MILPITAS
General Plan Update

LAND USE ALTERNATIVES REPORT

SEPTEMBER 2018

DE NOVO PLANNING GROUP
A LAND USE PLANNING, DESIGN, AND ENVIRONMENTAL FIRM

CITY OF MILPITAS
CALIFORNIA
INCORPORATED
JANUARY 26, 1954

TABLE OF CONTENTS

TABLES

FIGURES

CHAPTER 1: INTRODUCTION

In 2016, the City of Milpitas embarked on a multi-year process to comprehensively update its General Plan. Specifically, the General Plan provides policy guidance on land use, housing, transportation, infrastructure, community design, conservation, and other development-related topics. State law requires every city and county in California to prepare and maintain a general plan planning document.

As part of the General Plan Update process, the City will revise the General Plan Land Use Map (Land Use Map). The Land Use Map is one of the General Plan's primary mechanisms for shaping the city's future development pattern. The map assigns a land use designation to each parcel within the city and the city's Sphere of Influence (SOI). The designations describe the range of uses allowed and the development intensity permitted on associated parcels.

1.1 PURPOSE OF THE LAND USE ALTERNATIVES REPORT

The purpose of the Land Use Alternatives Report is to provide the City with a tool to identify and evaluate a diverse range of geographic locations within the city where changes to existing land uses and development patterns may be appropriate. These various locations are referred to as "Land Use Opportunity Areas" (Opportunity Areas) in this report. These Opportunity Areas have been identified as potential locations to accommodate future growth, support economic development, maintain fiscal sustainability, and ensure adequate protection of natural resources and open space.

This report provides an analysis of the land use, circulation, fiscal sustainability, and economic development characteristics associated with the buildout[1] of each Opportunity Area according to the existing and proposed land use designations. The report purposely omits recommendations regarding how the City should proceed with modifications to the Land Use Map. Instead, it provides the necessary information to facilitate the community's discussion on important land use issues, culminating with possible changes to the map.

The report will be used by the City County, the Planning Commission, the General Plan Advisory Committee (GPAC), and the community at-large to select the preferred Land Use Map. The City anticipates that the Land Use Alternatives Report will stimulate discussion and lead to confirmation and selection of courses of action to be reflected on the preferred Land Use Map and in the General Plan Policy Document.

1.2 ORGANIZATION

This Land Use Alternatives Report is organized into the following two chapters.

CHAPTER 1: INTRODUCTION

Chapter 1 describes the principal documents associated with the General Plan Update process, how the Opportunity Areas were selected and the vision for the areas was derived, and the next steps in the General Plan Update process.

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[1] "Buildout" refers to future development potential of an area, as allowed by the density and permitted use types established by the General Plan. Buildout is not an estimate of what level of development will necessarily occur, but rather, is an estimate of the level of development that COULD occur. The timing, intensity, and rate of future development is largely based on market conditions.

CHAPTER 2: LAND USE ALTERNATIVES

Chapter 2 describes and analyzes the land use Opportunity Areas. The report includes two alternatives, as summarized below, for each of the thirteen Opportunity Areas.

- **Existing General Plan Alternative:** The Existing General Plan Alternative pertains to buildout according to the existing General Plan Land Use Map, originally adopted in 1994 and amended through 2018. Figure 2-1 depicts the Existing General Plan Map.
- **Opportunity Areas Alternative**: The Opportunity Area Alternative identifies potential changes in land use and development intensity within 13 specific areas of Milpitas. This alternative focuses on the intensification of jobs-generating uses in employment centers, the expansion of transit-oriented mixed-use development, and the revitalization of neighborhood-serving commercial centers through the intensification of commercial uses and introduction of housing. Figure 2-2 depicts the Opportunity Areas Land Use Map.

The chapter provides an analysis of both alternatives, by Opportunity Area, and on a citywide basis. The analysis focuses on land use, built form, and circulation network characteristics and changes, residential and employment growth projections, and economic development/fiscal implications associated with each alternative.

The chapter also introduces three new land use designations that are proposed for locations within some of the Opportunity Areas, in order to help fulfill the community's desire to generate additional jobs and encourage residential development.

1.3 GENERAL PLAN UPDATE OVERVIEW

The Land Use Alternatives Report serves as one of the key deliverables that the City and the General Plan Update consultant team are preparing as part of the General Plan Update process. Other milestone documents prepared as part of the General Plan Update, listed in order of anticipated completion, are as follows.

EXISTING CONDITIONS REPORT

The Existing Conditions Report, published in June, 2018, establishes a baseline of existing conditions in the planning area for the General Plan Update process. Specifically, the report identifies development patterns, natural resources, socioeconomic conditions, and environmental constraints, and identifies the regulatory environment for each topic. The report serves as a resource for the City Council, the Planning Commission, the GPAC, members of the public, City staff, and the consultant team through the General Plan Update process. This facilitates all parties informed participation in the process, ensuring that the updated General Plan addresses Milpitas' unique circumstances at this particular point in time.

The Existing Conditions Report is principally a technical document that comprises a substantial amount of data. To make this information more accessible to lay readers, the report incorporates numerous maps and graphics.

The Existing Conditions Report is available on the project's website: milpitas.generalplan.org (Document Center) or through this link.

LAND USE ALTERNATIVES REPORT

The Land Use Alternatives Report presents possible modifications to land use and development intensity in a manner that will support the community's vision for increased economic development opportunities, a range of housing options, preservation of established residential neighborhoods, and quality job growth. The potential changes to the land use map identified in this report are based upon public input gathered to date, information contained in the Existing Conditions and Issues and Opportunities Reports, input provided by the GPAC, direction received from the City Council, and Staff and consultant's team consideration of development opportunities.

GENERAL PLAN POLICY DOCUMENT

The Policy Document contains the goals, policies, and strategies related to various elements of the General Plan. The General Plan must address at least seven elements - or issue categories - to the extent that they are relevant locally. These state-mandated elements include land use, circulation, housing, open space, conservation, noise, and safety. The City may also address other topics of community interest in the General Plan, such as economic development, community health and wellness, utilities and community services, and sustainability. The General Plan sets out the goals, policies, and action items in each of these areas and serves as a policy guide for how the City will make key planning decisions in the future. It also identifies how the City will interact with Santa Clara County, adjacent and nearby cities, and other local, regional, State, and Federal agencies on shared development-related decisions and actions.

