pedestrian and bicycle connections to form a continuous network that emphasizes safety is a higher priority than vehicular ease of access in the Metro Area.

4.1.2 Mobility and Circulation Conditions in the Milpitas Metro Plan Area

The Milpitas Metro Specific Plan Area is centrally located within the Bay Area, bounded on the west by I-880 and on the east by I-680. Within the Plan Area, the circulation system features multi-lane arterial streets including Great Mall Parkway-Tasman Drive, Montague Expressway, South Milpitas Boulevard, and Trade Zone Boulevard. These streets provide access to and from the regional highway system as well as circulate local traffic. Connectivity and access to residential neighborhoods, industrial sites, and other land uses within the Metro Plan Area are provided by lower volume, local streets.

The circulation pattern in the Plan Area also has several barriers, including the Union Pacific Railroad tracks, BART tracks, elevated light rail structures, and Penitencia and Berryessa Creeks. Just north of the Plan Area, the Great Mall and

the rail yard also limit east-west connectivity. The Tango Subdistrict in the southern part of the Plan Area has several cul-de-sacs that were designed to serve local businesses. With plans to change land uses in this subdistrict, this current lack of connectivity is problematic as it would limit access for future residents, impede access for emergency vehicles, and create circuitous travel routes if left unchanged.

The first developments in the Plan Area following the adoption of the TASP were townhome projects. These projects are characterized by separated vehicular and pedestrian access to each unit. This is made up of vehicular access to each unit off of driveway/alleyways that lead to two-car garages typically, and primary pedestrian access off of shared walkways that lead to front doors. The alleyways and walkways typically flank either side of a row of townhome units with landscaping along the walkway/ entry side of the unit. No significant landscaped yard areas are generally provided in this arrangement other than what is available near the front entry. Access to the development as a whole and between blocks of buildings is usually provided via local streets with sidewalks that serve front entries. These developments generate vehicle trips consistent with townhomes throughout the Bay Area and were primarily automobile oriented insofar as they predated the construction and opening of BART, but nearly all are within the half-mile walkshed of a transit station (VTA or BART).

Figure 4-1. Existing Roadways



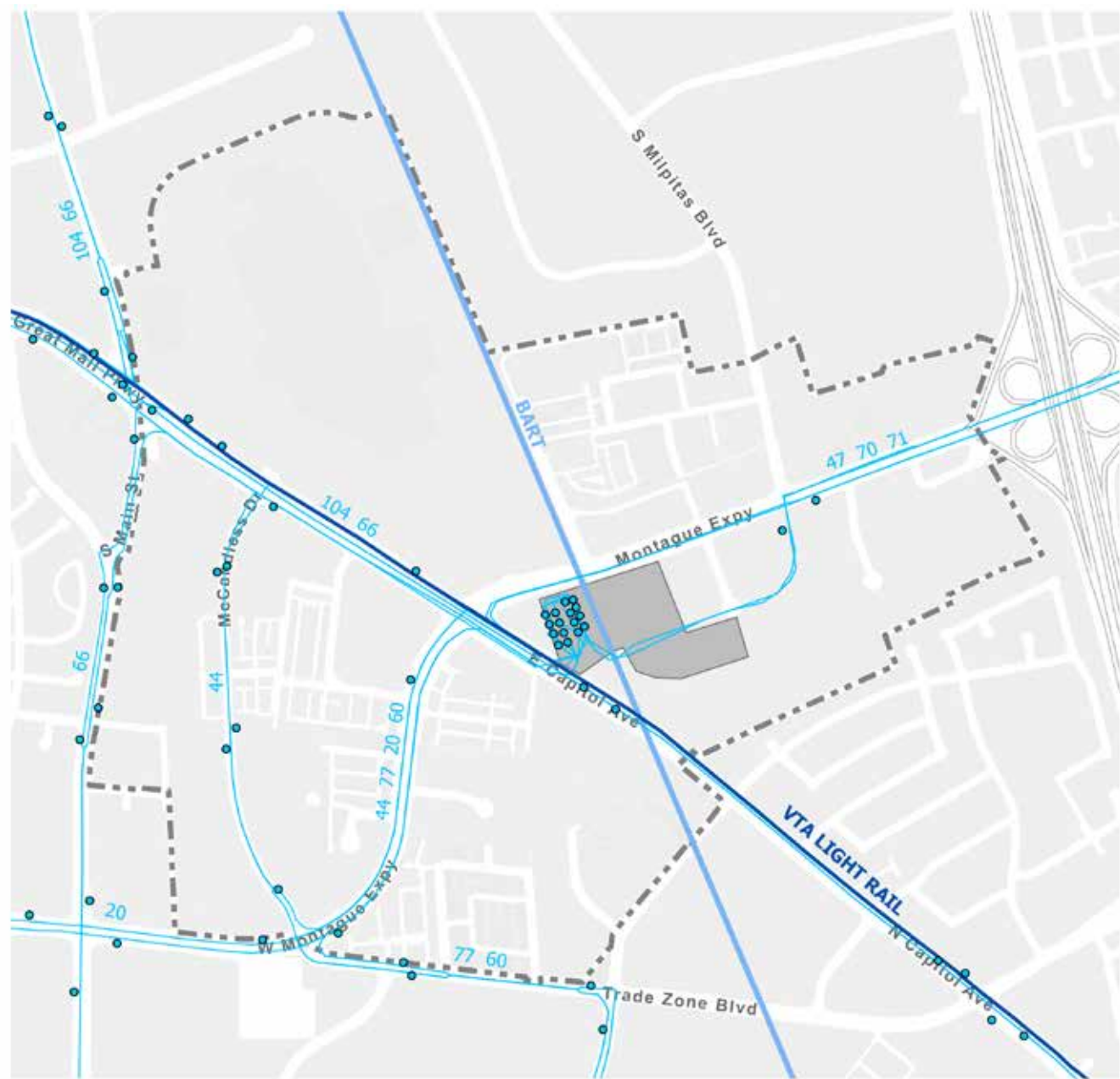
Figure 4-2. Existing Barriers



Table 4-1. Traffic Volumes

Segment	Northbound/ Eastbound (average vehicles per day)	Southbound/ Westbound (average vehicles per day)	Total (vehicles per day)
Great Mall Parkway west of Montague Expressway	16,179	15,188	31,367
Montague Expressway west of Great Mall Parkway	17,659	19,910	37,569
S. Main Street north of Montague Expressway	9,199	10,651	19,850

Figure 4-3. Transit Network



Milpitas Metro
BART Station
BART Rail
VTA Light Rail
Bus Route
Bus Stop

GIS data provided by: Bus Routes and Stops 2018 - Valley Transportation Authority / Rail Transportation Network - Metropolitan Planning Group / Roads - US Census Bureau 2019 TIGER

0 200 400 600 800 1,000 Feet



With 78 percent of Milpitas residents driving alone to work and an additional 12 percent carpooling, motor vehicles are the dominant transportation mode in the city as well as in the Metro Area. While driving is expected to remain the dominant transportation mode, traffic congestion will become increasingly challenging as a result of local and regional growth. Great Mall Parkway-Tasman Drive and Montague Expressway are the two major corridors through the area and are among the most congested roadways in Milpitas. The City's General Plan estimates that several study area intersections will be further impacted by incoming growth by the year 2040, increasing delay for drivers.

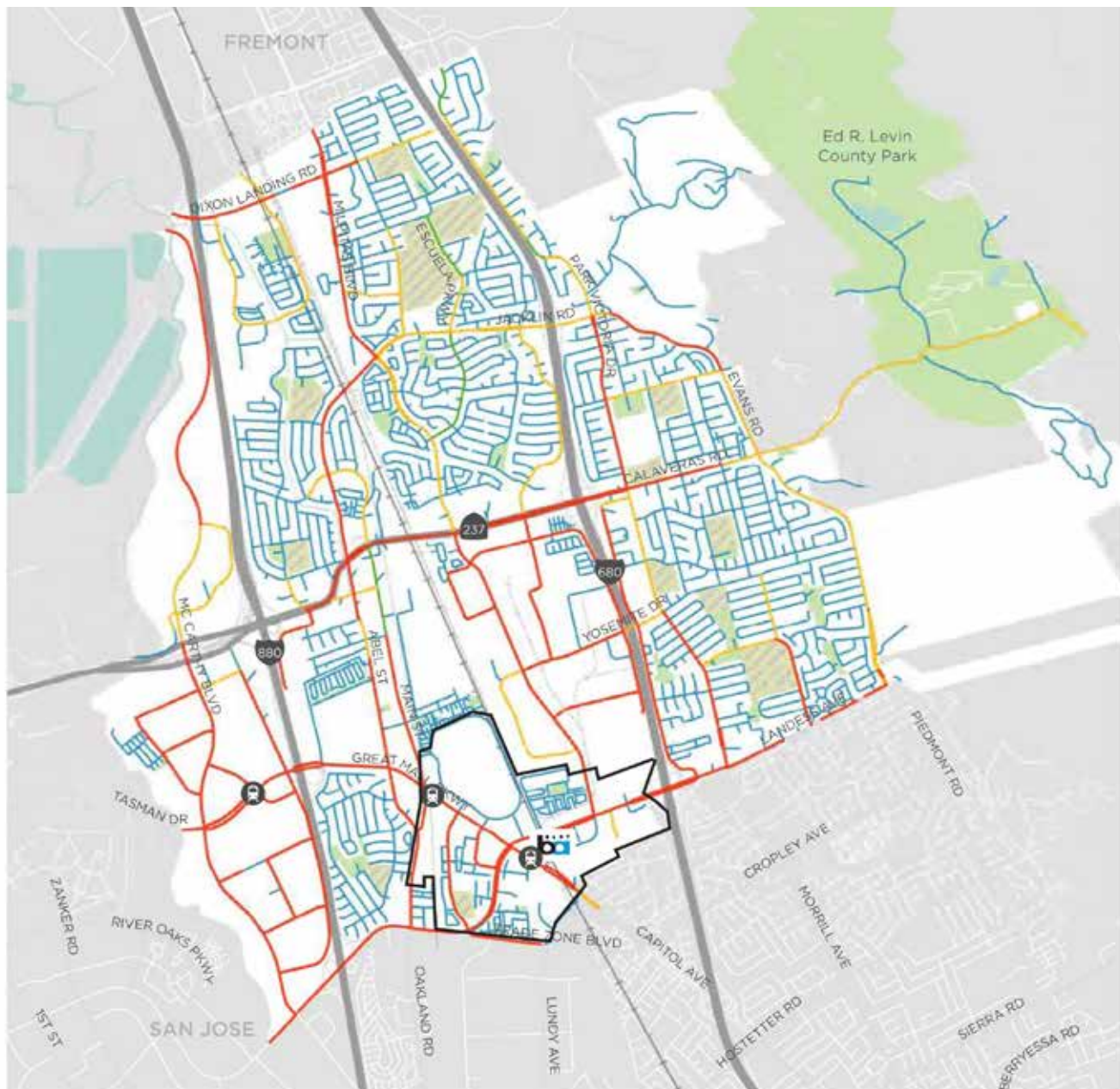
As the local development pattern has shifted to include more multifamily housing surrounding the recently opened Milpitas Transit Center, and the need for multimodal transportation options has increased, there have been substantial changes to mobility options for traveling to, from, and within the Milpitas Metro Specific Plan Area. The initiation of BART service to the Milpitas Transit Center in mid-2020, the relocation of the VTA bus transfer hub to the Transit Center, and the nearby multi-station access to light rail service, all have helped to establish Milpitas Metro as a major transit hub, offering vastly improved connections through the city generally, the Metro Area specifically, and locations throughout the Bay Area. These connections include:

- **BART:** Service runs through Milpitas every 30 minutes between the Berryessa/North San Jose and Richmond stations.
- **Bus:** VTA provides bus service at the Milpitas Transit Center that serves local and regional routes, including lines 20, 44, 60, 66, 70, 71, 77, and 104.
- **Light rail:** The Milpitas Transit Center is connected by a pedestrian bridge to the Milpitas light rail station on VTA's Orange Line.
- **Regional bus service:** Service to Alameda County is available via AC Transit Route 217, which connects to Fremont BART.
- **Shuttle:** The Altamont Commuter Express (ACE) offers its Violet Shuttle service from Montague Expressway/Main Street to the Great America Station in Santa Clara.

With a limited ability to accommodate additional vehicle traffic, completing networks of safe and comfortable facilities for walking and bicycling will become increasingly important for local trips within the Plan Area, including access to work, to shopping, and to the regional transit system.

Generally, sidewalks are present throughout the Plan Area and bike lanes are included along several major streets, but the environment can still be intimidating to pedestrians and bicyclists, as they are often in close proximity to high volume, high speed traffic. Users are frequently required to cross multi-lane roadways and may need to travel circuitous routes to reach their destinations.

Figure 4-4. Level of Traffic Stress



LEVEL OF TRAFFIC STRESS



0 0.5 1 Miles

LEVEL OF TRAFFIC STRESS

- 1
- 2
- 3
- 4

BACKGROUND

- BART Station
- Light Rail Station
- Schools
- Public Parks
- Streets
- Railroad
- Water
- Milpitas Metro Specific Plan Boundary

Great Mall Parkway is particularly challenging for pedestrians. Grade-separated overpasses have been constructed across Montague Expressway and Great Mall Parkway to provide protected pedestrian crossings near the BART station and VTA light rail stations. Such facilities improve pedestrian safety and provide an opportunity for public art, but can only be funded in a few strategic locations due to their high cost. A broader approach that includes at-grade crossing improvements will be needed.

The City's Bicycle/ Pedestrian and Trails Plan evaluated conditions for bicyclists using a Bicycle Level of Traffic Stress (LTS) analysis, which illustrates how high stress conditions limit connectivity and access for bicyclists (Figure 4-4). While Great Mall Parkway and other heavily traveled roadway have striped bike lanes, the traffic conditions still result in their ranking as high LTS streets, which are not suitable for casual bicyclists. Without a buffer or barrier between bicyclists and vehicle traffic, bicyclists do not typically feel comfortable in such conditions.

In addition to sidewalks and bike lanes, off-street paths have the potential to provide an "all ages and all abilities" facility to improve bicycling and walking access, both for transportation and recreational uses. The existing paths along East Penitencia Creek - South Channel and Berryessa Creek have begun to make these connections but need to be extended and enhanced with street crossing improvements to provide more direct and convenient routing. As these trails

are improved, the City and Valley Water should consider landscaping adjacent to trails on the outside edges away from the creek, trail surfaces, and lighting.

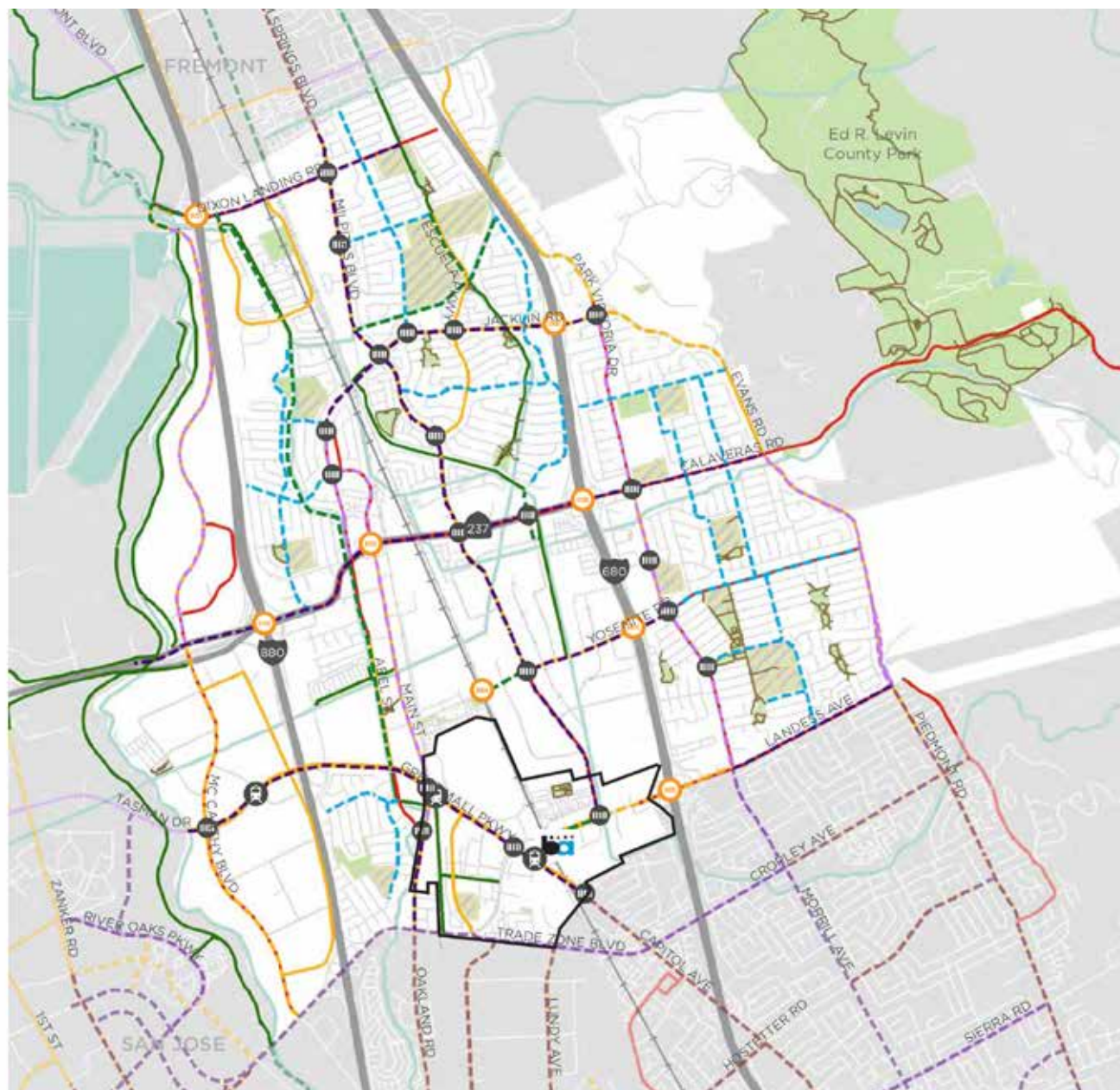
Visible changes in infrastructure for other modes have also begun to emerge as development following the adoption of the TASP is completed, such as improved sidewalks with landscaping that have been constructed as part of new residential development. As incoming development continues to build out these facilities and the City pursues implementation of priority projects identified in the Bicycle/ Pedestrian and Trails Plan, multimodal mobility options will continue to be strengthened throughout the Metro Area. Refer to Figure 4-5 for existing and proposed bike infrastructure identified in the Bicycle/ Pedestrian and Trails Plan.