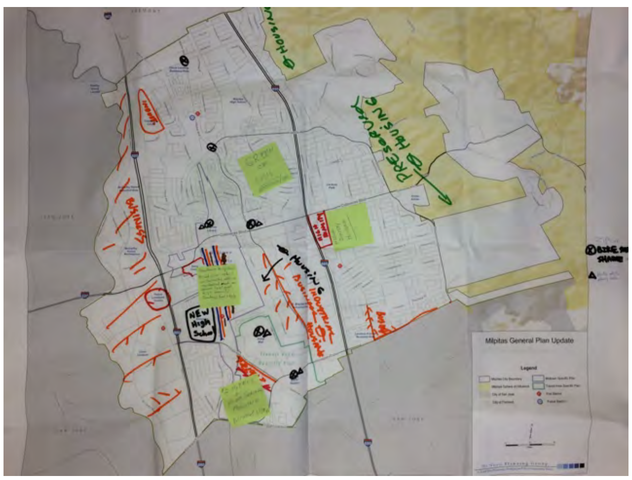
The Policy Document contains the goals and policies that will guide future decisions within the city. It also identifies action programs that will ensure the goals and policies in the General Plan are carried out.

ENVIRONMENTAL IMPACT REPORT

The Enivronmental Impact Report (EIR) responds to the requirements of the California Environmental Quality Act (CEQA) as set forth in Sections 15126, 15175, and 15176 of the CEQA Guidelines. The Planning Commission and City Council will use the EIR during the General Plan Update process in order to understand the potential environmental effects associated with implementing the General Plan. The EIR will be prepared concurrently with the Policy Document in order to facilitate the development of a General Plan that is largely self-mitigating. In other words, as environmental impacts associated with the new General Plan Land Use Map and Policy Document are identified, goals, policies, and action programs may be incorporated into the Policy Document in order to reduce or avoid potential environmental impacts.

1.4 LAND USE ALTERNATIVES OUTREACH PROCESS

The land use alternatives and Opportunity Areas identified and analyzed in this report were developed through an extensive outreach process that included public input received at community workshops, GPAC recommendations, and City Council direction. These three phases of the outreach approach are described below.



COMMUNITY VISIONING WORKSHOPS

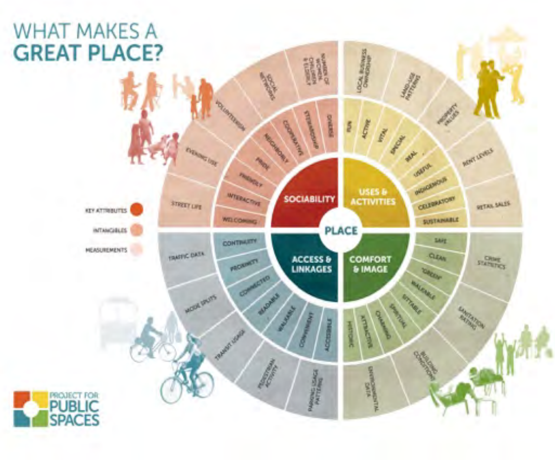
In September, October, and November of 2016, the General Plan Update team held three public visioning workshops to help kick-off the General Plan Update process. City residents and stakeholders attended workshops at the Barbara Lee Senior Center Community Room at City Hall. The workshops provided an opportunity for the public to offer its thoughts on what it values about its community and the city, and what important issues should be addressed in updating the General Plan.

Each workshop included a presentation by the general plan update team that explained the role of the General Plan, an overview of the General Plan Update process, and an opportunity for the workshop participants to ask questions and seek clarification on the process and the role of the community. Workshop participants were asked to complete activities and exercises in order to provide information to the General Plan Update team. Each workshop focused on different themes and topics to be addressed in the General Plan. At each workshop, participants were provided an opportunity to identify where future land uses should be located within the community, ideas for community design, and transportation priorities. The maps prepared by the Visioning Workshop participants were reviewed and organized by theme, and major themes from the Visioning Workshop mapping activities were considered during the development of the land use Opportunity Areas.

A full summary of the input received during the Visioning Workshops is available online through **this link**.

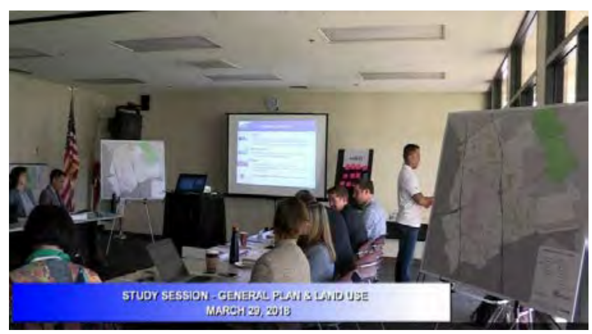
GENERAL PLAN ADVISORY COMMITTEE

Potential changes to the Land Use Map have been discussed by the GPAC over the course of several meetings in the past year. For example, during the May 30th, 2018 GPAC meeting, the committee discussed the city's land use character and opportunities to enhance the community's identity through identification and further creation of community design elements. This included a collaborative experience where GPAC members identified possible Opportunity Areas for land use enhancements. Additionally, during the June 20th, 2018 GPAC meeting, the committee discussed opportunities for economic development, increased local employment opportunities, and locations throughout the city where new job growth opportunities should be targeted. Information, direction, and feedback provided by the GPAC has been incorporated in the Opportunity Areas discussed in this report.



CITY COUNCIL INPUT

At the March 29th, 2018, City Council Study Session Meeting, the Council provided direction on land use mapping concepts to be included and analyzed in the Land Use Alternatives Report. Ideas presented during this workshop include focusing on the enhancement and reimagining of select locations within the city, encouraging additional mixed-use development, and supporting job generation. The Council also expressed support for enhancing development within the Midtown Specific Plan Area. The City is currently updating the Midtown Specific Plan and it is anticipated that this revised document will address key Council considerations for this area of the city.



PROJECT TEAM SYNTHESIS OF OUTREACH INPUT

Based upon the input received through the outreach process, City staff and the consultant team developed a conceptual Opportunity Sites map that identifies where and how land use and development intensity changes could occur, in order to realize the community's land use priorities. This map is included as Figure 1-1. Subsequently, the map was refined by City staff and the consultant team into the Opportunity Areas Alternative. A citywide and Opportunity Area-specific version of the map appear in Chapter 2.

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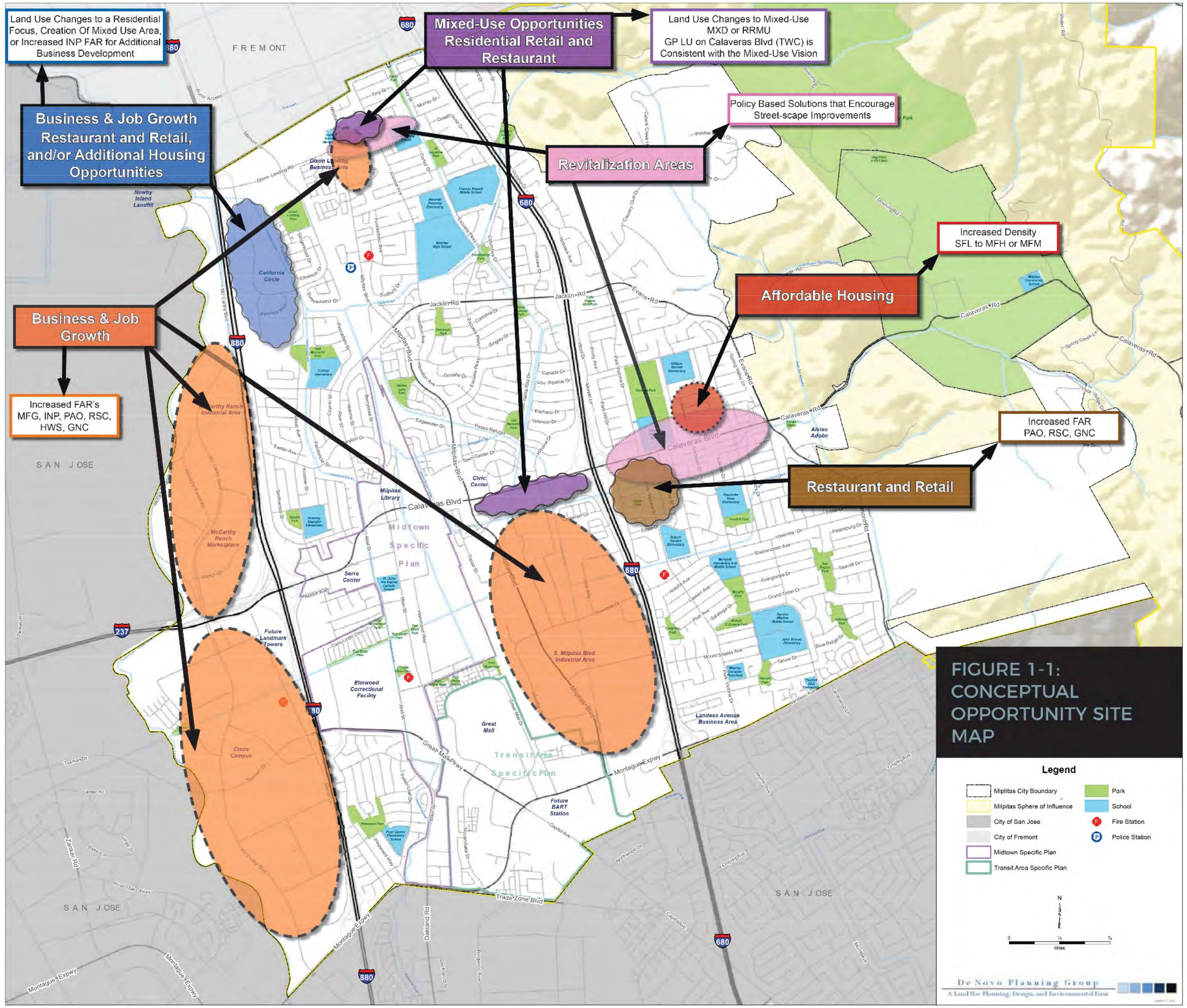

FIGURE 1-1: CONCEPTUAL OPPORTUNITY SITE MAP

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1.5 NEXT STEPS IN THE GENERAL PLAN LAND USE MAP UPDATE PROCESS

The City Council, the Planning Commission, the GPAC, City staff, and the consultant team will use this report to prepare and refine the Preferred Land Use Map.

First, the GPAC will make recommendations for land use and development intensity modifications to the existing Land Use Map, ostensibly within the Opportunity Areas identified in this report. Next, the City Council will review the GPAC's input and recommendations, and direct City staff and the consultant team to prepare the preferred Land Use Map.

As the map evolves in the coming weeks and months, and the initial preferred land use map is developed, the final iteration of the map and an accompanying analysis of the proposed changes will be posted on the project's website, www.milpitas.generalplan.org. Please refer to the site for additional information on the project.

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CHAPTER 2: LAND USE ALTERNATIVES

This chapter presents and analyzes two land use alternatives for future growth in the City of Milpitas. The first alternative, the Existing General Plan Alternative, describes buildout conditions associated with the General Plan's existing Land Use Map.

The second alternative, the Opportunity Areas Alternative, describes revised buildout conditions associated with land use designation changes within the thirteen Opportunity Areas. This chapter presents the alternatives on both a citywide and individual Opportunity Area-specific basis, and compares the citywide buildout information between alternatives. The chapter also introduces and defines three new land use designations that are intended to support the mixture of uses and development intensity envisioned within the Opportunity Areas.

The alternatives include broad analysis, including land use conditions, residential and employment growth potential, and economic and circulation network implications. This approach is intended to help foster meaningful discussions regarding the development and selection of the preferred Land Use Map.