4.2 APPROACH

The Metro Plan establishes a street hierarchy with three street typologies. Each street typology has its own design standards that are sensitive to surrounding land contexts to ensure that the safety of all transportation modes are addressed. The three street typologies are described below:

- **Central Corridors** are wide arterials that support multiple lanes of traffic and include facilities for active transportation.
- **Shopping Streets** are 2-lane roads that are pedestrian-oriented and support high levels of retail and active uses. There are

Figure 4-5. Existing and Proposed Bicycle Facilities



PROPOSED BICYCLE NETWORK



PROPOSED BIKE FACILITIES

- Bike Lane Connectivity
- Intersection Connectivity
- Class I: Paved Shared Use Path
- Class II: Bike Lane
- Class IIB: Buffered Bike Lane
- Class IIIB: Bike Boulevard
- Class IV: Cycle Track

EXISTING BIKE FACILITIES

- Class I: Paved Shared Use Path
- Class II: Bike Lane
- Class IIB: Buffered Bike Lane
- Class III: Bike Route
- Unpaved Trails

BACKGROUND

- BART Station
- Light Rail Station
- Schools
- Public Parks
- Water
- Milpitas Metro Specific Plan Boundary

two configurations for Shopping Streets: one with a parking lane and another with accommodations for bike lanes and transit.

- **Neighborhood Streets** are local streets within residential neighborhoods that support slower speeds and have a pedestrian character.

For many people in Milpitas, the automobile is the primary mode of travel, and well-managed parking is important for both the economic vitality of commercial uses and the prioritization of resident needs in nearby neighborhoods. Because of the wealth of transit options as well as the dense mixed-use land use pattern, the Plan promotes lifestyles that are less car dependent and targets residents and workers who are seeking this more urban environment. Consequently, many of the trips in the Metro Area are expected to be taken by transit, foot, or bike. However, as the area continues to develop and more housing is built at higher densities with improved access to daily destinations, demand for parking will still continue to increase though at a slower rate than it would in areas with less access to transit and less convenience to jobs, housing, and services.

Flexible parking policies that balance demand with goals to limit unnecessary automobile usage will be key to ensuring an effective mobility strategy that meets the needs of residents, workers, and visitors, and implements the General Plan's charge to create strategic transportation solutions that improve and maintain an efficient

multimodal transportation network. The efficient use of parking resources combined with the high level of transit service and multimodal access options amid a diverse mix of uses can result in a much more balanced, multi-modal environment.

An important focus of the Metro Plan is moving beyond the more car-centric townhomes and other low-intensity development. The remaining housing sites not developed under the TASP are targeted for higher densities and are generally closer to jobs, services, and transit. The job centers will also be closer to transit, services, and higher density planned housing. For those who live and work in the area, there can be a satisfaction in the convenience of being able to move about without driving and parking a car.

One of the goals of the Plan is to create a high-quality environment for visitors and residents that provides parking where needed in the most efficient and convenient way possible and avoids unused spaces that are too inconvenient or excessive. This is accomplished through strategic siting and management of off- and on-street parking resources. For off-street parking, this plan proposes a "park-once" approach. This approach emphasizes shared parking opportunities between compatible land uses and convenient discovery. This approach also provides quality pedestrian connections to enable easy access to destinations or for exploration, and incentivizes publicly-accessible parking. Meanwhile, on-street parking should be actively managed to help ensure the availability of spaces, prioritize

certain spaces for particular users, and limit parking impacts both upon and from Milpitas Metro properties in adjacent neighborhoods. In practice, this means that in commercial areas, on-street parking should be managed appropriately through mechanisms such as time limits and pricing to achieve a peak occupancy of 85 percent on each block face. In residential areas near commercial areas, parking permits should be made available to residents and could potentially be paid for through some fee mechanism related to development or activity within the Metro Plan. All of these activities are well worth the effort, but will require some level of management and oversight from the City, and fees for development should be calibrated accordingly.

In addition to active management, effective parking requirements are key to limiting excessive auto congestion while allowing development to provide enough parking to serve anticipated market demand of each type of use. To this end, minimum parking supply requirements for all uses in the Milpitas Metro Specific Plan are to be significantly reduced and maximum requirements are intended to limit excessive parking supply that effectively supports while allowing for development flexibility. To encourage less driving, options are provided for developers to reduce parking minimums through more robust Transportation Demand Management (TDM) measures or through payment of in-lieu fees that can be used to collectively finance multi-modal transportation improvements. Reduced

parking generally means savings in construction and maintenance costs for developers, which can offset investments in VTA transit passes, Clipper Cards, and the like. These requirements combined with the required TDM measures below allow for development to meet resident, employee, and visitor mobility needs in the most cost-effective fashion. Lastly, it is important to note that California Assembly Bill 1401 (AB1401) is currently being considered by the State Senate. If enacted as currently worded, minimum parking requirements within a half-mile of major transit stops in Milpitas will be prohibited. The City may wish to modify some of this plan's recommendations if AB1401 is enacted. [CONFIRM ON PLAN ADOPTION]

4.2.1 Transportation Demand Management

Transportation Demand Management (TDM) is typically categorized as a set of strategies aimed at encouraging transit use, walking, biking, and carpooling while reducing single occupant vehicle trips, vehicle miles traveled, and parking demand. TDM primarily focuses on programmatic elements as opposed to physical infrastructure to cost-effectively reduce congestion and address broader community concerns such as sustainability and equity goals. Examples of TDM measures include, but are not limited to, telecommuting, ridesharing, subsidized commuter benefits, and parking management. TDM measures are required for all new development projects within the Metro

Area but is also encouraged for existing uses. The broad implementation of TDM measures is directly tied to the site's reduced minimum parking requirements and an integral element to the overall success of the area's mobility.

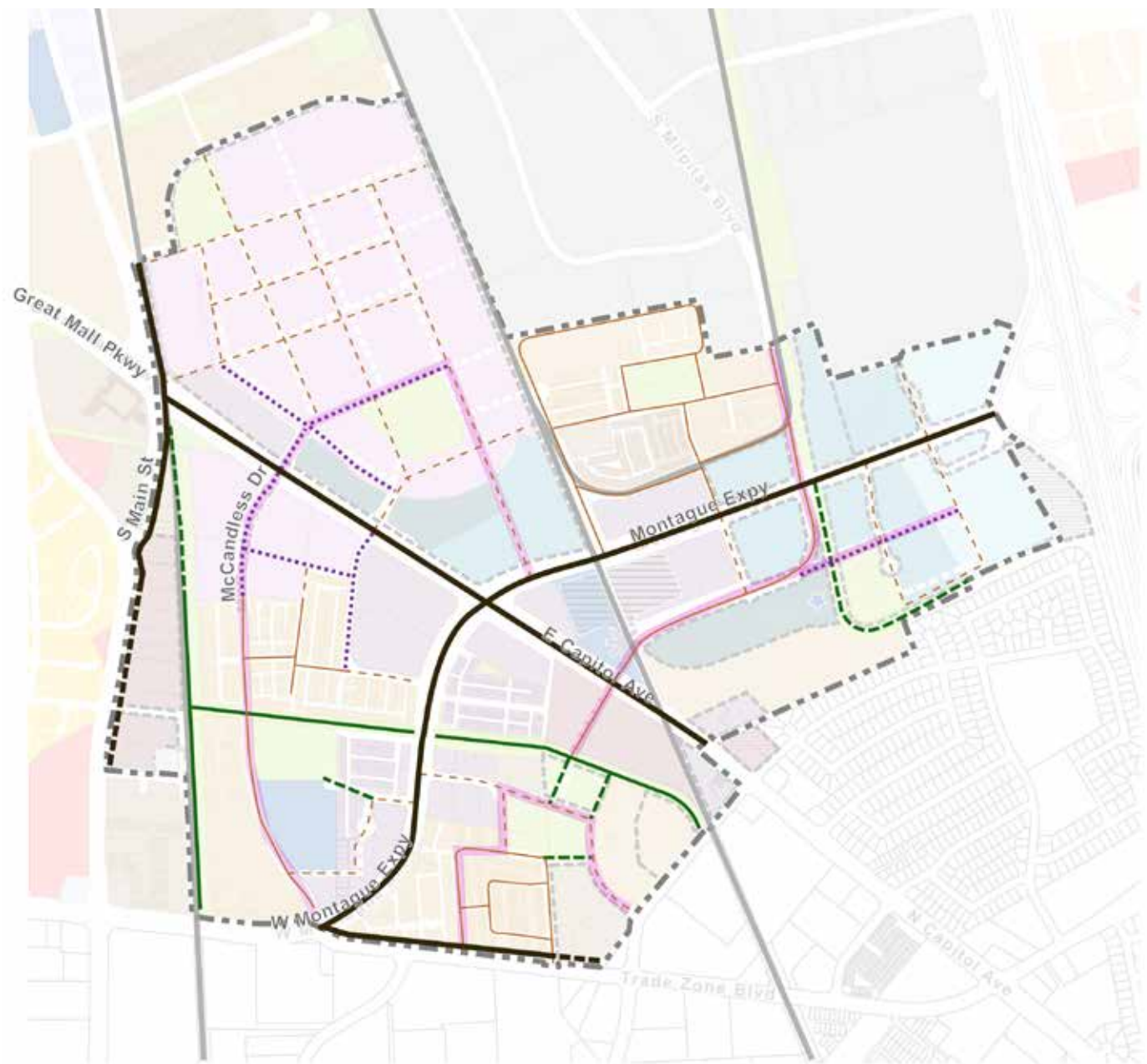
A comprehensive TDM program is best implemented when a particular organization can serve as a mobility champion. Often, this takes the form of a Transportation Management Association (TMA) whose mission is to collectively represent all uses, existing or new, within the Milpitas Metro Specific Plan; oversee TDM measures; and ensure their ongoing success. General Plan Action ED-2c directs the City to "[e]valuate the feasibility of creating business improvement districts (BIDs), maintenance assessment districts, and/or a transportation management association to fund improvements and maintenance that support economic development." The Metro Plan will work to implement a TMA at the specific plan level. Over time, the City may choose to expand the TMA to cover other specific plan areas, neighborhoods, or the city as a whole.

A TMA is typically a non-profit, member-controlled organization that is established to promote commute alternatives to driving alone. TMAs are controlled and funded through membership with the goal of reducing vehicle congestion. Typically, TMAs allow for businesses of all different sizes to collectively provide commute reduction services to a broader range of professionals. TMAs allow multiple companies

within a geographic area to collectively provide TDM services and measures to employees, rather than each company providing services individually. Residential projects would also be included in the TMA, enabling local residents to take advantage of these services and the incentives to walk, bike, or use transit to reach their destinations. As the formation of a TMA is Action CIR-5b from the City's General Plan, the Metro Plan recommends establishing a TMA for the Metro Area at a minimum. The TMA will be responsible for monitoring trip reduction, VMT targets, and services within the Plan Area. Participation in the TMA is required of all new development and optional for existing uses.

In addition to implementing TDM measures, the reduction of vehicle trips resulting from those strategies should be monitored and reported by the TMA. The monitoring and reporting of vehicle trips will allow participants of the TMA to more efficiently mitigate vehicle trips, vehicle miles traveled, and parking demand within the Milpitas Metro Specific Plan.

Figure 4-6. Circulation Network



--- Milpitas Metro
* BART Station
— Railway

Existing Streets
— Central Corridor
— Shopping Street
— Neighborhood Street
— Trail

Proposed Streets
--- Central Corridor
... Shopping Street
--- Neighborhood Street
--- Trail

— Bike Path

Note that proposed street grid on the Great Mall parcel are conceptual. Underlying land uses shall be consistent with the MMSP.

GIS data provided by: General Plan - City of Milpitas / Roads - US Census Bureau 2019 TIGER / Basemap - ESRI

4.3 MOBILITY AND CIRCULATION POLICIES

M 1. Multi-Modal Circulation. Develop a highly-connected street grid that prioritizes multimodal transportation including walking, bicycling, and transit.

M 1.1. New streets shall be located as generally shown on the Circulation Network Map (Figure 4-6).

M 1.2. Provide an intuitive hierarchy of streets that includes a continuum from bustling on boulevards and retail concentrated streets to contemplative and neighborhood-oriented in character. These streets should follow the hierarchy and actions provided in M 2 – M 5:

- Central Corridors
- Shopping Streets
- Neighborhood Streets
- Trails

M 1.3. New streets on the Great Mall parcel shall be aligned in a grid pattern as shown in Figure 4-6. Exact alignment shall be determined by the developer and City. Refer to Figure 4-7 in Chapter 3: Site and Building Design Standards and Guidelines for additional guidance on appropriate block lengths.

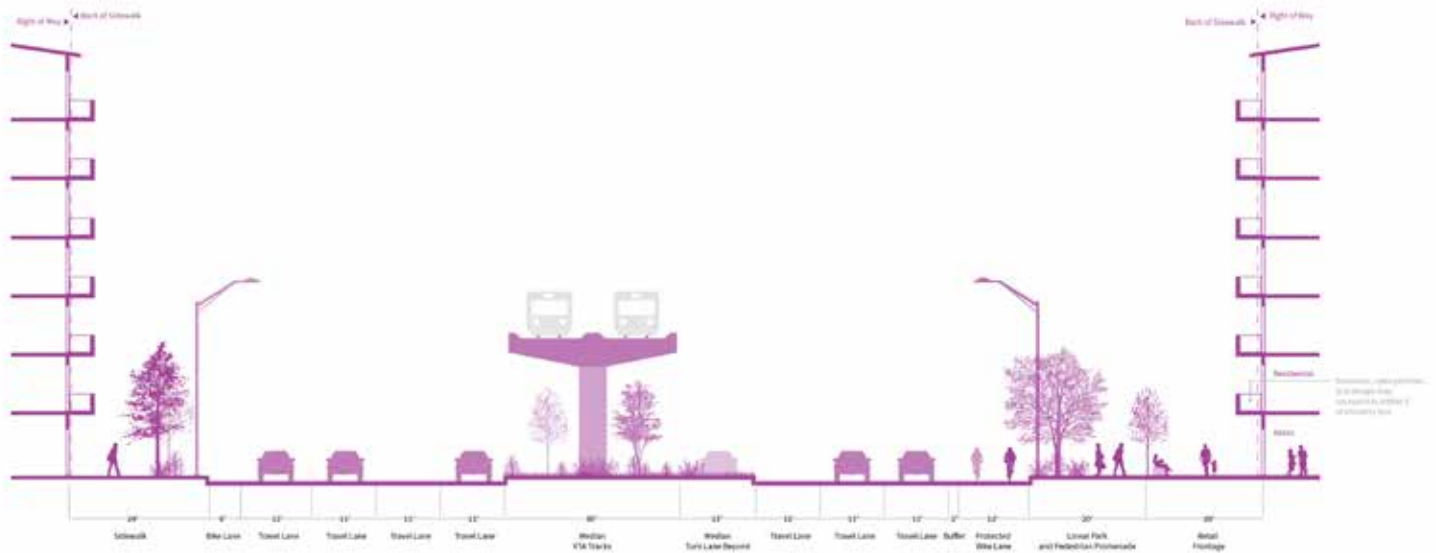
M 1.4. Street ownership and maintenance will be negotiated between the developer and the City on a project-by-project basis.

M 2. Central Corridor. Enhance arterial streets - Montague Expressway, Great Mall Parkway/ Capitol Avenue, South Main Street, and Trade Zone Boulevard - to include facilities for active transportation: pedestrians, bicyclists, and more. Where the City does not control an arterial street, as in the case of Montague Expressway, work with the relevant agency to increase multimodal safety and accessibility over time.

M 2.1. Central Corridors should include the following features:

- Bike lanes and sidewalks on both sides of the road.
- Street furnishings, including ample seating, bike racks, waste and recycling bins, bollards, and human-scale street lights.
- Ground-level activity that invites Central Corridor users into shopping streets.
- Landscaped setbacks along Great Mall Parkway, Capitol Avenue, South Main Street, and South Milpitas Boulevard to buffer uses from heavy traffic.
- Raised crosswalks may be installed where high pedestrian volumes may

Figure 4-7. Great Mall Parkway Street Section



pose greater vehicular conflicts (such as Great Mall Parkway).

M 2.2. Gateway Elements. Develop a gateway experience for transit users and street users to welcome them to the Plan Area in concert with signage guidelines in M 2.1 of Chapter 3: Site and Building Design Standards and Guidelines. Gateway elements could include public art, landmark buildings, and unique treatment of public spaces.