2.1 DEFINING THE LAND USE ALTERNATIVES

EXISTING GENERAL PLAN ALTERNATIVE

The Existing General Plan Alternative (see Figure 2-1) comprises the current General Plan Land Map. The map was originally adopted as part of the City's 1994 General Plan Update and includes all subsequent amendments through 2018. The Existing General Plan Land Use Alternative is characterized by the following attributes:

- The residential and mixed-use designations accommodate a broad range of residential densities, spanning from 0.1 du/ac in hillside areas to 90 du/ac within close proximity to transit stations.
- Large areas of single family residential development is primarily located in the north and eastern portions of the city.
- Industrial park and manufacturing uses are consolidated into several large areas located along the city's western edge and in the center of the city south of Los Coches Street.
- Open space is concentrated along drainage areas, creek corridors, and beyond the city's eastern boundary in the hillside areas occupying the easternmost portion of the Planning Area.
- Two of the City's major growth areas are located within the Midtown and Transit Area Specific Plan areas. The associated plans implement the goals and policies of the General Plan through the regulation of use, density, height and other design standards. Many of the future residential uses are planned within close proximity to transit opportunities within the Transit Area Specific Plan TASP, and as mixed-use housing opportunities within the Midtown Specific Plan.

OPPORTUNITY AREA ALTERNATIVE

The Opportunity Area Alternative (see Figure 2-2) comprises focused land use changes and development intensification within thirteen Opportunity Areas. These changes are intended to accommodate additional housing and jobs, support economic development opportunities, and promote the redevelopment of aging and underutilized centers, while continuing to provide the services for Milpitas residents. The Opportunity Areas are intend to provide the City with options to accommodate additional growth that fulfills the City's vision for future development. Each of the thirteen Opportunity Areas are discussed in detail in Section 2.3.

2.2 LAND USE DESIGNATIONS

The existing Milpitas General Plan includes a range of land use designations that dictate where uses and what intensities of development can occur within the city and the Planning Area. The existing General Plan Land Use Map (see Figure 2-1) applies the designations to individual parcels. A brief description of each of the adopted General Plan land use designations is provided below.

EXISTING LAND USE DESIGNATIONS

VALLEY FLOOR

The Valley Floor portion of the Planning Area are the relatively flat portions of the city west of the eastern hillsides. The urbanized Valley Floor contains the majority of the developed area of the City. Approximately one-third of the developed land in the Valley Floor is devoted to Single Family Low-Density Residential use, with all designated residential areas accounting for about 46 percent of the Valley Floor. Approximately 25 percent of the Valley Floor is designated for industrial (Manufacturing and Industrial Park) uses, while approximately 15 percent of the total land in the Valley Floor is vacant and available for development. The following use descriptions apply to the Valley Floor portion of the Planning Area.

Residential Designations

Single-family Low Density

(3 to 5 units per gross acre) All housing units are to be individually owned, either on separate lots or as part of a clustered Planned Unit Development. Single-unit detached residences will be the typical housing type in this category.

Single-family Moderate Density

(6 to 15 units per gross acre) All housing units are to be individually owned, either on separate lots or as part of a clustered Planned Unit Development. Developments with densities ranging from 7 to 10 units per acre may be approved only if proposals are found to be consistent with policies and programs of the General Plan and compatible with the surrounding neighborhood. Single-unit attached residences will typically be built within this density range. Densities higher than 10 units per acre would be consistent only for sites of 5 acres or less, accompanied by specific findings relating to: appropriate relationship to surrounding land uses, and affordability [for Planned Unit Developments (PUDs) the acceptable floor area range is 600 to 1,100 sq. ft.]

Multifamily Medium Density

(7 to 11 units per gross acre) This density range would allow single-family attached and semi-detached houses and duplexes.

Multifamily High Density

(12 to 20 units per gross acre) This density range would accommodate a variety of housing types, ranging from row houses to triplexes and four-plexes, stacked townhouses and walk-up garden apartments. Densities up to 40 units per gross acre may be permitted for proposals designed as Planned Unit Developments (PUDs) provided that the following criteria are met: sewer and water service is sufficient to accommodate the proposal as well as other developments permitted by the General Plan. Any improvements to the sewer or water system that would be required to accommodate any such higher density proposals would be made conditions of project approval; cumulative traffic, from the increased density and other existing or future projects, must not cause any street intersection to operate below Level

of Service (LOS) E; and the design of such higher density projects will not have adverse shadow, view obstruction or loss of privacy impacts that are not mitigated to acceptable levels.

Multifamily Very High Density

(31 to 40 dwelling units per gross acre) This density range would accommodate a variety of housing types, ranging from row houses and townhouses to lofts and stacked flats with structured parking. Increased densities are permitted within the Transit Oriented Development overlay zone (TOD).

High Density Transit-Oriented Residential

A classification similar to the Midtown Plan's "Multifamily Very High Density" designation, these properties are intended for medium-density residential neighborhoods further from BART, at the interior of sub-district neighborhoods. A minimum average gross density of 21 units per acre is required, up to a maximum of 40 units per acre. Residential and related uses are allowed, but not commercial uses.

Very High Density Transit-Oriented Residential

Intended to create residential districts near BART and light rail stations, this designation requires housing to be built at an average density of at least 41 units per gross acre, up to a maximum of 60 and 90 units per gross acre. Small local-serving commercial uses are permitted at the ground floor level, including retail, restaurants, and personal services uses.

Mobile-home Park

This is an overlay category that may be combined with Single-family Low Density, Multifamily Medium Density and Multifamily High Density Residential, or Highway Service classifications.

Mobile home Park, along with accessory uses, is the permitted use. Maximum residential density would range from 6 to 7 units per gross acre when combined with the use classifications as follows: In addition to the above-stipulated densities, one additional housing unit per gross acre may be permitted upon a finding by the Planning Commission that the proposed project is of a superior functional and aesthetic design based upon it exceeding adopted mobile home park development standards.

Mixed Use Designations

Mixed Use

(Residential component: 21 to 30 units per gross acre; non-residential component: FAR of 0.75) This designation allows for commercial offices, retail and services, high density residential and public and quasi-public uses. Mixed-use buildings can contain a combination of residential and commercial uses. The intensity for the non-residential component is a maximum floor area ratio (FAR) of 0.75. The residential density is 21 to 30 units per gross acre and is calculated separately from the non-residential component. Increased residential densities are permitted within the Transit Overlay District (TOD).