M 2.3. Great Mall Parkway. Transform Great Mall Parkway/Capitol Avenue into multimodal complete streets that provides for the mobility needs and safety of transit users, bicyclists, pedestrians, and drivers as indicated in Figure 4-7 and by providing the following features:

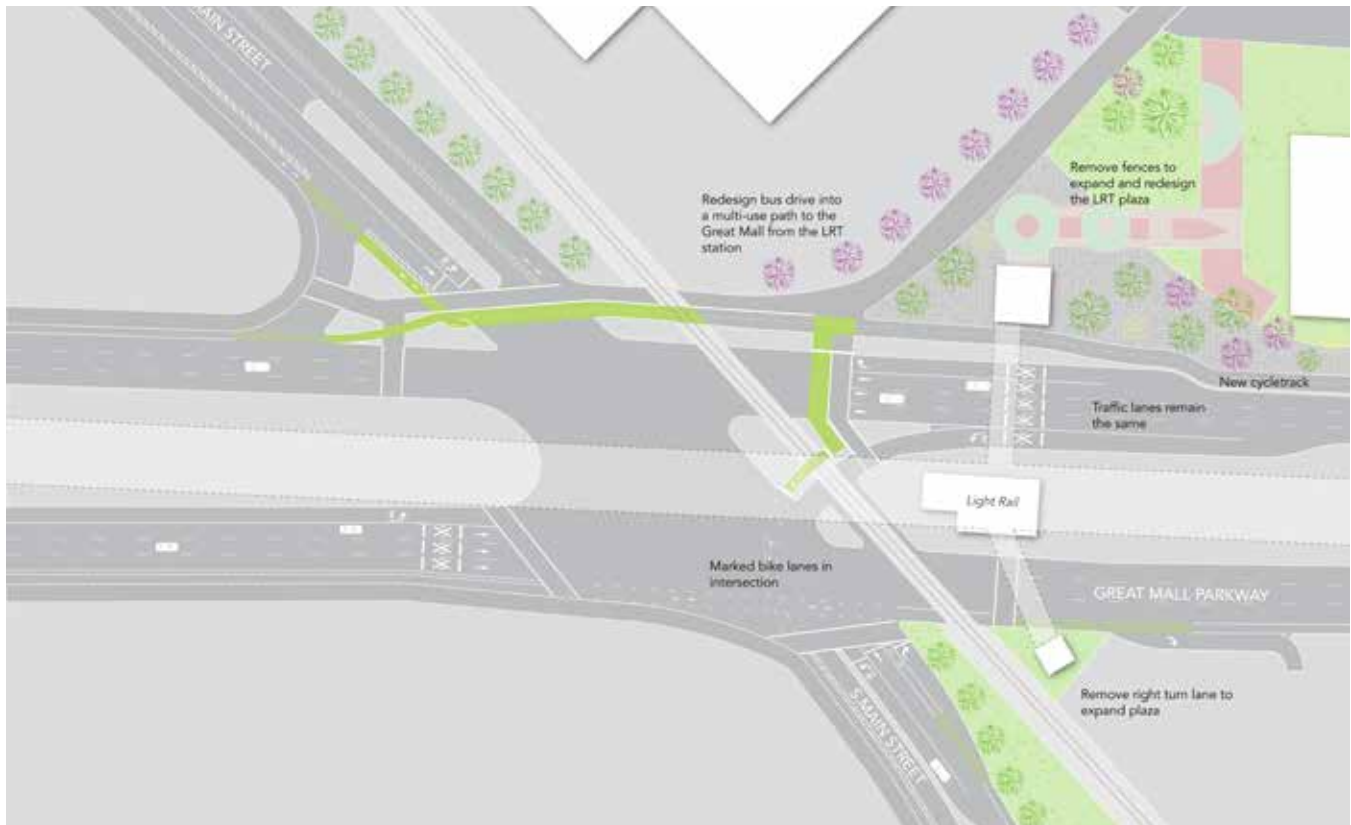
M 2.3.1. Maintain or reduce current lane counts and widths on Great Mall Parkway to calm traffic, create a more comfortable environment for non-vehicular modes, and to decrease Vehicle Miles Traveled.

M 2.3.2. Provide protected bike lanes in both directions and a cycle track on the Great Mall Subdistrict side of the street.

M 2.3.3. Provide a linear park and pedestrian path along Great Mall Parkway from Montague to Main Street.

M 2.3.4. Provide enhancements to pedestrian crossings along Great Mall Parkway and other major roadways through measures including curb extensions, traffic signal modifications, and/or other amenities.

Figure 4-8. Great Mall Parkway and Main Street Intersection



M 2.3.5. Refer to M 2.1 for additional Central Corridor guidelines.

M 2.4. Great Mall Parkway and Main Street Intersection. Accommodate bicycle and pedestrian improvements and improve the connection between the Great Mall VTA Light Rail Station to the Great Mall (Figure 4-8).

M 2.4.1. Remove fencing and redesign the bus drive to become a multi-use path that directly connects the VTA Light Rail Station with the Great Mall.

M 2.4.2. Redesign the plaza by the Light Rail Station Elevator on the north side of Great Mall Parkway to be more landscaped, more usable as a public plaza, with commercial uses oriented to it and features that activate the plaza. Coordinate with VTA and developers to improve the pedestrian and transit user experience at the LRT Station.

M 2.4.3. Redesign the sidewalk to include a new two-way cycletrack that has more protective features for cyclists and marked lanes in the intersection. Use

colored paving to indicate where cyclists are intended to travel.

M 2.4.4. Remove the right turn lane to expand the plaza on the south side of Great Mall Parkway at the train tracks. Replace the turn lane with a right turn lane. Redesign the plaza to include hardscape and softscape treatment to make the plaza as activated and usable as possible.

M 2.4.5. Build a new pedestrian overcrossing from the elevated level at the Great Mall Light Rail Station to the corner plaza at Main and Great Mall Parkway.

M 2.5. Great Mall Parkway and McCandless Drive Intersection. Accommodate bicycle and pedestrian improvements as indicated in Figure 4-9.

M 2.6. Montague Expressway. Work with County Roads to complete improvements on Montague Expressway as described in Figure 4-10 and with the following features:

- Deciduous trees shall be planted in the median and in planting strips on both sides of Montague Expressway.

Figure 4-9. Great Mall Parkway and McCandless Intersection



- Pedestrian-scale street lights, avenue-scaled street lights, benches, and trash receptacles shall be located on the sidewalk.

M 2.7. Trade Zone Boulevard. Complete multimodal street improvements on Trade Zone Boulevard as described in Figure 4-10 and with the following features:

- Provide a staggered row of deciduous trees, avenue-scaled street lights, and pedestrian-scaled street lights in the planting strip.

- Provide a bicycle lane on both sides of the road.
- Provide or require new development to provide ornamental trees at the back of the sidewalk along private frontages.

Figure 4-10. Montague Expressway and Trade Zone Boulevard

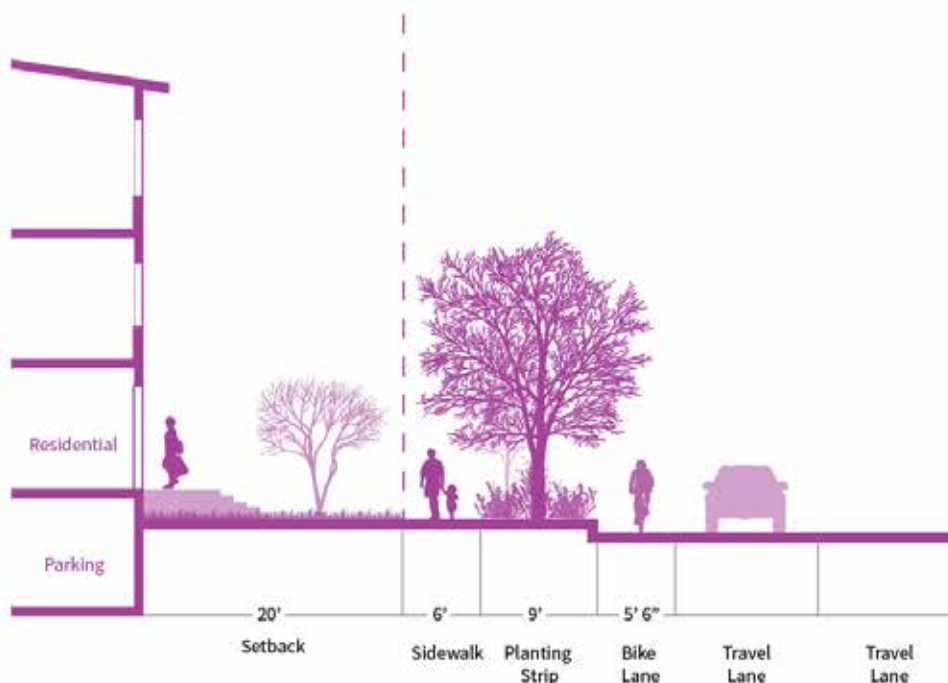
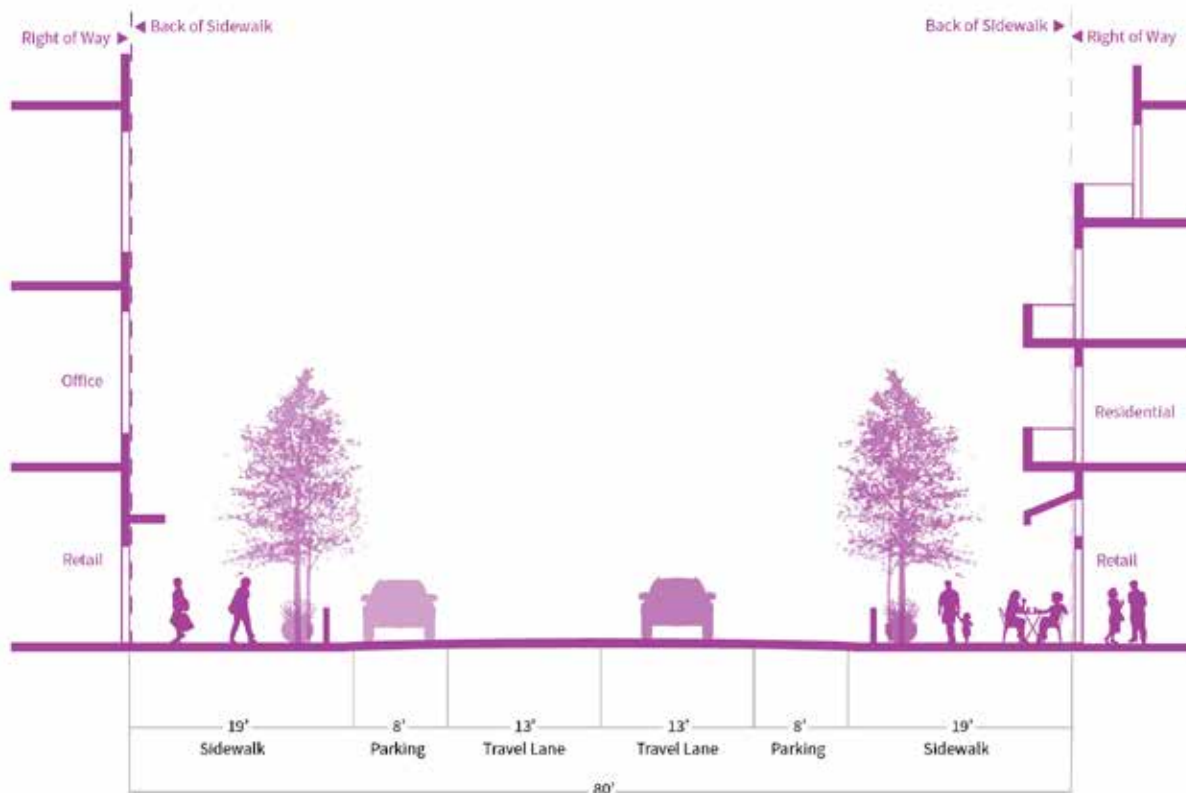


Figure 4-11. Shopping Street.

Envisioned as a retail lined street with an 80-foot building-face to building-face dimension. Shopping Streets can be designed as a curbless pedestrian environment, with the central lanes for vehicles occasionally vacated for festivals and markets. Montague Expressway and Trade Zone Boulevard



M 3. Shopping Streets. Provide Shopping Streets that support and promote high levels of pedestrian and retail activity.

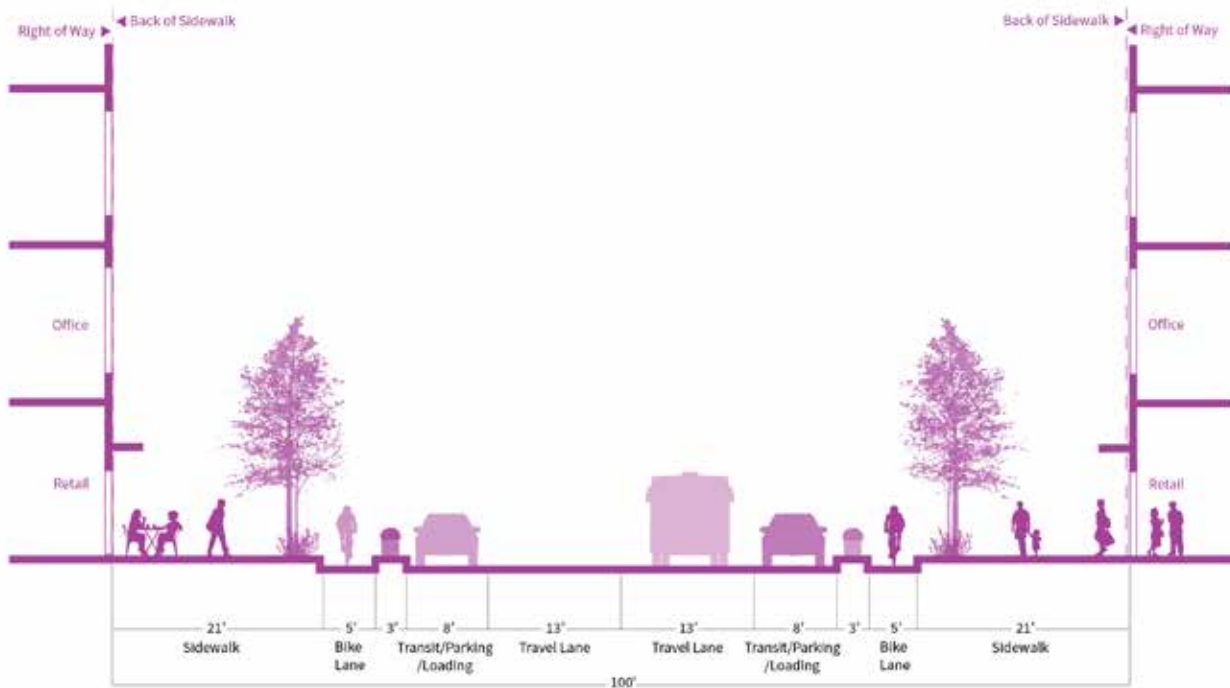
M 3.1. Sidewalks. Provide wide sidewalks that are a minimum of 18 feet in width that have attributes described in Figure 4-10 in Chapter 3: Site and Building Design Standards and Guidelines.

M 3.2. Loading Zones. Loading zones are required to be located away from building frontages and encouraged to be placed on side streets or minimized visually.

M 3.3. Dynamic Curb Management. On-street curb spaces should be evaluated in the context of both the surrounding land uses and transportation needs and designed for their highest and best use (vehicle or bicycle parking, loading, micromobility, parklets, transit access, etc.)

Figure 4-12. Shopping Street with Transit.

This shopping street is designed for transit, service, and cycling with a 100-foot building-face to building-face dimension. Curb and planters divide and protect pedestrians and cyclists from vehicular traffic. The outside vehicular lanes can be used as bus pull-outs, loading zones, or on-street parking.



M 3.4. On-Street Parking. On-street parking along Shopping Streets shall be managed through a combination of pricing, time limits, or other mechanisms to maintain a peak occupancy of 85 percent. Provide parking for disabled, loading, transit, temporary customer parking on shopping streets.

M 3.4.1. On-street parking can also be used as a multi-use zone and an extension of the pedestrian realm as described

in Chapter 3: Site and Building Design Standards and Guidelines. Uses can include outdoor dining or seating, use as a transit stop, or loading zone.

M 3.4.2. On-street parking configurations are preferred to be parallel parking and allowed to be back-in angled parking.

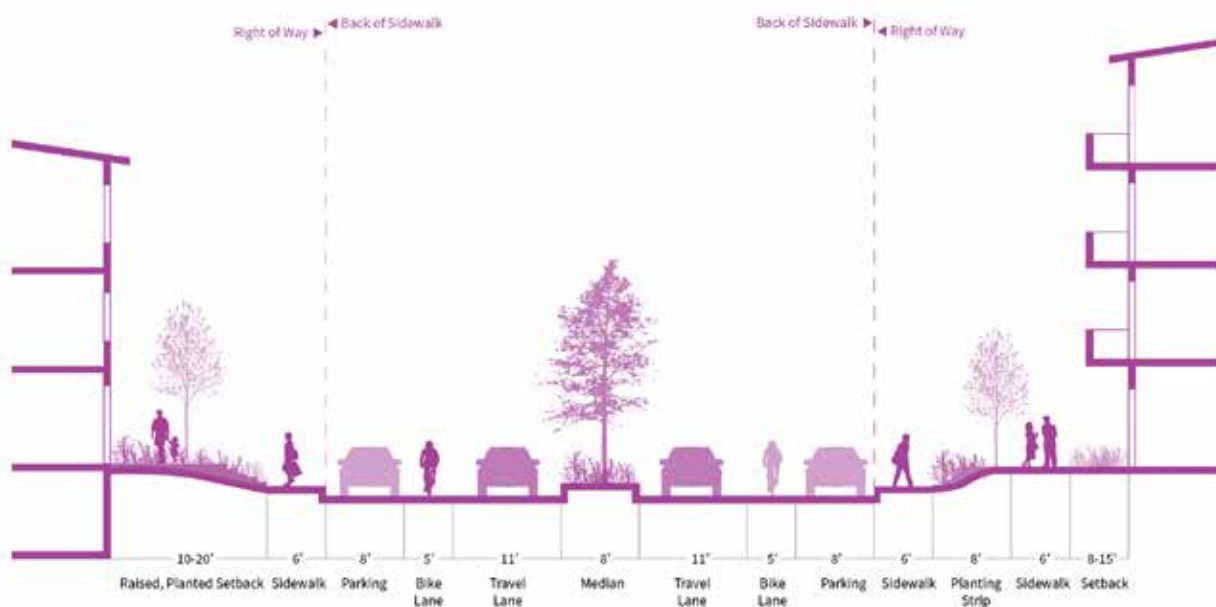
Figure 4-13. Local Neighborhood Street.

The parallel parking is located on alternating sides of the street. This street condition occurs in the Tango subdistrict, and wherever new housing development occurs.



Figure 4-14. Larger Local Neighborhood Streets.

Larger Local Neighborhood Streets such as the extension of McCandless Drive into the Great Mall subdistrict provide traffic in two directions and many areas for landscaping to make it a more walkable environment.



M 4. Neighborhood Streets. Create local streets within residential neighborhoods with a slower, pedestrian character.

M 4.1. Provide on-street parking on at least one side of all neighborhood streets to provide parking for guests and residents, slow traffic, and buffer pedestrians on the sidewalk. Where parking only occurs on one side of the street, parking locations shall be provided on alternating sides of the street for different blocks and shall utilize permeable pavers and/or decorative pavers in parking aisles.