Residential – Retail High Density Mixed Use

This district is intended to be a true mixed use area with retail, restaurants, and services on the ground floor, and residential or office uses on the floors above. The residential density is a minimum average gross density of 31 units per acre and a maximum of between 40 and 60 units per gross acre. In addition, 200 square feet of retail or restaurant space is required per unit, using the minimum density (i.e. the requirement is based on the number of units required to meet the minimum density). Sites may be developed for office and hotel uses without residential development, although ground floor retail or restaurant square footage will still be required. For nonresidential projects, the minimum FAR ranges from

1.5 to 2.25. However, there is no FAR limit for hotels. A FAR of 2.5 may be permitted on individual sites with approval of a conditional use permit by the Planning Commission.

Boulevard Very High Density Mixed Use

This classification is intended to provide high-density housing, retail, and employment along Montague Expressway with a landscaped boulevard character. Projects may include a wholly residential or non-residential concept or a project that integrates residential and non-residential uses vertically or horizontally.

Permitted uses include residential, office, commercial, and medical uses. Sites developed with a mix of uses, or non-residential uses, must adhere to the FAR maximum which ranges from 1.5 to 2.25. Residential projects shall have a minimum average gross density of 41 units per acre and can be built up to between 60 to 90 units per acre.

A FAR of 2.5 may be permitted on individual sites with approval of a conditional use permit by the Planning Commission. Special criteria would need to be met, including the following: (1) the proposed uses include a hotel or office uses that create substantial new jobs, and do not include residential uses; (2) the design of the project is extremely high quality and is compatible with the scale of surrounding buildings; (3) there are no adverse traffic impacts beyond those studied in the Transit Area Plan EIR or the project will be required to mitigate such impacts individually; and (4) buildings do not shade public parks or plazas more than 30% between 10 AM and 3 PM as measured on March 15th.

Institutional Designations

The Institutional classification is for parcels owned by public agencies and intended to be accessed by the public. There are three institutional classifications:

1. Schools
2. Correctional Facility
3. Public Facilities

Commercial Designations

Town Center

This designation provides for a variety of commercial, civic and residential uses appropriate to the Center's role as the functional and visual focus of Milpitas. The Town Center is a meeting place and a market place, the home of commercial and professional firms, an entertainment area and a place for restaurants and hotels. Because of this unique and relatively intensive mix of activities, very high density residential developments (i.e., up to 40 units per acres) may be permitted within the Town Center because of the increased economic support the residents would offer to the commercial uses.

General Commercial

This classification provides for a wide range of retail sales, and personal and business services accessed primarily by the automobile. It includes commercial uses in which shopping may be conducted by people walking to several stores as in a center, and may include uses customarily of a single-purpose character served from an adjacently parked automobile.

Retail Sub-Center

This classification accommodates neighborhood shopping facilities that provide for convenience needs, such as groceries and minor hardgood purchases. The General Plan provides for nine sub-centers, between two and 20 acres in size, distributed throughout the city.

Professional and Administrative Office

This classification provides advantageous locations for medical, law, and similar services required to serve residents and businesses. While office uses can be located in all of the commercial districts, the Professional Administrative Office areas are solely for these uses.

Highway Service

This classification provides for motels, mobile home parks, and non-retail services such as car-rental offices. Eight highway service areas are designated on the General Plan Diagram, typically at the intersection of major streets and/or freeways.

Industrial Designations

Manufacturing

This classification encompasses a variety of light and heavy industrial activities, such as manufacturing, packaging, processing, warehousing and distribution, and ancillary support uses.

Industrial Park

This classification accommodates research, professional, packaging and distribution facilities in a park-like setting, free from noise, odor and other such nuisances.

HILLSIDE AREA

The Hillside Area comprises approximately 6,000 acres generally east of Piedmont Road, Evans Road and the portion of North Park Victoria Drive north of Evans Road. The undeveloped portion of the Hillside Area is characterized by gentle to steep slopes, grassy terrain with some chaparral and trees, wildlife, geologically unstable areas, the Ed R. Levin County Regional Park, and a feeling of remoteness from the more urban portions of the city. These conditions warrant Plan proposals and use classifications that differ considerably from those for the Valley Floor Area. To ensure safety and to preserve its natural ambiance, all development in the Hillside Area is to be of low-density rural residential nature. Three categories of residential uses are provided. The Low and the Medium Density categories accommodate existing development; all new development is to be at a Very Low Density.

Residential Designations

Residential densities are per gross acre of developable land provided that at least one housing unit may be built on each existing parcel designated for residential use. Densities outlined in the classifications are maximums for the classifications; these decrease with increase in slope as outlined in the classifications and defined in detail in the City’s Zoning Ordinance. The City may further reduce the permitted density on a site if such a reduction is necessary or appropriate for reasons of site conditions, access, views or geologic hazards. Second units permitted by local regulations and state access-mandated density bonuses for affordable housing are in addition to densities otherwise permitted.

Very Low Density

The maximum permitted density for this classification is one dwelling unit per ten gross acres. The maximum density decreases with increase in slope until 80 acres per housing unit is required for land with an average slope of 50 percent or greater. This designation includes most of the Hillside Area.

Low Density

The maximum density for this classification is 1.0 housing unit per gross acre. This density decreases with increase in slope until ten acres of land are required per housing unit for sites with an average slope of 27 percent or more. Three relatively small areas of the Hillside (representing prior developments) are shown on the General Plan Diagram with this designation.

Medium Density

The maximum density for this classification is approximately 3.0 units per gross acre on level land and decreases with increasing slope until ten acres of land are required per unit for sites with an average slope of approximately 27 percent or more. Areas designated as Medium Density (all existing) include: Development along the base of the hillside area; Summitpointe residential and golf course; Calaveras Ridge PUD; and The Country Club Estates.

NEW LAND USE DESIGNATIONS

The majority of the existing General Plan land use designations shown in the Opportunity Area map (Figure 2-2) are consistent with the adopted land use designations of the existing General Plan, as listed above. The exceptions, including three new land use designations applicable in several of the Opportunity Areas, are described below.