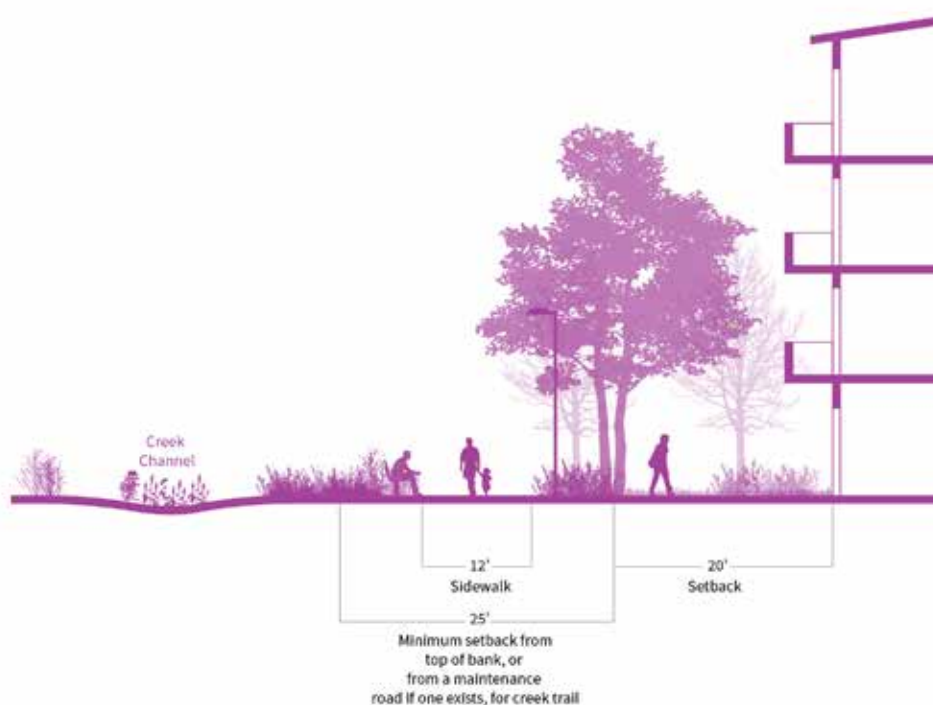
M 5. Trails. Develop trails that link into the citywide trail system in order to aid connectivity and provide recreational and leisure spaces.

M 5.1. Complete a pedestrian and bicycle network that connects trails and pathways to create a loop that connects the entire Milpitas Metro Area.

M 5.2. Create a network of trails along Penitencia Creek, Berryessa Creek, and railroad right of ways.

M 5.3. Require all properties that the proposed trail network runs through or adjacent to set aside land for the trails. This land will count towards the

Figure 4-15. Typical Trail Section



required public park land dedication requirement. If trail easements already exist or are acquired within the rail line or flood control right of ways, these easements may be used in lieu of land on development sites.

M 5.4. Refer to Figure 4-15 in Chapter 3: Site and Building Development Standards and Guidelines for trail design guidelines and standards.

M 5.5. Ensure adequate lighting on and visual observation of trails to ensure user safety at all times of day.

M 6. Vision Zero. Adopt the “Vision Zero” framework to minimize traffic fatalities and severe injuries as described in General Plan Action CIR-1a with particular attention to the following:

- Separate truck and van deliveries from local trips as much as feasible via street signage and design.
- Adopt and continuously update curb management for safe transportation network companies (TNC) and local delivery use.
- Where feasible, separate pedestrian and bicycle/micromobility modes (including parking/gathering) from automobile/truck modes.

M 6.1. Provide continuous pedestrian and bicycle facilities that prioritize safety and are accessible to users of all ages and abilities.

M 6.2. Work with Safe Routes to School programs to encourage children to walk or bike to school.

M 6.3. Provide new roads that enable safe and comfortable access to all modes of transportation. Refer to Figure 4-7 for additional guidance on the design of new streets.

M 6.4. Provide mid-block public access routes through the block to reduce the length of the block, particularly for blocks longer than 400 feet, where feasible. The access route can be a paseo, alleyway, service road, or interior passageway as long as it is always publicly accessible and well-lit.

M 7. Reduce Climate Impacts. Manage automobile demand and promote low-carbon transportation to minimize emissions in the planning area.

M 7.1. Zero and Low Emission Vehicles.

Promote use of zero and low-emission vehicles through the following measures:

- Require all new multifamily residential and all new nonresidential buildings to provide at least 45 percent of parking spaces as EV capable (including the raceway and

panel capacity) to support future installation of Level 2 chargers on a dedicated 40-amp, 208/240-volt branch circuit.

- Require all new multifamily residential and new nonresidential buildings to install at least 33 percent of EV capable parking spaces with EVSE Level 2. Where six Level 2 EVSE are installed, one DC Fast Charger can be installed to substitute for five Level 2 EVSEs. The DCFC shall be rated at 80 kW minimum.
- Require all new warehouses, grocery stores, and retail stores with planned loading docks to install at least one EV capable loading dock with a raceway(s) and service panel(s) or subpanel(s) for each 25,000 square feet of floor space planned.
- Provide preferentially-located charging stations for electric vehicles (EVs) and plug-in hybrid electric vehicles (PHEVs).

M 7.2. Work to implement the Climate Action Plan as it becomes available and updated.

M 8. Parking and Transportation Demand

Management. Establish and implement a travel demand management (TDM) program with the non-compulsory goal of reducing VMT by 15 percent or more below the regional baseline per employee or resident and efficiently provides parking that meet the needs of residents, employees, and visitors. TDM measures should be incorporated into all new development and may be implemented by individual uses or through TMA oversight.

M 8.1. Establish a Transportation Management Association (TMA) that is responsible for monitoring trip reduction, VMT targets, and services within the planning area. Participation in the TMA is required of all new development and optional for existing uses.

M 8.2. All projects should provide the following TDM measures at a minimum individually or as participants of the TMA:

- Annual monitoring reports
- Annual employee commuter survey
- Participation within the Milpitas Metro Specific Plan TMA
- Provision of bicycle parking spaces
- Fully subsidized transit passes (e.g. VTA, BART, Caltrain, etc.)
- Commute shuttle funding

- Unbundled parking
- 511.org participation
- Production of marketing and education materials

M 8.3. Development projects are encouraged to implement additional optional TDM measures to achieve VMT and trip reduction goals. Section 7.6 details some potential strategies. The Santa Clara Countywide VMT Evaluation Tool is another resource for selecting TDM measures.

M 8.4. Require provision of bicycle and pedestrian facilities at workplaces, commercial centers, and residential complexes.

M 8.4.1. This includes long-term bicycle parking that is weather-protected (either indoor or in an enclosed outdoor locker) at residential complexes and workplaces and short-term parking for bicycles that is visible from the entrance of the building at commercial developments. Required bicycle parking ratios are listed in Table 4-2. (NOTE: the Association

Table 4-2. Bicycle Parking Requirements

Land Use	Long-Term Parking Requirement	Short-Term Parking Requirement
Multifamily Residential	0.5 spaces per bedroom	0.1 spaces per bedroom
Retail	1 space per 10,000 square feet	1 space per 5,000 square feet
Office	1.5 spaces per 10,000 square feet	1 space per 20,000 square feet

Table 4-3. Vehicular Parking Requirements

Land Use	Minimum Requirement	Maximum Requirement
Residential/Lodging	0.5 spaces per unit	1.5 spaces per unit
Non-Residential	1 space per 1,000 square feet	2 spaces per 1,000 square feet

of Pedestrian and Bicycle Professionals provides specific design guidance and the following requirements).

M 8.4.2. Required vehicular parking ratios are listed in Table 4-3. Valet and/or mechanical lift stalls are counted as individual spaces for purposes of required ratios.

M 8.5. Require separate designated parking for publicly accessible parks.

M 8.6. Minimum parking requirements may be reduced at the discretion of the decision-making authority based on a demonstrated program that is approved by the City in the form of a written commitment to reduce demand for on-site parking and maximize the efficient use of parking areas. A reduction in required parking shall be granted based on the point system in Table 4-4.

Table 4-4. Parking Reduction Point System

Total Points	Allowed Parking Reduction
40 or more	100 percent
30 or more	75 percent
20 or more	50 percent
10 or more	25 percent

1. Parking Reduction Near Fixed Guideway Transit. A parking reduction may be granted for development within one-half (0.25) mile of a fixed guideway transit station. Fixed guideway transit means a public transit facility that uses and occupies a separate right-of-way or rail line for the exclusive use of public transit vehicles, as with VTA light rail and BART lines. (15 points).
2. On-Site Parking Demand Reduction and Site Design Measures. Any combination of the following optional measures may be incorporated into the site plan and operational plan to support a reduction in the minimum required on-site parking:
 - a. Shared parking agreement with owners of other property or properties in the vicinity of the development. This can also include distinct uses that are part of one development. The shared parking spaces must be located within 0.25 mile of the proposed use. (10 points for a number of shared parking spaces totaling at least 25 percent of the base parking space requirement for the use)
 - b. Direct free 24-hour airport-to-lodging shuttle service (10 points)
 - c. Providing dedicated, permanent on-site parking spaces for shared

- cars in a residential or lodging use. To qualify for this measure the use must provide at least one shared car space for every 50 units (when applying this calculation, any fractional number of required shared cars shall be rounded up to the nearest whole number). (5 points)
- e. Providing on-site, free micro-mobility devices for a residential or lodging use. To qualify for this measure the use must provide at least one shared micro-mobility device for every 50 units (when applying this calculation, any fractional number of required shared micro-mobility devices shall be rounded up to the nearest whole number). The operator of the proposed use shall obtain approval from the Planning Director or designee for the proposed placement and use of micro-mobility devices prior to commencing operations. The operator shall maintain micro-mobility devices in good working order at all times. (5 points)
 - f. Paying employees a daily parking cash-out fee equivalent for the daily cost of a structured parking space (15 points)
 - g. Offering an actively managed ride-matching service to residents or employees to assist in car or van-pooling (5 points)
 - h. Other measures as proposed by the applicant (points to be determined by the decision-making authority based on the potential for parking demand reduction of the proposed measure).
- M 8.7.** Minimum parking requirements may be reduced through payment of an in-lieu fee to the TMA that is set at \$12,000 in 2021 dollars and adjusted annually for inflation using the Bureau of Labor Statistics. In-lieu fee payments must be used on multimodal programmatic or infrastructure improvements.
- M 9. Pedestrian Circulation.** Promote pedestrian circulation for daily trips under a half mile and to transit by implementing the proposed street improvements and safety features.
- M 10. Bicycle and Micromobility Circulation.** Promote bicycle and micromobility modes (e.g. e-bikes, motorized scooters, and skateboards) for trips to local destinations (e.g. Milpitas Transit Center, neighborhood retail, parks) trips. Determine if the Metro Area is a suitable place for implementing the one-year shared micromobility pilot program detailed in the City's Bicycle/ Pedestrian and Trails Plan.

M 10.1. Provide direct and convenient bicycle circulation through the project site and to adjacent areas by closing existing gaps in bicycle lanes and bicycle routes, per Milpitas' Bicycle/ Pedestrian and Trails Plan and as shown on the Circulation Network Map (Figure 4-6) as well as routes suggested above for individual roadways such as Great Mall Parkway.

M 10.2. Signage alerting pedestrians of potentially fast-moving traffic should be considered where this connectivity network intersects or runs alongside pedestrian-focused routes, particularly at intersections with the trail network described in M 5.

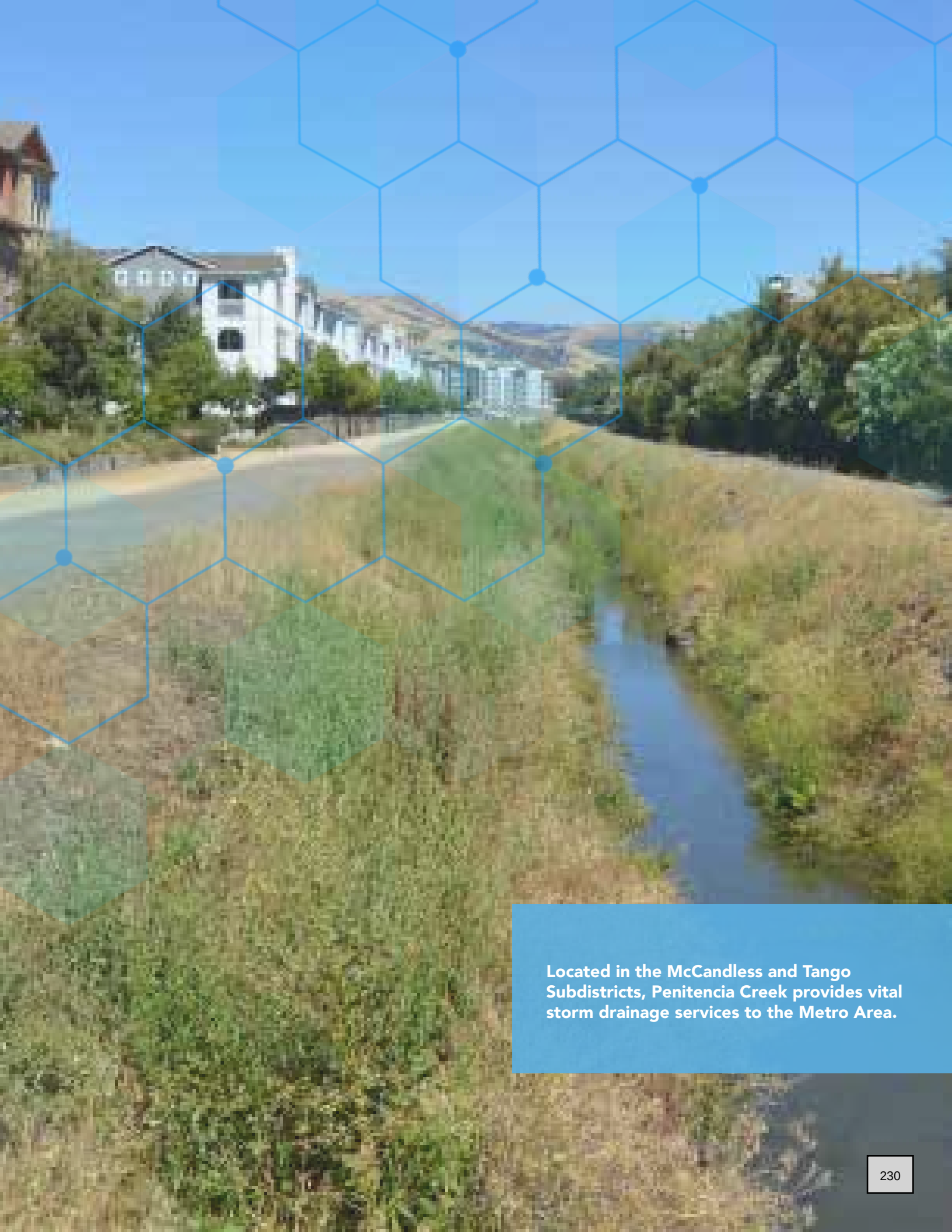
M 11. Transit. Connect the Milpitas Metro Plan Area to local and regional transit.

M 11.1. Encourage the development of local circulators (by the City or property owners) as shown on the Circulation Network Map (Figure 4-6).

M 11.2. Integrate the Metro Plan into Milpitas OnDemand by ensuring the program's on-demand shuttle services the area, providing quality facilities for on-demand users, and connecting the shuttle to first mile-last mile amenities such as micromobility options.

M 11.3. Encourage multimodal infrastructure improvements near transit to improve local

connectivity to transit stops, with particular focus on the Milpitas Transit Center, as per Milpitas' Bicycle/ Pedestrian and Trails Plan (2021).



Located in the McCandless and Tango Subdistricts, Penitencia Creek provides vital storm drainage services to the Metro Area.

5. INFRASTRUCTURE

- 5.1. Storm Drainage
- 5.2. Flooding
- 5.3. Water Supply and Distribution System
- 5.4. Sewer
- 5.5. Solid Waste
- 5.6. Fire Protection and Emergency Response
- 5.7. Police Services
- 5.8. Schools
- 5.9. Libraries
- 5.10. Child Care

The City and private developers constructed a substantial amount of new infrastructure, including new streets, streetscapes, and utilities with the implementation of the TASP. As a result, the planning area already has much of the infrastructure needed to provide public utilities and services to the development projected in this plan.

This chapter describes the infrastructure needed to provide public infrastructure and services for the planning area. It establishes policies and describes improvement projects necessary for the upgrading and expansion of public facilities, including:

1. Public utilities such as storm drainage, sewer, water, and waste disposal
2. Community services provided by public agencies (e.g., schools, public safety, child care) PENDING INFORMATION FROM SCHOOLS, CHILDCARE PLAN, ETC. WILL ALSO ADJUST GIVEN CEQA FINDINGS

Policies and development standards for parks and trail infrastructure; and streets and mobility infrastructure are covered in Chapters 2 and 4, respectively.

5.1 STORM DRAINAGE

The City of Milpitas 2013 Storm Drain Master Plan (Master Plan) is in the process of being updated and is expected to be adopted in 2021. The Master Plan provides both background and analysis pertinent to the Milpitas Metro Specific Plan. The 2021 Master Plan includes the following statement on page ES-4:

This updated master plan and corresponding CIP differs from previous master plans due to the ICM (Integrated Catchment Modeling) model, which integrates updated rainfall and a different hydrologic methodology as described herein. Additionally, the model accounts for surface storage within streets and other open spaces and the precise timing of coincident creek discharges, which was not directly accounted for in previous master plans. These updates generally result in less flooding at the desired level of service and fewer CIP projects to meet the city's storm drainage criteria.

Storm runoff in Milpitas is collected in a system of gutters, underground pipes, and open channels. The open channels flow to Coyote Creek which ultimately discharges to San Francisco Bay. Drainage in Milpitas generally is from the southeast to the northwest. Many storm drains in the lower areas of the City, near the bay, rely on pumping to convey major flows. In addition, the Santa Clara Valley Water District is also responsible for storm drainage in the City of Milpitas.

The Santa Clara Valley Water District (Valley Water) is Milpitas' primary partner in the management of local storm water issues. The District's stated mission is to "[provide Silicon Valley safe, clean water for a healthy life, environment, and economy]". More specifically, the District manages most of the major drainage-ways in Milpitas including Arroyo de los Coches, Berryessa Creek, Calera Creek, Coyote Creek, Lower Penitencia Creek, East Penitencia Creek, Piedmont Creek, and Tularcitos Creek. Coordination with the District is integral to the success of the storm drain master plan, since all of the City's storm drainage systems eventually discharge into a Valley Water-managed facility. Valley Water is keenly interested in any City storm drain project that might potentially impact one of their receiving creeks. In turn, the City has a vested interest in how Valley Water manages its legislated flood protection responsibility. (City of Milpitas Storm Drain Master Plan 2021, Page ES-1)

The City of Milpitas and the Metro Specific Plan area lie wholly within the lower reaches of the Coyote Creek watershed as shown in Figure 5-1.

The 2021 Master Plan has included proposed land uses within the Metro Specific Plan Area and identified one low priority improvement at Comet Dr. The following statements from the Master Plan pages 1-7 and 3-51 summarize the impact of development for the Plan area.

Generally, impervious surface does not increase with infill development, so the impacts of the specific plan areas would be based on realigned roads or identifying currently underserved areas where parcels drain by gravity to the street frontage

The Milpitas Metro Specific Plan area is now almost entirely built out, and there are no longer areas identified that do not have adequate storm water runoff collection.

5.1.1 Stormwater Policies

ICS 1. Support stormwater infrastructure that is appropriate for planned development in the Metro Area.

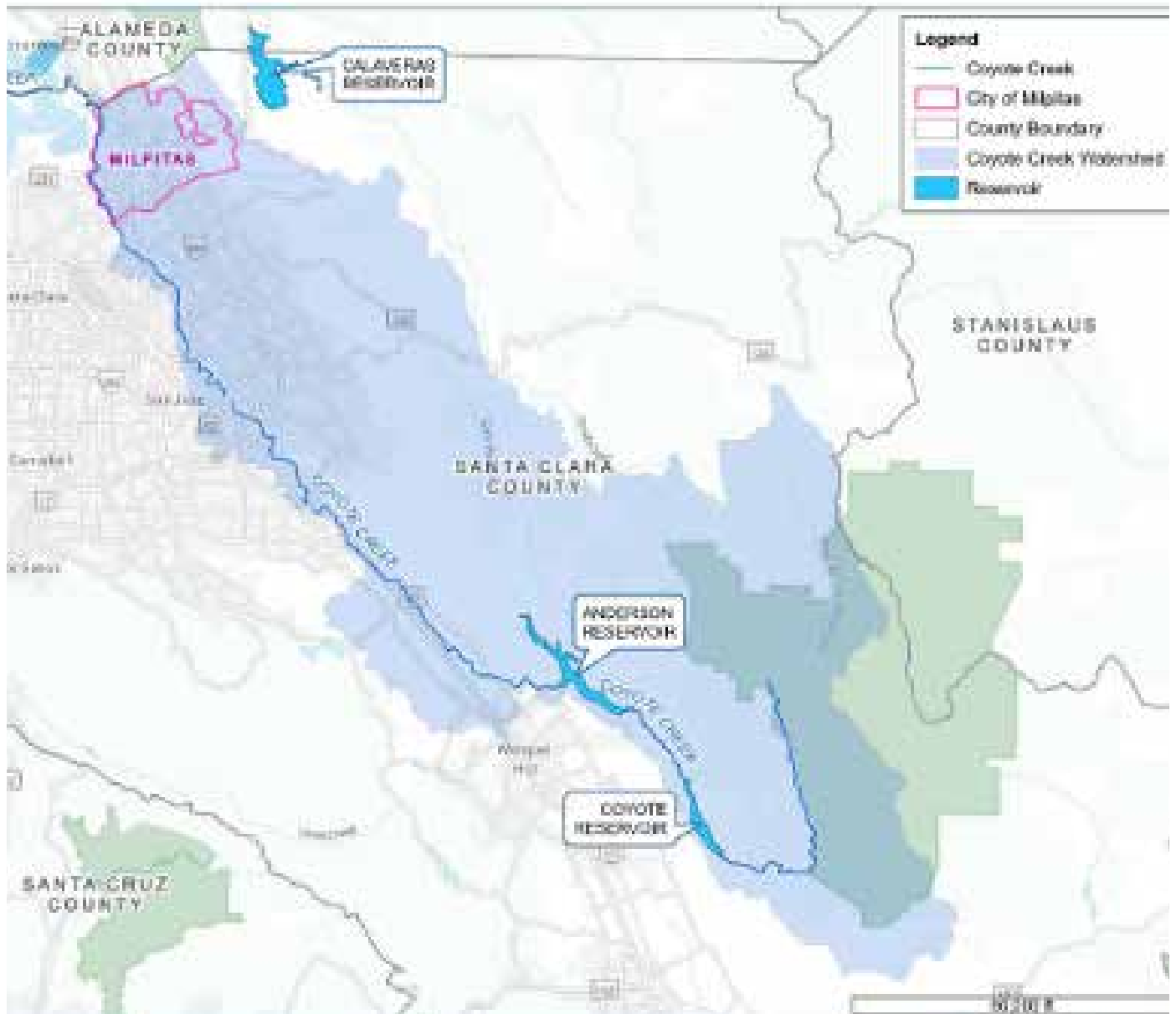
ICS 1.1. Provide storm drain infrastructure to adequately serve new development and meet City standards.

ICS 2. Ensure that runoff in storm drains does not lower water quality within or outside of the Plan Area by implementing Best Management Practices (BMPs) in new developments within the Metro Area.

ICS 3. Construct the improvements within the Metro Area that were identified in the 2013 Storm Drainage Master Plan, and any other improvements identified in updates to the Master Plan including:

- South Main St. SD Improvements at Cedar Way (P2)
- Montague Expressway SD Improvements (P1)
- Montague Expressway SD Improvements at Lower Penitencia Creek (P1)
- Tarob Ct Outfall Relocation (P1)
- Lundy Place Relief Line (P1)
- Watson Ct. Relief Drain (PDB1)

Figure 5-1. Milpitas regional drainage location (Source: Storm Drain Master Plan)



5.2 FLOODING

The MMSP has adequate storm drainage capacity for the 10-year storm event upon completion of the improvements identified within the 2021 Storm Drain Master Plan. Within the MMSP, removal of paved areas for new parks, open space, and landscape areas will decrease impervious surfaces and therefore decrease stormwater runoff. However, the area will still be subject to flooding during 100-year storm events due to its location in the flatter portion of the city and flows from upstream areas which cannot be mitigated within the MMSP without major channel improvements.

Most of the MMSP Area is within a federally-designated floodplain, which triggers compliance with federal and local regulations. As a result, the MMSP is subject to the provisions specified in Section XI-15 'Floodplain Management Regulations' of the Milpitas Municipal Code.

All new residential construction must have the lowest floor built to at least one foot above the Base Flood Elevation, or in the case of areas within Zone AO, at least one foot above the depth number listed on the Flood Insurance Rate Map (FIRM), or three feet above the highest adjacent grade if no depth number is shown. For non-residential construction, the lowest floor elevation can be at Base Flood Elevation. The FEMA-Designated Special Flood Hazard Areas are shown in Figure 5-2.

5.2.1 Flooding Policies

ICS 4. Ensure development is protected from flooding hazards.

ICS 4.1. Minimize damage associated with flooding events and comply with regulations stipulated by FEMA and the National Flood Insurance Program.

ICS 4.2. New development within a FEMA-designated flood hazard zone must follow the City's construction standards for such areas, as currently laid out in Section XI-15 'Floodplain Management Regulations' of the Milpitas Municipal Code.



Figure 5-2. FEMA - Designated Special Flood Hazard Areas

5.3 WATER SUPPLY AND DISTRIBUTION SYSTEM

The City of Milpitas Water Master Plan (WMP) was prepared in 2021 and provides both background and analysis pertinent to the Milpitas Metro Specific Plan.

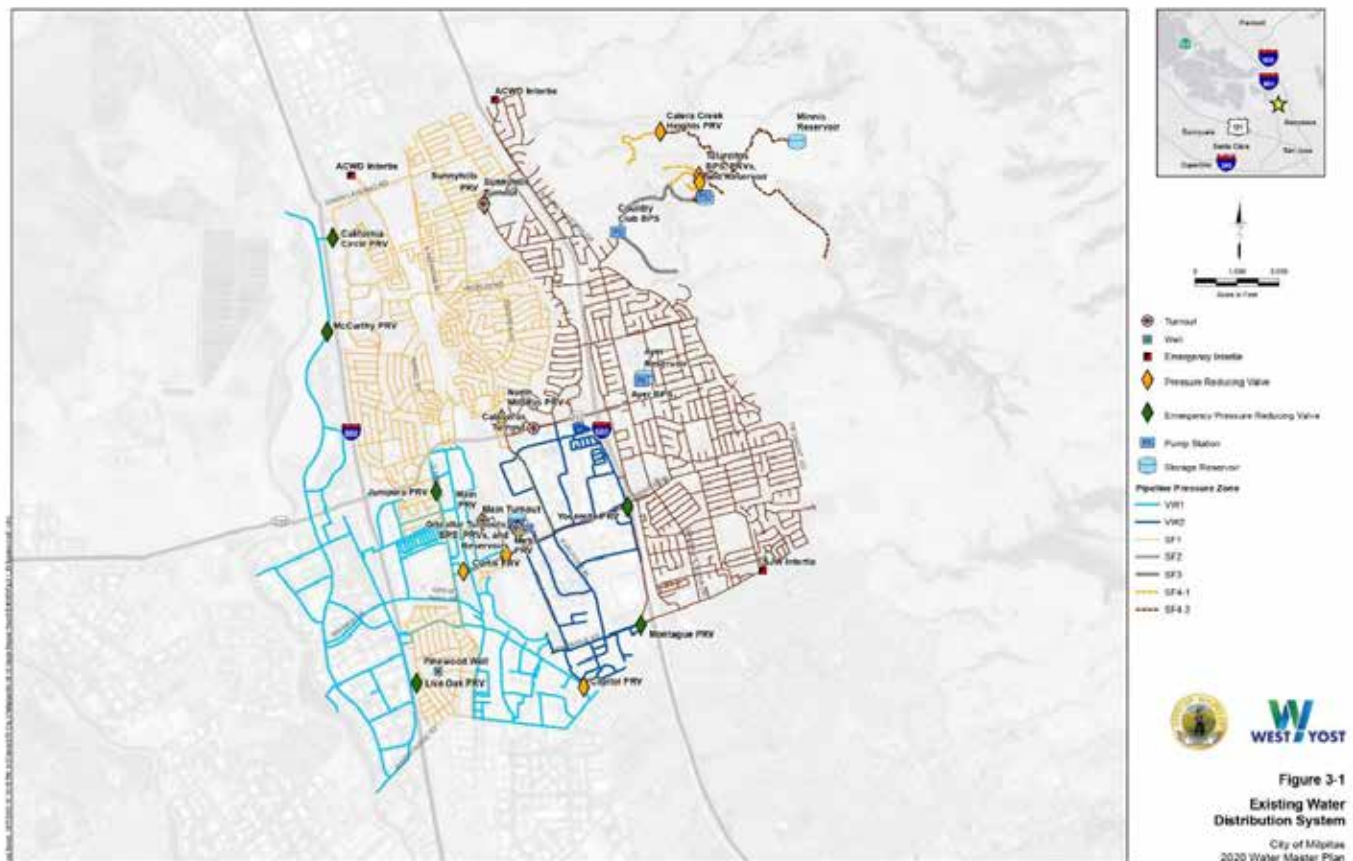
The City's water system is divided into two service areas that operate separately under normal conditions. The San Francisco Public Utilities Commission (SFPUC) serves one area, while Valley Water (VW, formerly known as the Santa Clara Valley Water District) serves the other (which

includes the Milpitas Metro Specific Plan Area).

There are two pressure zones in the VW service area, and the Milpitas Metro Specific Plan Area spans both. A turnout from a VW transmission main supplies the higher pressure zone (referred to in the WMP as Zone VW2), which supplies the lower pressure zone (Zone VW1) via pressure-reducing valves (PRVs).

Among other analyses, the WMP evaluated the ability of the City's distribution system to meet hydraulic performance criteria under different demand and outage conditions. Both

Figure 5-3. Existing Water Distribution System (Source: 2021 Water Master Plan)

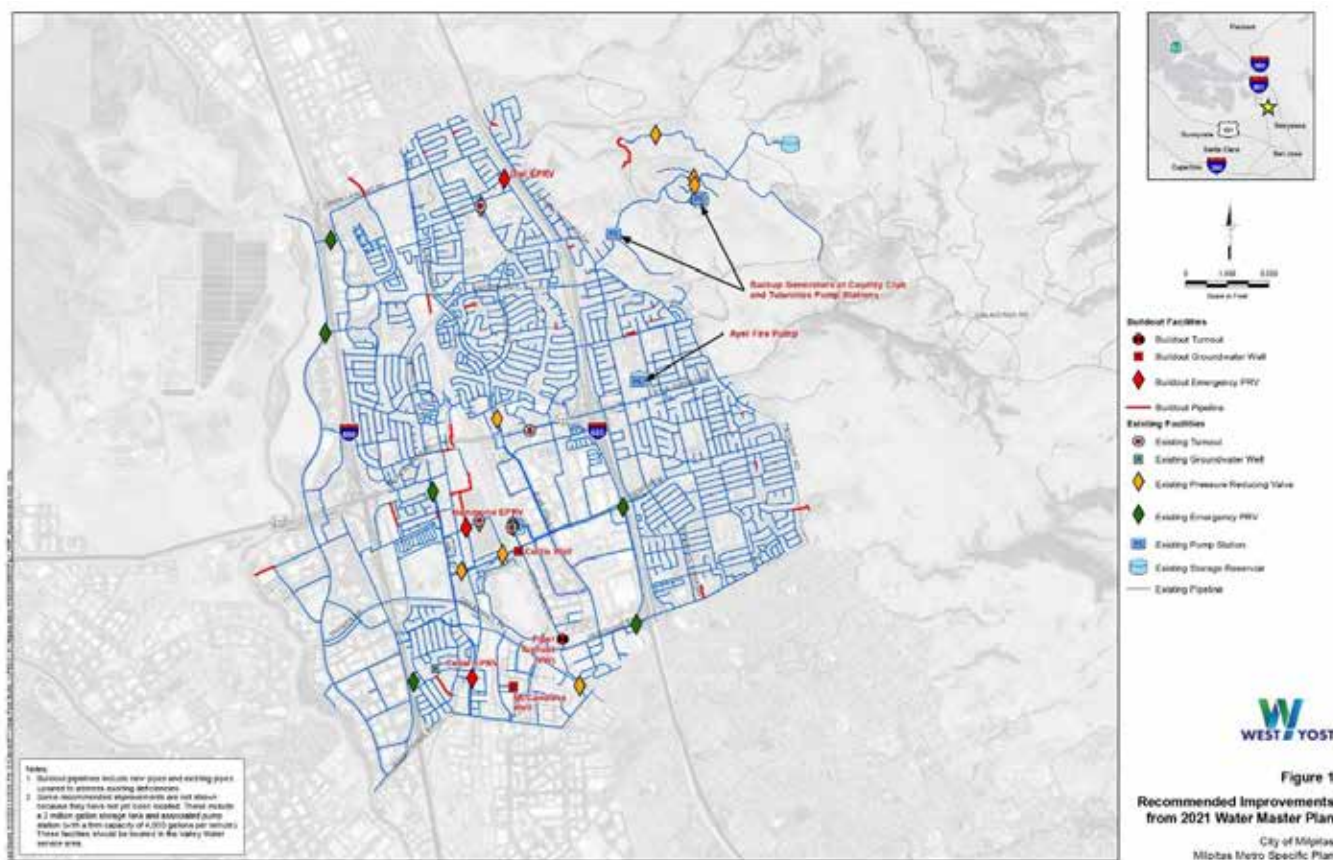


the existing (2019) and buildout (2040) systems were evaluated, with the latter incorporating new water demands from planned future growth and development (including the Milpitas Metro Specific Plan). Hydraulic evaluation of the City's buildout water distribution system included scenarios for peak hour demand, maximum day demand plus fire flow, and water supply and power outages.

The Milpitas Metro Specific Plan Area met hydraulic performance criteria under all scenarios evaluated. At buildout, pressures and flows

in the Milpitas Metro Specific Plan Area were adequate to serve peak hour demands and maximum day demand plus fire flow conditions. Outside the Milpitas Metro Specific Plan Area but adjacent to its southwest corner, one area did not meet the recommended fire flow criterion. To improve fire flows in that area, the WMP recommends installing a new Emergency PRV (Cedar EPRV) near the intersection of Cedar Way and South Main Street that would allow flow from the SFPUC service area to the VW service area during fires.

Figure 5-4. Water Infrastructure Improvements (Source: 2021 Water Master Plan)



In addition to the hydraulic evaluation, the WMP evaluated the supply, storage, and pumping capacities for the City's buildout water system. While pumping capacity is sufficient to handle increased water demands in the VW service area (resulting from the Milpitas Metro Specific Plan and other developments), water supply and storage improvements are recommended to meet associated performance criteria. Because the timing of future development was not available for the WMP, it is not clear which specific development(s) will "trigger" these improvements, but they are nevertheless recommended prior to buildout. Based on the buildout system analysis in the WMP, recommended water supply and storage improvements for the VW service area include:

- A new turnout from VW with a capacity of 10,000 gallons per minute (gpm)
- Two new groundwater wells (Curtis Well and McCandless Well), each with a capacity of at least 400 gpm. The McCandless well will be located in McCandless Park.
- A new, 2-million-gallon potable water storage tank
- A new pump station (drawing from the new storage tank) with a firm capacity of 4,000 gpm

These recommended improvements are one potential portfolio of projects the City could implement to address the water supply and storage challenges identified in the WMP. Other improvements or combinations of improvements

may also address these challenges.

5.3.1 Water Supply and Distribution Policies

ICS 5. Provide a reliable and sustainable water supply that supports future growth projections.

ICS 6. Provide water supply for the Milpitas Metro Area from the City's portfolio of water supplies, including potable water from Valley Water District and San Francisco Public Utilities and groundwater and recycled water from South Bay Water Recycling, per the Water Master Plan. No development is entitled to municipal water until a building permit is issued by the City.

ICS 7. Continue to provide potable water on a "first-come-first-served basis." If development in Milpitas exceeds growth projections in adopted plans, municipal potable water may not be immediately available to all developments.

ICS 8. Update the Water Supply Assessment if development in the Plan Area exceeds the water demand estimated in the Water Supply Assessment.

ICS 9. Reduce overall water consumption and particularly potable water consumption through water conservation measures, including but not limited to the following:

- use of recycled water

- water-saving features
- drought-tolerant landscaping

ICS 10. Require installation of water-saving devices, as required by the California Building Code, in all residential, commercial, industrial, and institutional facilities within the Plan Area. Such devices are capable of reducing the amount of water used indoors, resulting in substantial wastewater flow reductions.

ICS 11. Require that recycled water be used for all irrigation, including parks, plazas, community facilities, linear parks, landscaped front yards, buffer zones, vegetated setbacks, and private common areas.

ICS 12. Require, where reasonable and feasible, that commercial uses, schools, and non-residential mixed-use developments include dual plumbing to enable indoor recycled water use for non-potable uses to the extent feasible.

ICS 13. Upgrade and expand the water distribution system in accordance with the Water Master Plan such that it will be adequate to serve new development in the Plan Area.