Neighborhood Center Mixed-Use

The parcels in Opportunity Areas 1, 8, and 9 are proposed to be redesignated to Neighborhood Center Mixed-Use (NCMU). The NCMU designation will support additional neighborhood commercial serving uses, while allowing for multifamily residential development in conjunction with a commercial development. The designation’s development parameters include a maximum floor-to-area ratio (FAR) of 0.75, and up to 1 dwelling unit per 1,500 square feet of non-residential square footage (1DU/1500 Sq. Ft.), and the provision of vertical and/or horizontal mixed use development. The designation’s draft description is as follows:

- Neighborhood Center Mixed-Use (NCMU) Proposed Land Use Description:

  The Neighborhood Center Mixed-Use (NCMU) designation is intended to accommodate a mix of commercial and residential uses with an emphasis on commercial activity as the primary use, and residential uses, hotel, and office development allowed on a limited basis. This category includes retail activities, personal services, and professional and medical offices that primarily serve the adjacent neighborhoods. Residential development is subject to other policies to ensure that NCMU areas primarily serve surrounding neighborhoods. The purpose and vision of the NCMU designation is to provide for a varied mix of retail and commercial services, and other related uses in these areas to:

  - Preserve and enhance neighborhood shopping areas, by providing the scale of development and range of uses that are appropriate for neighborhood shopping and services. The NCMU designation allows FARs up to 0.75.

- Encourage retention and establishment of a variety of new retail, entertainment, and personal service establishments, to meet the needs of the surrounding area's residents, workers, and visitors.
- Requires active uses at the ground level, including grocery stores, specialty retail, restaurants, plazas, or walk-in personal services such as banks and salons.
- Provide opportunities for vertical or horizontal mixed-use residential development to provide for area vibrancy, and encourage redevelopment of aging centers by allowing Multifamily dwelling units at a rate of 1 unit per 1,500 square feet of new neighborhood serving retail and commercial services.

Business Park Research and Development

The parcels in Opportunity Area 4 are proposed to be redesignated to Business Park Research and Development (BPR&D). The BPR&D designation will accommodate office, research and development, clean light industrial, supporting commercial, and similar uses at a Floor-Area-Ratio (FAR) of up to 2.5. The designation's draft description is as follows:

- Business Park Research and Development (BPR&D)

  The Business Park Research and Development (BPR&D) is intended to accommodate business parks, high-intensity office buildings, light manufacturing parks, and light industrial areas that provide for a variety of businesses that support employment opportunities and services for Milpitas and the region. The BPR&D designation would enable the integration of research and development, office, small warehouse and light manufacturing uses in one location, and allows existing firms to grow/expand operations onsite. Additionally, as manufacturing in the city shifts to more high tech products and services, the designation will support the consolidation of management, design, and manufacturing uses on a single, integrated site, which can be important for the overall efficiency of business operations, and potentially increase local business-to-business transactions. The BPR&D designation allows a maximum Floor-Area-Ratio of 2.5.

  Additionally, uses that support businesses including, health and fitness centers, restaurants/cafés, convenience retail, and day care facilities would be conditionally allowed onsite as a minor use associated with a main employment generating use, hotel uses would also be allowed on a conditional basis when located in close proximity to transit facilities and major roadway intersections.

Neighborhood Commercial

The parcels in Opportunity Areas 10, 11, and 13 are proposed to be redesignated to Neighborhood Commercial (NC). The NC designation will allow for additional neighborhood commercial serving uses at a maximum FAR of 0.75. The designation's draft description is as follows:

- Neighborhood Commercial (NC) Proposed Land Use Description:

  Neighborhood Commercial (NC) designation supports commercial uses that serve the surrounding neighborhoods at a Floor-Area-Ratio of up to 0.75. The Neighborhood Commercial designation supports a broad range of commercial uses such as neighborhood-serving retail stores and services, commercial and professional offices. New residential uses are not allowed within this land use designation.

INTENSIFICATION OF EXISTING LAND USE DESIGNATIONS

To fulfill the community's vision for future development, the Opportunity Areas Alternative incorporates modified versions of existing designations that allow intensified development in the manner described for the following two Opportunity Areas.

- Opportunity Area 3 would retain the existing Industrial Park (INP) land use designation, but would increase the allowed Floor-Area-Ratio (FAR) from the existing 0.5 up to a maximum of 1.0.
- Opportunity Area 7 would retain the existing Manufacturing (MFG) land use designation, but would increase the allowed Floor-Area-Ratio (FAR) from the existing 0.4 up to a maximum of 1.0.

Table 2-1 summarizes existing and new land use designations' acreages for the Existing General Plan and the Opportunity Area Alternatives, and the difference in acreage for each designation between the two alternatives.

Table 2-1: Acreage By Land Use Designation

General Plan Land Use	Existing General Plan Alternative (Acres)	Opportunity Areas Alternative (Acres)	Difference (Acres)
Commercial, Office, and Industrial			
BPR&D – Busness Park Research & Development	--	488.26	488.26
GNC - General Commercial	357.52	314.48	-43.04
HWS - Highway Service	138.56	37.21	-101.35
INP - Industrial Park	685.55	225.55	-460.00
MFG – Manufacturing	661.04	634.55	-26.49
NC – Neighborhood Commercial	--	24.17	24.17
PAO - Professional & Administrative Office	13.96	2.06	-11.90
RSC - Retail Subcenter	62.27	12.54	-49.73
TWC - Town Center	133.92	133.92	--
Residential			
HLD - Hillside Low Density	391.04	391.04	--
HMD - Hillside Medium Density	239.00	239.00	--
HVL - Hillside Very Low Density	4,297.81	4,297.81	--
MFH - Multi-Family High Density	328.40	301.54	-26.86
MFM - Multi-Family Medium Density	160.92	160.92	--
MHP - Mobile Home Park	53.11	53.11	--
SFL - Single Family Low Density	1,491.96	1,491.96	--
SMD - Single Family Medium Density	171.43	171.43	--
URR - Urban Residential	25.27	25.27	--
VHD - Multi-Family Very High Density	149.24	149.24	--
Mixed-Use			
BVMU - Boulevard Very High Density Mixed Use	54.09	80.58	26.49
HDTOR - High Density Transit Oriented	33.16	33.16	--
MXD - Mixed Use	65.23	142.01	76.78
NCMU – Neighborhood Center Mixed-Use	--	104.59	104.59
RRMU - Residential Retail High Density Mixed Use	5.01	5.01	--
Conservation			
Parks and Open Space (POS)	2,320.65	2,320.65	--
Public Facilities			
Public Facilities (PF)	302.68	301.76	-0.92
Other			
ROW - Right-of-Way	75.11	75.11	--
WW – Water Way	49.68	49.68	--
Total Acres	**12,266.61**	**12,266.61**	**0**

SOURCE: CITY MILPITAS GIS DATASET, DE NOVO PLANNING GROUP 2018.