ICS 14. Expand recycled water infrastructure in the Innovation District, along Main Street, and in the Tango Subdistrict to support future development.

5.4 SEWER

The City of Milpitas Sewer Master Plan (Master Plan) was prepared in 2021 and provides both background and analysis pertinent to the Milpitas Metro Specific Plan. Relevant passages are quoted below.

The wastewater collection system consists of approximately 160 miles of gravity sewers, with pipe diameters ranging from 4- to 66-inches. The collection system generally flows from east to west and south to north towards the San Francisco Bay. Most of the collection system flows by gravity to the Milpitas Main Lift Station (Main LS) then is pumped to the San Jose-Santa Clara Regional Wastewater Facility (RWF) through dual force mains. (City of Milpitas Sewer Master Plan, Page ES-1)

The City of Milpitas pays a share of the capital cost of the RWF, based on the City's capacity rights in proportion to the 167 MGD total capacity of the RWF. The City also pays a share of the operating cost, based on the volume of wastewater discharged to RWF. The City has rights to discharge 14.25 MGD to the RWF under its current allotment. (Sewer Master Plan, Page 2-4)

The Milpitas Metro Specific Plan Area is located on the southern border of the City at the upper end of the sewer shed for the City, its location within the citywide sewer collection system is shown in Figure 5-5.

Figure 5-5. Milpitas Metro Specific Plan Location (Source: Sewer Master Plan)

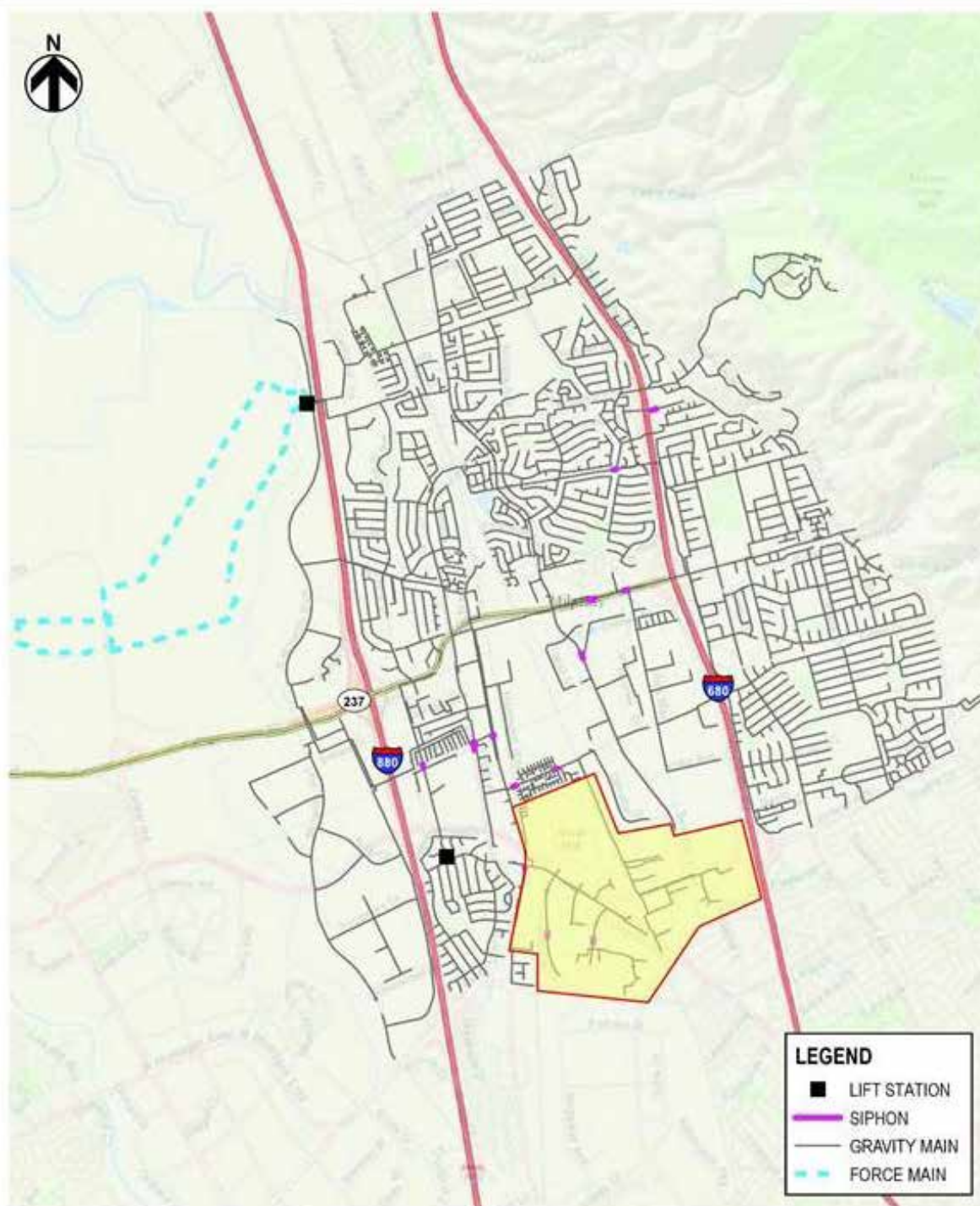


FIGURE ES-2
CITY OF MILPITAS
SEWER MASTER PLAN
WASTEWATER COLLECTION SYSTEM OVERVIEW

The Master Plan identified system risk exposure and developed a 5-point scoring ranking that includes all segments of the existing system. Neither #4 (High) or #5 (Extreme) risks were identified in the Milpitas Metro Specific Plan Area.

As part of the City's Master Plan project, a Sewer Utility Asset Renewal and Replacement Study (R&R Study) was conducted. The study documents the City's Business Risk Exposure (BRE) based on the physical condition and desktop assessment of the City's collection system applying a set of factors developed to determine the relative risk of failure for each pipeline segment. (City of Milpitas Sewer Master Plan, Page ES-1)

A capacity analysis of the citywide system is included in the 2021 Sewer Master Plan which anticipated land uses within the Milpitas Metro Specific Plan Area (Figure 5-2 in the Sewer Master Plan). The capacity analysis did not identify any deficiencies in the Milpitas Metro Specific Plan Area; however, some downstream segments are under capacity and have been identified as CIP projects.

There were no major capacity deficiencies identified as part of this analysis. There were no additional capacity deficiencies identified under future conditions that were not seen under existing conditions. (City of Milpitas Sewer Master Plan, Page ES-1)

5.4.1 Sewer Policies

ICS 15. Ensure sewer infrastructure can support future growth in the Metro Area.

ICS 15.1. Require development to obtain a building permit issued by the City prior to being entitled to wastewater treatment capacity.

ICS 15.2. Consider additional review of available wastewater treatment capacity if development in the Metro Area exceeds 7,000 housing units.

ICS 15.3. Construct improvements within the Plan Area as required to serve new projects. Participate in fair share contributions to downstream improvements that were identified as deficient in the 2021 Sewer Master Plan, and any other improvements identified in updates to the Master Plan.

5.5 SOLID WASTE

{The City of Milpitas disposes of all solid waste at the Permitted Class III, Subtitle D facility, the Newby Island Sanitary Landfill (NISL), administered by BFI. The Newby Island facility accepts solid waste, recyclables, and compostable materials. The City's contract with the NISL runs through September 5, 2017.

The City of Milpitas disposes of solid waste at different facilities depending on the material waste stream (e.g. garbage, recyclables, food waste, yard trimmings, and C&D) in accordance with the Franchise Hauler Agreement that the City has with Milpitas Sanitation, Inc. (MSI). The Franchise Hauler Agreement was entered on December 8, 2016; the term of the contract is from September 6, 2017 to August 31, 2032.

While collection is performed by MSI, the facilities where all of the waste streams are transported to are varied. Waste facilities by waste stream are listed below:

- **Solid waste.** Solid waste is processed at GreenWaste Recovery MRF with the end destination of the material at Kirby Canyon Landfill.
- **Recyclables.** The primary approved facility for recyclables is GreenWaste Recovery MRF. Alternate approved facilities include Alameda County Industries Material Recovery Facility and the Sunnyvale Materials Recovery and Transport Station (SMaRT Station).

- **Yard trimmings.** Yard trimmings are processed at GreenWaste Recovery MRF.
- **Food scraps.** The primary approved facility for food scraps is Sustainable Organic Solutions (SOS). Food waste is used to make animal feed. Alternate approved facilities include East Bay Municipal Utility District Treatment Plant and the Sunnyvale Materials Recovery and Transport Station (SMaRT Station)
- **Construction and demolition (C&D).** The primary approved facility for C&D is Mission Trails Waste Systems (MTWS). Alternate approved facilities include Zanker Road Resource Management Facilities, Guadalupe C&D Recovery Facility, and the Sunnyvale Materials Recovery and Transport Station (SMaRT Station).

The NISL does not accept hazardous waste, but the City of Milpitas currently participates in Santa Clara County's Hazardous Waste Program, which provides a drop-off site for residents and small generators.

Hazardous waste is being managed through Santa Clara County's household hazardous waste (HHW) program, which provides a drop-off site for residents and small generators through an appointment-based system. Milpitas continues to participate in this program. Santa Clara County and the City of Milpitas hold an annual HHW collection event within the city to encourage proper disposal of hazardous waste. Recent HHW collection events were canceled due to COVID-19, but will resume in the future.

5.5.1 Solid Waste Policies

ICS 16. Ensure solid waste facilities can support growth in the Metro Area and that waste continues to be collected and disposed of safely.

ICS 16.1. Require all new development to participate to the maximum extent practical in solid waste source reduction and diversion programs.

ICS 16.2. Negotiate new agreements to handle the long-term disposal of its solid waste before the expiration of the current waste disposal contract.

5.6 TECHNOLOGY

Located in Silicon Valley, Milpitas is embedded in the region's culture of innovation. The City is exploring opportunities for providing an efficient and reliable citywide broadband network, which could create new opportunities for businesses, public safety, healthcare, and other services. Citywide technological innovations can also elevate the City's reputation as a 21st century city and will be a key asset to the development of the Innovation District. A public broadband network would provide high-speed connectivity in public spaces within the city and could require collaboration with the private sector to implement.

5.6.1 Technology Policies

ICS 17. Provide a public broadband network in the Metro Area to establish the City as an innovative technological center.

ICS 17.1. Require new development to provide fiber connections.

ICS 17.2. Encourage the development of new fiber connections to existing development when utility construction is underway.

5.7 FIRE PROTECTION AND EMERGENCY RESPONSE

The Milpitas Fire Department (MFD) is responsible for fire suppression, emergency medical services, rescue services, hazardous and toxic materials emergency response, coordination of City-wide disaster response efforts, enforcement of fire and life safety codes, enforcement of State and Federal hazardous materials regulations, and investigation of fire cause, arson and other emergency events for cause and origin.

Three fire stations near the project area are: Fire Station #1, just northwest of the Great Mall at Curtis and South Main streets; Station #2, located northeast of the project on Yosemite Drive and South Park Victoria Drive; and Station #4 on Barber Lane just west of I-880. The City has automatic aid and mutual aid agreements with the cities of San Jose and Fremont.

More firefighting personnel and equipment will be needed to provide the level of service described in the General Plan, roughly at the ratio of one firefighter per 1,000 residents. Given the Plan Area's anticipated population increase of almost 17,500 new residents and 12,300 workers, MFD estimates that [CONFIRMING WITH FIRE DEPARTMENT]

Ultimately, MFD will need to conduct a "standards of cover" analysis to determine the Transit Plan's precise impact on the department's

staffing and equipment, and any required facility enhancements.

The MFD will also need to write an addendum to the City's emergency management plan to address the development of the project area. Adjustments to communication systems, evacuation plans, and community warning systems may also be necessary.

The City currently has building regulations that ensure adequate emergency access to buildings. However, the building and streetscape standards established in Chapter 3 were developed in coordination with MFD in order to balance dense development with safety. {CITY TO ENSURE REVIEW BY FIRE DEPARTMENT}

The Fire Department will evaluate individual development plans to assess whether emergency access is adequate.

5.7.1 Fire Protection and Emergency Response Policies

ICS 18. Provide fire and emergency services and facilities that can support growth in the Metro Area, while maintaining an adequate level of service

ICS 18.1. Conduct a "standards of cover" analysis to determine the Metro Plan's precise impact on the Fire Department's staffing and equipment, and any required facility needs. Identify and evaluate potential sites for an expanded or new fire station near the Plan Area if the

standards of cover analysis determines it is warranted.

ICS 18.2. Provide an adequate level of service—as determined by City Council—for the residents, workers, and visitors of the Plan Area by hiring additional fire department staff, purchasing equipment, and building facilities. New equipment and facilities shall be funded by the Community Facilities District fee and new staff paid from the City's General Fund.

ICS 18.3. These facilities are not expected to be sited within the Plan Area.

ICS 18.4. If a new fire station is built to meet the service needs of the Plan Area, it must be sited and developed in such a way as to not create substantial adverse physical impacts or significant environmental impacts.

ICS 18.5. Any new facilities should minimize noise and traffic impacts on existing land uses.

ICS 18.6. Update the City's emergency and disaster response plans to take the location and type of new development, and future traffic levels, into account.

5.8 POLICE SERVICES

Law enforcement services in Milpitas are provided by the City of Milpitas Police Department (MPD). Additionally, BART Police provides law enforcement services to the BART station and the Transit Patrol Division of the Santa Clara County Sheriff provides contract security and law enforcement services for the Valley Transportation Authority (VTA), which includes the parking structure and parking lot of the BART station.

Most of the crime that occurs in the Metro Area is specific to the Great Mall—thefts, forgery/fraud, and stolen vehicles—and there is little violent crime. In the rest of the Metro Area, more than half of the police-related calls are vehicle violations, traffic accidents, and theft from autos.

The increase in population, business traffic, and vehicular traffic resulting from the buildout of the Metro Area will increase the workload of MPD. To maintain current levels of service, an increase in staffing and equipment will be necessary. The City has also determined that an additional police station is necessary.

Milpitas has one existing police station located in the north part of the city that is approximately three miles from the Metro Plan Area's northern boundary. To reduce response times in the southern part of Milpitas, a new police station is planned to be located in the Metro Area. The station will be located near the Milpitas Transit Center though the exact location has not yet

been determined. One potential location is the vacant parcel near the Milpitas Transit Center as indicated in Figure 2-1. This area was previously identified as a potential park location but was determined to be unsuitable due to the visibility challenges of police patrolling on the parcel.

Given the estimated addition of 17,500 residents to the city—a population increase of 22 percent—maintaining the ratio of police officers to residents used in the TASP would require an additional 25 officers. However, the metrics that MPD would use to determine the precise number of additional staff required are the projected call volume and

impact in service levels, such as an increase in dispatch and response times; ring times for 9-1-1 calls; and calls that are pending for an officer. The City should also anticipate investing in additional MPD communications staff and equipment, professional staff needed to support the additional officers, technology related to crime prevention, deterrence, and enforcement, and increasing the vehicle fleet of MPD.

Table 5-1. Student Generation Rates

	Market-Rate Housing Generation	Below Market-Rate Generation
Milpitas Unified School District		
K-6	0.087	0.246
7-8	0.017	0.047
9-12	0.03	0.076
Berryessa Union School District		
K-5 (Northwood Elementary)	0.046	0.300
6-8 (Morrill Middle School)	0.016	0.159
East Side Union High School District		
9-12 (Independence High School)	0.1	0.1

Student generation rates from the TASP EIR.

5.8.1 Police Services Policies

ICS 19. Provide adequate police services and facilities that ensure the safety of the community.

ICS 19.1. Hire additional police staff and purchase equipment to provide an adequate level of service—as determined by City Council—for the residents, workers, and visitors of the Metro Area as well as surrounding areas. New equipment shall be funded by the Community Facilities District fee and new staff paid from the City’s General Fund.

ICS 19.2. Construct an additional Police Substation in the Metro Area on the Milpitas Boulevard Extension adjacent to Berryessa Creek, or in another location determined by the City.

5.9 SCHOOLS

The planning area falls within three different school districts: Milpitas Unified School District (MUSD), which handles students in grades K-12, and two overlapping districts: Berryessa Union School District (grades K-8) and East Side Union High School District (grades 9-12). The student generation assumptions in Table 5-1 resulting

Table 5-2. Projected Student Enrollment

	New Students
Milpitas Unified School District (Housing Units = 4,690)	
K-6	557
7-8	108
9-12	184
Total	849
Berryessa Union School District (Housing Units = 2,310)	
K-5 (Northwood Elementary)	224
6-8 (Morrill Middle School)	103
East Side Union High School District	
9-12 (Independence High School)	231
Total	1,407 students

Student enrollment was calculated by applying the student generation assumptions from the TASP EIR to the MMSP’s population projections.

from the residential component of the project are based on the TASP's attendance data from these districts, with variations by grade group and housing type.

Total student generation by school district is summarized in Table 5-2. The Metro Plan will generate approximately 1,407 new students at buildout assuming that 20 percent of housing units are below market rate. Most of these new students (60 percent) will be located in the MUSD.

The Milpitas Unified School District plans to expand student capacity in the Phase II construction of Mabel Mattos Elementary School, which is located adjacent to McCandless Park, in the McCandless Subdistrict, to accommodate the anticipated growth in enrollment in this district.

Both school districts south of Montague Expressway—Berryessa Union and East Side Union High—have existing capacity for more students and will likely not need to add new school sites to accommodate increased demand. It is anticipated that the Berryessa Union School District will receive an increase of 224 students in K-5 and 103 students in grades 6-8, while East Side Union High School District will experience an increase of 231 students in grades 9-12.

5.9.1 State Criteria

The State of California has standards for acceptable locations and sizes for new public schools. While exceptions can be granted, the location of schools shall generally comply with

the following. For the full list of standards, refer to Section 14010 of the California Code of Regulations, Title 5.

- At least 100 feet from 50-133 kV power lines, 150 feet from 220-230 kV power lines, and 350 feet from 500-550 kV power lines;
- Sites within 1,500 feet of a railroad easement require a safety study;
- Not adjacent to a road or freeway that will create safety problems or noise that will adversely affect the educational program;
- Not on an active earthquake fault of fault trace;
- Not on major arterial streets with a heavy traffic pattern, unless mitigation of traffic hazards and a plan for the safe arrival and departure of students appropriate to the grade level is provided;
- Cannot be within an area of flood inundation, unless the cost of mitigating the flood is reasonable;
- Not located near an above-ground water or fuel storage tank, nor within 1,500 feet of an above ground or underground pipeline easement that can pose a safety hazard;
- Not subject to moderate to high liquefaction or landslides;
- The shape of the site can accommodate the building layout, parking, and playfields and does not exceed the allowed passing time to classes for the district;
- Is easily accessible from arterial roads and

has minimum peripheral visibility from the planned driveways;

- Zoning of the surrounding properties shall not pose a potential health or safety risk to students or staff; and
- The site shall be conveniently located for public services, including fire protection, police protection, public transit, and trash disposal whenever feasible.

5.9.2 School Policies

ICS 20. Ensure that affected school districts have the funding needed to support the student population in the Metro Area.

ICS 20.1. Coordinate with the affected school districts on facilities needed to accommodate new students and define actions the City can take to assist or support them in their efforts.

ICS 20.2. Ensure that all school impact fees are paid from individual projects prior to the issuance of any building permits.

5.10 LIBRARIES

The Milpitas Library, located at 160 North Main Street, is a member of the Santa Clara County Library District. The Santa Clara County Library District is governed by a Joint Powers Authority (JPA) and overseen by the Santa Clara Board of Supervisors. The JPA membership consists of a City Council representative from participating jurisdictions including the cities of Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Milpitas, Monte Sereno, Morgan Hill, and Saratoga and two County Supervisors from the County of Santa Clara.

The Library District prepares and annually reviews a Capital Plan and Budget that account for population changes in the County.

5.10.1 Library Policies

ICS 21. Ensure that the Milpitas community continues to have access to adequate library resources as development occurs in the Milpitas Metro Plan Area as part of the Santa Clara County Library District Joint Powers Authority.

5.11 CHILD CARE

Childcare plays an important role in economic development and household wealth, by permitting parents to work either part- or full-time. It plays an especially important role in single-parent households, where the sole adult must work. Childcare can also provide informal income for home-based caregivers. Demand for childcare can be all-day or just after-school in nature and can come from local residents as well as workers within the area.

The City of Milpitas has a Childcare Master Plan, adopted in 2002 and updated in 2004. It calls for the Milpitas General Plan to:

- Support the development of child care within transit overlay districts,
- Require incoming projects to be evaluated for their potential impact on child care demand within the city, and
- Require incoming projects to be evaluated for their potential to provide child care facilities within the project.

The City has an incentive program for developers should they incorporate child care into their developments. The City now offers fee reductions for large family child care homes and has a practice of prioritizing the processing of child care centers. The Childcare Master Plan suggests that additional incentives, such as density bonuses, could be developed to further bolster the incentive program.

The Midtown Specific Plan has a policy to encourage the provision of childcare services to support demand generated by employees and residents in the Midtown area, with new childcare centers especially encouraged near large housing developments, near transit stations, and within new office developments.

5.11.1 Child Care Policies

ICS 22. Support the expansion of childcare services to support demand in the Metro Area.

ICS 22.1. Encourage childcare services near the BART and light rail stations.

ICS 22.2. Encourage childcare services to be integrated into affordable housing projects.

ICS 22.3. Encourage new commercial space to provide childcare services for its employees. Floor area devoted exclusively to childcare shall be exempted from FAR limits on a parcel.



The recently built pedestrian bridge provides direct a direct connection over Capitol Avenue from the BART station and bus depot to the elevated VTA light rail line.

6. IMPLEMENTATION

- 1.1. Updates to the General Plan and Zoning
- 1.2. Coordination with the Midtown Specific Plan
- 1.3. Entitlement Process
- 1.4. Great Mall
- 1.5. Innovation District
- 1.6. Phasing
- 1.7. Environmental Review (CEQA)
- 1.8. Public Infrastructure and Investments
- 1.9. Funding Strategy
- 1.10. Implementation Actions

The implementation of the Milpitas Metro Specific Plan will require action by the public, City departments, regional agencies, and private property owners. The City will take the lead in coordinating areawide actions and establishing funding mechanisms for public investment in programs and capital projects. However, private investment through the architecture, landscaping, and maintenance of individual development projects will be a significant determinant of the look and feel of the Plan Area.

Table 6-2, at the end of this chapter, lays out actions, responsible parties, and timeframes needed to ensure the Plan's implementation.

6.1 UPDATES TO THE GENERAL PLAN AND ZONING

As part of adopting the Milpitas Metro Specific Plan, the City will adopt amendments to the Zoning Ordinance to ensure consistency between planning documents. The General Plan was updated just prior to the completion of the Specific Plan and has been coordinated with the Milpitas Metro Specific Plan, but will need to be amended to reflect annexations of parcels into the Metro Plan, including properties on S. Main Street and east of the Innovation District. The General Plan Land Use Map will also need to be amended to reflect the new land use designations in the Milpitas Metro Specific Plan, including along Main Street and in the Innovation District.

The Zoning Ordinance amendment adds new zoning districts, revises the Zoning Map, and amends other sections, including but not limited to zoning designations and development standards.

6.2 COORDINATION WITH THE MIDTOWN SPECIFIC PLAN

The boundaries of the Milpitas Metro Specific Plan will expand the original TASP boundaries to include additional parcels along Main Street, which were formerly part of the Midtown Specific Plan. At the adoption of the Metro Plan, the City will be in the process of updating the Midtown Specific Plan and renaming it the Milpitas Gateway-Main Street Specific Plan. City Council will adopt the changes to the Midtown Plan boundaries when the Metro Plan is approved, and these changes will be noted in the Midtown Plan. .

6.3 ENTITLEMENT PROCESS

Development projects in Milpitas Metro typically require two phases of review and approval: the planning/ zoning entitlement phase and the building permit phase.

During the entitlement phase, developers of proposed projects submit applications for review by Planning staff and relevant City departments to determine whether the proposed project is consistent with the General Plan, this Specific Plan, and other associated regulatory requirements, including the Zoning Ordinance. Uses that are permitted by-right in a zoning district may only require administrative review by Planning staff. More complex development projects or uses that require a Conditional Use Permit are reviewed by the Planning Commission and/or City Council. Specifics are further outlined

in the Zoning Ordinance.

However, the recent changes in State Law related to affordable housing may alter the City's processing and approval procedures. Applicants are advised to consult with the Planning Department staff prior to project submittal. Planning fees are required at formal project submittal to the Planning Department.

Following the approval of all required planning entitlements, developers submit detailed building permit applications, which are reviewed by several departments including Building, Planning, Engineering-Land Development, and Fire Safety prior to approval and permit issuance. Detailed permit applications must include information that has been approved by the City on the location of, funding for, and ownership of identified public improvements on or adjacent to each site, including roadways, parks, trails, sidewalks, and similar. The payment of building permit fees, TADIF fees, and other development impact fees is required prior to issuance of a building permit. Examples of the expected public improvements are provided in the Infrastructure chapter of this Plan and include those listed below. These features are intended to improve the livability, quality, and experience of Milpitas Metro:

- New publicly-accessible streets, bicycle and pedestrian connections, plaza, and open spaces in the Great Mall Subdistrict
- New publicly-accessible streets, Penitencia Creek trail and bridge, and redesign of the Houret Court in the McCandless Subdistrict
- New publicly-accessible streets, plazas, and open spaces in the Innovation District

- A new pedestrian bridge, the Penitencia Creek trail, bike routes, parks, streets, and a through-connection between Tarob Court and Sango Court in the Tango Subdistrict
- A Linear park, with a minimum width of 20 feet, to support the redesign of Great Mall Parkway into a complete street; public access easements will be established, as necessary
- Widen sidewalks to approximately 18 feet on Shopping Streets in accordance with approved plans; public access easements may be established, as necessary
- New linear park/ landscape feature with public art under the overhead VTA Light Rail line
- Trail improvements and new trails shall be provided along Berryessa Creek and South Penitencia Creek East Channel to improve connectivity to the Milpitas Transit Center and between subdistricts
- Sidewalk, street trees, and street furnishings (e.g., lighting, benches) along each development project frontage

Project applicants must account for the locations and design of adjacent or onsite improvements in their project plans.

Upon completing the final stages of project entitlement, such as with the Final Map process but in any case before project occupancy, a project that is wholly or partially residential shall be annexed to the Community Facilities District (CFD) in order to contribute property tax revenues that support ongoing services and maintenance of public facilities that serve the Metro District.

Figure 6-1. Great Mall Subareas



Milpitas Metro
 Permanent Open Space (POS)
 Residential Retail High Density Mixed Use (RRMU) 40-85 units/acre; max 2.5 FAR

GIS data provided by:
 Parcels - City of Milpitas / Roads - US Census Bureau 2019 TIGER

0 200 400 600 800 1,000 Feet



6.4 GREAT MALL

The Great Mall Subdistrict is conveniently located near the Milpitas Transit Center and is poised for redevelopment depending upon economic conditions. In light of the current challenges to typical retail formats, the subdistrict has an opportunity to transform into a transit-oriented, high-density neighborhood with a walkable street grid and public gathering spaces. The subdistrict’s comprehensive vision is detailed in Chapter 2: Land Use and Public Space.

The Great Mall parcel occupies most of the land in the Great Mall Subdistrict at approximately 99 acres. Located north of the Milpitas Transit Center and stretching north towards Main Street, the Great Mall is a large indoor mall that is a historic property that was formerly a Ford plant. It is located on an expansive commercial parcel owned by Simon Property Group and is currently a significant attraction, drawing regional visitors.

Property owners in the Great Mall Subdistrict have expressed interest in developing a mix of land uses that may occur over time rather than immediately. The Plan aims to be responsive to developer needs while ensuring that the development of the parcel results in a high-quality, well-integrated, pedestrian-accessible urban node. As a result, the MMSP rezones the subdistrict to allow mixed-use land uses that support flexibility and capacity for change. Future development of the Great Mall and the surrounding parcels is guided by policies in previous chapters of the Metro Plan.

To fulfill the Great Mall Subdistrict’s vision, the Metro Plan establishes a framework for

developing the Great Mall parcel, including mixed-use opportunities, housing capacity, roadways, and open space. Due to the size of the Great Mall parcel, redevelopment will likely occur in phases. The Great Mall is broken into subareas in Figure 6-1 with maximum residential and nonresidential capacity by subarea summarized in Table 6-1. Environmental documentation will likely establish a development threshold for the Plan that is less than the full capacities shown in the table below. Housing capacity shown in the table below represents the maximum housing according to the land use density designation, which density could be averaged across the site. Actual housing yield on the Great Mall parcel is restricted in this Plan by the number of units identified in the Housing Element as assigned to the site, unless a Development Agreement (DA) is negotiated and approved by City Council to provide other allowances. Alternatively, this Specific Plan could be amended in the future to provide for more total housing development than allowed by either the Housing Element or the total number of units on the site as is indicated here.

The design, ownership of and access to infrastructure, roadways, and parks in the Great Mall subdistrict must be agreed upon by the City before project development can begin. Agreements for the use of the publicly-accessible facilities will be developed alongside development review and approvals and will be included as conditions of project approval and/or through a Development Agreement. The Circulation Network map (Figure 4-X) provides a proposed street grid. Exact alignments for the new street network are flexible but must maintain a maximum block size of 400 feet as prescribed

Table 6-1. Great Mall Development Capacity

Subarea	Land Use	Acreage	Residential Development Capacity (units)	Non-Residential/ Mixed-Use Development Capacity (square feet)
GM-01	POS	4.07	--	--
GM-02	RRMU	6.20	527	675,455
GM-03	RRMU	10.01	851	1,090,029
GM-04	RRMU	3.06	260	333,067
GM-05	RRMU	4.65	395	505,999
GM-06	RRMU	4.08	346	443,877
GM-07	RRMU	3.95	336	429,848
GM-08	RRMU	4.02	341	437,259
GM-09	RRMU	5.34	454	581,819
GM-10	RRMU	4.48	381	487,857
GM-11	RRMU	4.05	344	441,194
GM-12	RRMU	2.73	232	297,502
GM-13	RRMU	7.27	618	792,105
GM-14	RRMU	6.34	539	690,952
GM-15	RRMU	5.73	487	623,943
GM-16	RRMU	4.30	365	468,011
GM-17	POS	3.73	--	--
GM-18	RRMU	3.22	273	350,269
GM-19	RRMU	8.81	749	959,460
Total			7,500	9,608,643

in Chapter 3: Site and Building Design Standards and Guidelines. The new street network on the Great Mall parcel could include key entries from Great Mall Drive, Mustang Drive, and Falcon Drive, which will provide connections onto Main Street, Great Mall Parkway, and Montague Expressway. Approximate locations and size for public open space are also identified in Figure 6-1. Open space development on the Great Mall site must comply with minimum common space requirements contained in Chapter 2: Land Use and Public Space.

To facilitate redevelopment of the Great Mall site, the City has graphically subdivided the Great Mall parcel into subareas for the purpose of planning efforts only. These subareas do not reflect legal parcel subdivisions and do not constrain development within individual subarea boundaries but allow the City to refer to specific areas of the parcel when identifying sites for the Housing Element or identifying proposed open space locations. Table 6-1 identifies the land use, acreage and maximum capacity of each subarea. The capacity calculations assume development of only residential uses or only non-residential uses, and do not represent the combined capacity for residential and non-residential development. As noted above, achieving these capacities in full will be restrained by the governing CEQA analysis.

6.5 INNOVATION DISTRICT

The Innovation District is another subdistrict in the Milpitas Metro Specific Plan Area that is poised for redevelopment focused on increasing the availability of employment lands. In contrast to

the Great Mall Subdistrict, the Innovation District has multiple property owners with varying parcel sizes. To facilitate the subdistrict's redevelopment, the MMSP establishes mixed-use land uses that support office, research and development, and light industrial uses with the goal of creating a hub of innovation and commerce. These commercial-focused land uses are also outside of the Innovation District to provide additional employment lands near transit. The Innovation District is primarily reserved for employment uses with limited capacity for new residential development closer to the Milpitas Transit Center. The MMSP proposes new land uses and street connections for the subdistrict, but the City's Economic Development Department will develop the strategic plan to guide development in the Innovation District. The assemblage of



Land uses in the Innovation District reserve space for employment uses, such as office parks, R&D uses, and light industrial spaces.

multiple parcels by a single entity would also make this subdistrict a good candidate for phased development and proportional obligations for public infrastructure improvements.

Public realm improvements, including streetscape connections and improvements, signage, and public art, will be needed to make the Innovation District a complete subdistrict and to connect it with nearby areas. Roadways and open spaces in this subdistrict will be funded and developed in conjunction with building development and will be publicly owned and maintained. A new pedestrian and vehicular bridge across Berryessa Creek south of Montague Expressway will provide direct access to the Milpitas Transit Center and thereby enhance the subdistrict's accessibility, sense of place, and development value. Several additional new roadways are described and mapped in the Circulation Map (Figure 4-X). Property owners will need to provide roadway dedications or agree to an alternative with the City. The City will also need to purchase and improve proposed park parcels identified on the Land Use Map (Figure 2-1). The TADIF is an expected funding source for some of this public infrastructure as well.

The Milpitas Police Department has indicated an interest in building a new police substation on the parcel west of Berryessa Creek on South Milpitas Boulevard. The City will need to purchase and develop this parcel. The parcel was originally designated for parkland, but this designation could be relocated to the adjacent parcels on the other side of the creek to accommodate Police Department security concerns about access and visibility at the original site

While the City of Milpitas does not typically act as a real estate developer, the City Council, as a legislative body, has the authority to enact legislation, establish policies, and provide direction for actions which affect development and land use. In order to develop a successful Innovation District, the following types of policies and actions will need to be explored in the future by the City Council to ensure that development projects are feasible:

- Protect and preserve employment lands through land use designations;
- Offer flexibility in density and height to support development economics;
- Consider reduced parking requirements for employment uses near the Milpitas Transit Center;
- Consider reduced development impact fees on future anchor Class A/B Office and Research and Development (R&D) projects; and
- Expedite entitlement and permit processes.

6.6 PHASING

Following the adoption of the TASP, property redevelopment was modest for several years during the Great Recession recovery, then accelerated and intensified relatively quickly. The next phase of development in the Metro Area is anticipated to occur gradually, with some market-related variability. The number of developable residential sites available outside the Great Mall Subdistrict has been reduced through recent development, and market conditions are not

yet favorable for office development. However, the recent opening of the Transit Center with regional connections via BART could spur office development following Covid-19 conditions recovery, assuming a favorable economy. Residential demand will likely continue to be high in the near term, but retail trends will likely continue to shift over this planning period. In order to manifest the vision for the Milpitas Metro Specific Plan Area, it is important for the City to stimulate investment through catalyst projects, infrastructure financing, and communication with property owners.

Working with local brokers and property owners to understand options and opportunities for specific sites will be important to establish a foundation for future project proposals. Infrastructure improvements that will be funded by the TADIF are to be constructed in tandem with development to assure that they are adequate to serve an individual project and the neighborhood as it is built out. Additionally, the City's leadership in securing grant funding and designating local funds for key projects can catalyze private investment and attract the greater Milpitas community, transit riders, and other visitors.

Some development sites, such as the Great Mall area and portions of the Innovation District, are large or may become large sites with potential lot combinations or development partnerships, such that phasing and unique considerations of development may be suitable. This Metro Plan recognizes and supports the use of special tools, such as but not limited to a Development Agreement, which a property owner/developer may propose to address a complex development

project. A project for which a DA is proposed must be consistent with the goals and objectives of the Metro Plan, as well as with the overall development plan and land use limitations provided in the adopted Plan. Issues such as, but not limited to, project phasing, transfer of density or intensity within the boundaries of the DA area, and unique approaches to the provision of public facilities or fee payments may be negotiated through the development agreement process, subject to findings that the project would be consistent with the Plan.

6.7 ENVIRONMENTAL REVIEW (CEQA)

This Specific Plan is accompanied by the [INSERT CEQA DOC TITLE ON PLAN COMPLETION] which evaluates [INSERT FINDINGS INTO FINAL PLAN].

As a result, individual projects consistent with this Specific Plan may qualify for a statutory exemption under CEQA. From the project sponsor's standpoint, once consistency is determined, no additional CEQA review is required though projects will still need to be reviewed by the City's Engineering Department for non-CEQA related site-specific measures.

The City, as lead agency, must determine whether any of the circumstances in Public Resources Code Section 21166 are present and require further environmental review. Specifically, if there have been substantial changes proposed in an individual project or implementation program resulting from this Specific Plan or to the circumstances under which

the project or program is being undertaken, major revisions to the EIR will be required. Or, if new information that was not known and could not have been known when the EIR was certified becomes available, then the exemption may not apply unless a supplemental EIR or Addendum is certified.