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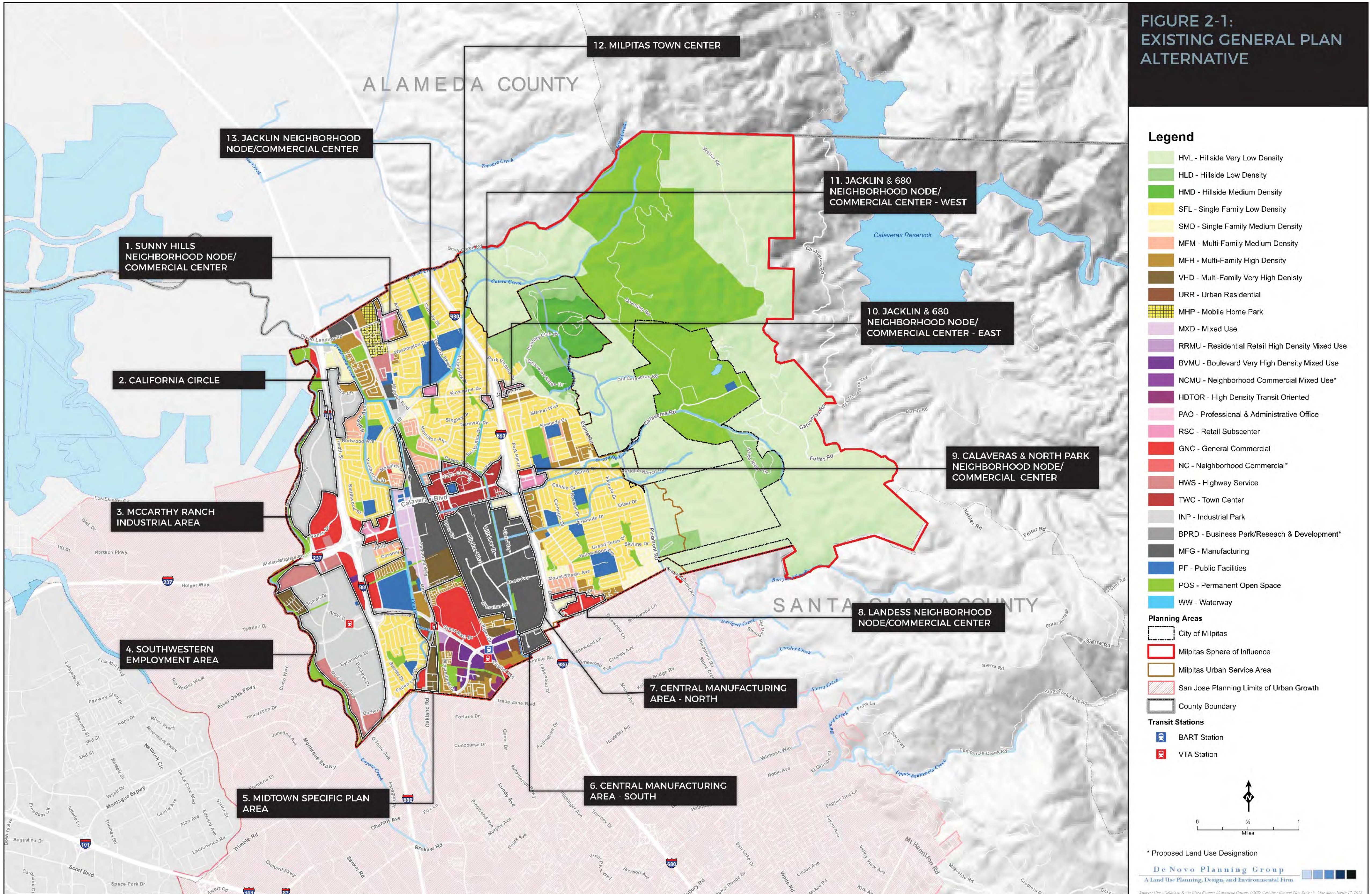
FIGURE 2-1:
EXISTING GENERAL PLAN ALTERNATIVE
ALAMEDA COUNTY
SANTA CLARA COUNTY
1. SUNNY HILLS NEIGHBORHOOD NODE/ COMMERCIAL CENTER
2. CALIFORNIA CIRCLE
3. MCCARTHY RANCH INDUSTRIAL AREA
4. SOUTHWESTERN EMPLOYMENT AREA
5. MIDTOWN SPECIFIC PLAN AREA
6. CENTRAL MANUFACTURING AREA - SOUTH
7. CENTRAL MANUFACTURING AREA - NORTH
8. LANDESS NEIGHBORHOOD NODE/COMMERCIAL CENTER
9. CALAVERAS & NORTH PARK NEIGHBORHOOD NODE/ COMMERCIAL CENTER
10. JACKLIN & 680 NEIGHBORHOOD NODE/ COMMERCIAL CENTER - EAST
11. JACKLIN & 680 NEIGHBORHOOD NODE/ COMMERCIAL CENTER - WEST
12. MILPITAS TOWN CENTER
13. JACKLIN NEIGHBORHOOD NODE/COMMERCIAL CENTER
Calaveras Reservoir
Legend
HVL - Hillside Very Low Density
HLD - Hillside Low Density
HMD - Hillside Medium Density
SFL - Single Family Low Density
SMD - Single Family Medium Density
MFM - Multi-Family Medium Density
MFH - Multi-Family High Density
VHD - Multi-Family Very High Denisty
URR - Urban Residential
MHP - Mobile Home Park
MXD - Mixed Use
RRMU - Residential Retail High Density Mixed Use
BVMU - Boulevard Very High Density Mixed Use
NCMU - Neighborhood Commercial Mixed Use*
HDTOR - High Density Transit Oriented
PAO - Professional & Administrative Office
RSC - Retail Subcenter
GNC - General Commercial
NC - Neighborhood Commercial*
HWS - Highway Service
TWC - Town Center
INP - Industrial Park
BPRD - Business Park/Reseach & Development*
MFG - Manufacturing
PF - Public Facilities
POS - Permanent Open Space
WW - Waterway
Planning Areas
City of Milpitas
Milpitas Sphere of Influence
Milpitas Urban Service Area
San Jose Planning Limits of Urban Growth
County Boundary
Transit Stations
BART Station
VTA Station
0
½
1
Miles
* Proposed Land Use Designation
De Novo Planning Group
A Land Use Planning, Design, and Environmental Firm