6.8 PUBLIC INFRASTRUCTURE AND INVESTMENTS

The Milpitas Metro Specific Plan envisions continued investments in essential infrastructure to serve new development and to build complete neighborhoods. A revised Basic Improvement Program (BIP) will be prepared to identify an initial list of future public infrastructure, improvements, and facilities. This will include current BIP projects not completed or not yet fully funded and new projects that are required to support the continued evolution of this area of the City. The BIP list can be adjusted over time as needs and the types of new development evolve over time.

Investments in mobility/ transportation, public spaces/ parks, community amenities, and required utilities are expected to represent the primary public infrastructure/ public improvements required. These investments will include:

1. Existing BIP. Investments in improvement projects in the current BIP list that are still required and are yet to be completed.
2. New Infrastructure Investments. New utility and other base infrastructure investments required to accommodate the new types of development expected under the Milpitas Metro Specific Plan.
3. New Improvement Investments. New public space and mobility investments required to support the vision for the Milpitas Metro Specific Plan.

6.9 FUNDING STRATEGY

6.9.1 BIP Primary Financing Tools and Strategies

The core Milpitas Metro Specific Plan public infrastructure and improvement financing strategy is expected to remain similar to the TASP's financing strategy. More specifically, investments in new infrastructure and improvements expected to serve the Milpitas Metro Specific Plan are expected to be primarily funded through:

- **TADIF.** The Transit Area Development Impact Fee will continue to be levied on new development within the Milpitas Metro Specific Plan Area to ensure that new development pays its appropriate and proportionate share of new infrastructure and other improvements. It is expected that the TADIF will be formally updated directly after the completion of the Milpitas Metro Specific Plan to reflect the changes in the expected public investments and new development and updated Plan boundaries. A nexus study will be undertaken to determine a unit-cost basis for new development and its responsibilities to proportionally fund the needed public improvements. This schedule of per-unit fees will be updated annually and evaluated periodically in accordance with the requirements of the resolution establishing the TADIF fees.
- **Citywide Fees/ Exactions.** In some cases, new and existing infrastructure/ improvement investments will serve new development in both the Milpitas Metro Specific Plan and other areas of the city. This could include new public safety facilities. In these cases, a portion of the new funding for these improvements will likely come from other city

funding sources, including fees/exactions on new development outside of the Milpitas Metro Specific Plan

- **Grants.** The City has successfully pursued grant funding for a range of BIP improvements since TASP adoption. Grant funding helps cover portions of new public infrastructure and improvements' costs that cannot be allocated to new development. This can allow the City to potentially charge fees below the maximum level on certain types of new development that provide particular policy benefits and help make the planning area a desirable location for development. Grant funding is often a particularly important source of funding for transportation and mobility projects.

It is important to note that beyond the TADIF, new development is also required to pay other types of fees adopted by the City and other special districts (e.g. the school district) and will need to meet other pertinent development conditions.

6.9.2 Additional Infrastructure/ Improvement Financing Opportunities.

Beyond the core financing strategy described above, the City may utilize additional funding opportunities. A subset of potential funding strategies are described below:

Development Agreements. In some cases, Development Agreements result in the provision by developers of investments above and beyond those required through development impact fees. Where developers see a benefit in securing entitlements through a formal contract

(a Development Agreement), negotiations with developers can establish different or additional investments in exchange for the associated entitlement security and development arrangement. The actual use of Development Agreements and the potential for additional investments will depend on the scale and nature of future developments and associated negotiations with the landowners/ developers. It is likely that a Development Agreement could accompany new development on large multi-phase sites, such as at the Great Mall or in the Innovation District.

Incentive Zoning/Value Capture. The land use designations and zoning associated with the Milpitas Metro Specific Plan will generally define the uses, heights, and densities available to developers of different sites. The City may also consider creating an Incentive Zoning system to provide additional funding for specific City priority investments. Under these programs, the City could grant developers additional entitlement (where they are interested in it) in exchange for these additional investments in specified areas.

Enhanced Infrastructure Financing District (EIFD)/ Tax Increment Financing. New development in the Milpitas Metro Specific Plan Area will generate new property tax revenues and other revenues to the City's General Fund. The EIFD is one of the newer tools established since the dissolution of Redevelopment Agencies that shifts property tax revenues towards infrastructure improvements. While the City might consider this tool in the future, in the short to medium term it will be important for the City's General Fund to retain its full allocation of property taxes to help shore up the City's budget in the wake of

the impact of the COVID-19 pandemic. A tax increment tool could be a useful complement to the TADIF for certain large-scale developments that anticipate significant public infrastructure, such as at the Great Mall site or in the Innovation District.

Affordable Housing Support. Beyond infrastructure and improvements, the City is also interested in exploring supporting affordable housing development in the Milpitas Metro Specific Plan area (as well as elsewhere in the City).

The City has adopted inclusionary housing policies that require new residential developments to offer a proportion of their units at below-market rates. In limited circumstances, the City may allow developers are to pay affordable housing fees in lieu of providing inclusionary housing. There are benefits and drawbacks to each method of implementation. Inclusionary housing requirements allow for more fine-grained integration of low-income households in any particular project. On-site affordable housing units can contribute to more incremental economic equity and diversity in smaller increments within a specific project or block. However, the residents of inclusionary below-market rate units are not provided the services provided in non-profit mission-driven projects.

At this time, the City has limited public land and resources accrued through affordable housing fees to help support these types of housing development. The City supports affordable housing development projects on City-owned land on Main Street properties that will be

annexed to the Metro Area, and the City is monitoring opportunities to obtain support for affordable housing through State programs as well as potential Countywide funding initiatives. As fees accrue in the Affordable Housing Fund, the City should consider opportunities for site acquisition, landlord assistance to maintain older housing stock, and financing support for affordable housing developers. An affordable housing provider can leverage the City's local contribution to access Low Income Housing Tax Credits (LIHTC) and other sources of financing. This can amount to actual housing production that is two to four times greater than inclusionary unit production and with on-site services.

Funding Public Services. The primary source of funding for the City's public services, including police and fire services as well as road and parks maintenance, are the general tax revenues that accrue to the City's General Fund. These include property taxes, sales, use taxes, and transient occupancy taxes among others. In the TASP, there was a recognition that additional funding would be required to support public safety and other services to new residential development within the TASP. As a result, a Community Facilities District (CFD) was established that requires new residential development to pay an annual special tax to cover the cost of additional public service provision. For market-rate housing, the base rate established in 2009/2010 was \$510 per annum, though these rates can be escalated using the Consumer Price Index up to a maximum of 2 percent each year. It should also be noted that Community Facilities District special taxes can also be established to help fund and potentially issue bonds for infrastructure. However, for the TASP, this use of CFD's has not been necessary

as the use of the TADIF for infrastructure/ improvements and a CFD for public services support has worked well to date.

6.10 IMPLEMENTATION ACTIONS

Plan policies in the preceding chapters will be implemented by developers, property owners, and the City over the course of the Plan horizon, many as a result of development applications. However, certain policies require implementation that must be initiated by City staff and/or proactively coordinated with other public agencies. Table 6-1 summarizes proactive steps needed to implement the Milpitas Metro Specific Plan, agencies responsible for implementation, and the expected timeframe for each action. Related policies and goals from preceding chapters for each implementation action are also referenced in the below table.

Following Plan Adoption actions are anticipated to be completed directly following the adoption of the Metro Plan.

Ongoing actions are expected to be implemented throughout the planning period.

Short-term actions are actions that are expected to be completed within 0 to 4 years from the Milpitas Metro Specific Plan's adoption.

Mid-term actions are anticipated to be implemented within 5 to 9 years from the Plan's adoption,

Long-term actions are expected to be completed between 10 to 20 years from adoption.

Table 6-2. Implementation Plan

#	Action	City Department or Public Agency Responsible	Timeframe	Subdistrict or Areawide
Land Use and Zoning				
IM 1	Establish a methodology to internally track and evaluate on at least an annual basis the implementing of the Milpitas Metro Specific Plan and its success in promoting desired development, infrastructure and other changes in the Plan Area, and to facilitate plan updates where necessary.	Planning/ City Manager's Office/ Economic Development	Following Plan Adoption	Areawide
IM 2	Revise zoning code to establish new zoning districts specific to Milpitas Metro. The revisions increase residential and commercial density closest to the transit stations and major corridors to take advantage of transit and circulation infrastructure. (LU 1.1)	Planning	Following Plan Adoption	Areawide
IM 3	Revise zoning code to establish design guidelines and standards for new development that support human-scaled vibrant development. (LU 1.1, LU 6)	Planning	Following Plan Adoption	Areawide
IM 4	Update the General Plan to reflect the newly adopted MMSP boundaries. (LU 1.2)	Planning	Following Plan Adoption	Innovation District, Main Street
IM 5	Revise the plan boundaries of the Midtown/ Milpitas Gateway-Main Street Plan to reflect the Metro Plan's boundaries. (LU 1.2)	Planning	Following Plan Adoption	Areawide
IM 6	Field questions, facilitate desired project design, and proactively reach out to property owners and local brokers to identify opportunities for investment and lot consolidation and to promote the transit-orientation vision of the Plan. (LU 2)	Economic Development, Planning	Ongoing	Areawide
IM 7	Assign Housing Element sites to the Great Mall property upon adoption of the Housing Element.	Housing	Short-term	Great Mall
IM 8	Consider designating parcels in the Plan Area as Housing Opportunity Zones to facilitate affordable housing development. (LU 3.5)	Housing	Short-term	Areawide

IM 9	Amend Below Market Rate (BMR) Housing Program in the Housing Element and related policies to include the promotion of affordable housing development in the Metro Plan Area. (LU 3.1)	Planning	Short-term	Areawide
IM 10	Consider annexation of the 3.5-acre parcel between the Innovation District and I-680.	Planning	Mid-Term	Innovation District
IM 11	Work with private property owners to explore the feasibility of creating an EcoDistrict in the Innovation District and/or Great Mall Subdistrict. (LU 1.3)	Planning	Mid-Term	Innovation District,
IM 12	Explore feasibility of establishing an incentive zone using planning regulations, such as density or streamlining bonuses, or adjustments to the TADIF, in the Innovation District.	Economic Development	Mid-Term	Innovation District
Open Space and Public Realm				
IM 13	During the planning review process, assess and determine the siting of public open spaces throughout the Plan Area for their ability to provide social, contemplative, and active recreational opportunities based on the Recreation Value System. (PPS 3)	Planning, Parks and Recreation	Ongoing	Areawide
IM 14	Develop a methodology for permitting and managing privately owned, publicly-accessible open spaces, including credit for providing that space in lieu of a parks fee, access, easements, operating hours, programming and maintenance policies. (PPS 5)	Planning	Short-term	Areawide
IM 15	Partner with developers to develop privately owned, publicly accessible open spaces maintained by property owners when desired by the City. (PPS 1, PPS 5, PPS 10)	Planning	Short-term	Areawide
IM 16	Establish a Business Improvement District (BID) or similar entity to develop and maintain public amenities in the Plan Area. (PPS 2.2, PPS 6)	Economic Development	Short-term	Areawide

IM 17	Construct a park on city-owned property in the Tango Subdistrict. (LU 8)	Public Works	Mid-term	Tango
IM 18	Purchase parkland and construct a public park in the Innovation District adjacent to Berryessa Creek.	Public Works	Mid-term	Innovation District
IM 19	Work with Great Mall developer to ensure the construction of publicly accessible open spaces that are at least 1-acre in size each.	Planning	Mid-term	Great Mall
IM 20	Identify priority areas for tree maintenance and new tree plantings based on the City's Urban Forest Management Plan, particularly in areas underserved by street trees. (PPS 9.7)	Public Works	Mid-term	Areawide
IM 21	Develop and install a Branding, Signage and Wayfinding Program for Milpitas Metro, including the trail network, which integrates with the citywide branding program. (PPS 4.3)	Planning, City Manager's Office	Mid-Term	Areawide
IM 22	Collaborate with public and/or private partners to develop public broadband infrastructure allowing for continuous connectivity in public areas.	Public Works	Mid-term	Areawide
IM 23	Identify a location, funding and management strategy for a performing and visual art center in the plan area when feasible (LU 1.5)	Planning, City Manager's Office	Long-term	Areawide
Street and Trail Improvements				
IM 24	Review individual development applications to ensure that design enhances multimodal street design including bicycle facilities, pedestrian facilities, and landscaping are provided and consistent with Milpitas Metro Specific Plan circulation policies and street design standards. (M 1.2)	Planning	On-going	Areawide

IM 25	Work with the Valley Transportation Authority, Bay Area Rapid Transit, and AC Transit to increase ridership for residents and workers in the planning area. Potential tools to increase ridership such include first/last-mile solutions (e.g., explore Milpitas OnDemand beyond a pilot program), improved operations (i.e., quicker travel), and infrastructure improvements where appropriate (i.e., better bus shelters and station amenities, bus boarding islands, BRT, etc.). (M 12.2)	Planning	Ongoing	Areawide
IM 26	Establish a Transportation Management Association (TMA) for the Metro Area. Establish a funding mechanism to pay for the costs of the TMA, including the cost of a transportation coordinator to administer the program. (M 8.1)	Planning	Short-term	Areawide
IM 27	Establish a transportation demand management program (TDM). (M 8)	Public Works	Short-term	Areawide
IM 28	Improve Great Mall Parkway as a Complete Street with the addition of protected bike lanes, a multi-use trail, and linear park. (M 2.3)	Engineering, Public Works	Mid-term	Areawide
IM 29	Remove the cul-de-sac bulb at the end of Houret Court, and connect to private roads. Accommodate the turn around as a loop on connecting private roads. (M 1.1)	Engineering	Mid-term	McCandless
IM 30	Connect private roads across parcels from McCandless Drive to Houret Court to provide pedestrian and Emergency Vehicle Access and allow for access to all parcels that are connected. (M 1.1)	Engineering	Mid-term	McCandless
IM 31	Construct a pathway for pedestrians and bicyclists off of Houret Court that provides access to McCandless Park. (M 1.1)	Engineering	Mid-term	McCandless
IM 32	Construct roads to connect Sango Court to Jubilee Drive and Tarob Court. (M 1.1)	Engineering	Mid-term	Tango
IM 33	Extend the existing trails along Penitencia Creek and the railroad tracks in the McCandless and Tango subdistricts to the Milpitas Transit Center, and provide connections from the neighborhood to the trail system as indicated. (M 1.1, M 5.1, M 5.2)	Public Works	Mid-term	McCandless, Tango

IM 34	Construct trails adjacent to Berryessa Creek in the Innovation District. (M 1.1, M 5.2)	Public Works	Mid-term	Innovation District
IM 35	Pave city-owned trails with all-weather surfacing.	Public Works	Mid-term	Areawide
IM 36	Coordinate with Santa Clara Valley Water District to develop a creek trail system that connects with the citywide pedestrian and bicycle network. (M 5)	Planning, Engineering	Long-term	Areawide
IM 37	Work with private developers to construct new roads as identified in the Circulation Map (Figure 4-6) that comply with the Plan's design standards for different street types. (M 1, M 2, M 3, M 4, M 6)	Planning, Engineering	Long-term	Areawide
IM 38	Improve the Great Mall Parkway and Main Street intersection (M 2.4)	Engineering, Public Works	Long-term	Main Street
IM 39	Work with Santa Clara County Roads to complete improvements on Montague Expressway (M 2.5)	Engineering, Public Works	Long-term	Areawide
IM 40	Complete multimodal street improvements on Trade Zone Boulevard (M 2.6)	Engineering, Public Works	Long-term	Tango
IM 41	Provide pedestrian connections between the following subdistricts using the TADIF:	Engineering	Long-term	Areawide
	Tango Subdistrict: Provide an at-grade bridge across East Penitencia Creek to connect Mattos Mabel Elementary and expand existing safe walking and bicycling routes to schools into the Milpitas Metro Area. (M 10, M 11.1)			
	Tango to McCandless Subdistrict: Provide a pedestrian overcrossing bridge across Montague Expressway at Penitencia Creek East. (M 10)			
	Innovation District: Connect the Milpitas Transit Center to the Innovation District with an at grade bridge over Berryessa Creek. (M 12)			
	Enhance at-grade pedestrian crossings at S. Milpitas Blvd Extension and Capitol Avenue, McCandless and Great Mall Parkway, and at Great Mall Parkway and Main Street. (M 10)			

	Provide an overhead pedestrian connection between the Great Mall LRT Station and the corner of Main and Great Mall Parkway. (M 2.4)			
	(Desired) Provide a safe and attractive overhead or underground pedestrian route from the Piper Subdistrict to the Great Mall across the BART tracks. (M 10)			
	(Desired) Provide an at-grade connection between Great Mall Subdistrict and the neighborhood adjacent to the north. (M 10, M 11)			
	(Desired) Provide an at-grade connection between Innovation District and neighborhoods to the south. (M 1.1)			
	(Desired) Provide a pedestrian connection across Lower Penitencia Creek from McCandless Subdistrict to Main Street. (M 1.1, M 10)			
Infrastructure and Public Service Improvements				
IM 42	For infrastructure and public services implementation, refer to policies in the Chapter 5: Infrastructure.			
IM 43	Identify potential partners that are local, regional, and/or private to coordinate regional improvements and share costs. (M 2.5, ICS 15, ICS 27, ICS 29)	Planning, Engineering	Ongoing	Areawide
Development and Permitting				
IM 44	Update the TADIF to reflect changes in expected development, public investments and improvements, and transportation projects, including the Montague Expressway and Calaveras Boulevard Widening Project. (LU 7.3)	Planning	Following Plan Adoption	Areawide

IM 45	Expand the TADIF boundaries to reflect the boundaries of the Metro Plan Area. (LU 7.3)	Planning	Following Plan Adoption	Areawide
IM 46	Work with property owners and developers to provide for unique and detailed consideration of development of significant large sites, such as the use of a Development Agreement to secure development rights and obligations that are consistent with the Plan generally and within the allowances of the governing environmental document. (LU 1.1, LU 1.3, LU 2.3, LU 3.1, PPS 5.1)	Planning	Ongoing	Great Mall
IM 47	Work with large commercial energy customers, such as industrial uses, to promote use of clean energy. This could include focused collaboration on implementing the General Plan's solar promotion policies, rebates for on-site energy generation, or other innovative methods to reduce reliance on non-renewable energy. (BD 10.1)	Public Works	Ongoing	Areawide