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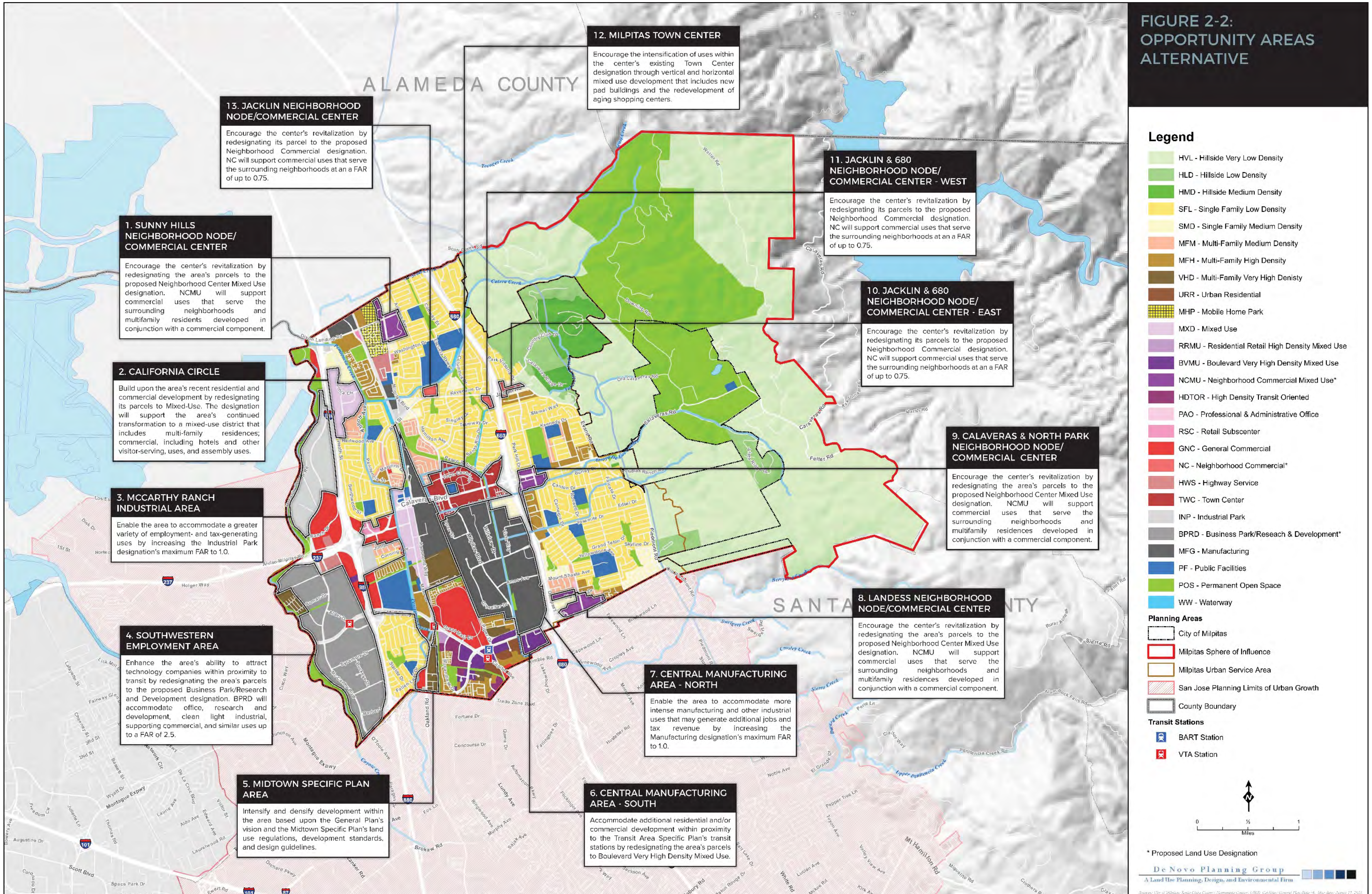
FIGURE 2-2:
OPPORTUNITY AREAS ALTERNATIVE
ALAMEDA COUNTY
SANTA CLARA COUNTY
12. MILPITAS TOWN CENTER
Encourage the intensification of uses within the center's existing Town Center designation through vertical and horizontal mixed use development that includes new pad buildings and the redevelopment of aging shopping centers.
13. JACKLIN NEIGHBORHOOD NODE/COMMERCIAL CENTER
Encourage the center's revitalization by redesignating its parcel to the proposed Neighborhood Commercial designation. NC will support commercial uses that serve the surrounding neighborhoods at an a FAR of up to 0.75.
1. SUNNY HILLS NEIGHBORHOOD NODE/ COMMERCIAL CENTER
Encourage the center's revitalization by redesignating the area's parcels to the proposed Neighborhood Center Mixed Use designation. NCMU will support commercial uses that serve the surrounding neighborhoods and multifamily residents developed in conjunction with a commercial component.
2. CALIFORNIA CIRCLE
Build upon the area's recent residential and commercial development by redesignating its parcels to Mixed-Use. The designation will support the area's continued transformation to a mixed-use district that includes multi-family residences; commercial, including hotels and other visitor-serving, uses, and assembly uses.
3. MCCARTHY RANCH INDUSTRIAL AREA
Enable the area to accommodate a greater variety of employment- and tax-generating uses by increasing the Industrial Park designation's maximum FAR to 1.0.
4. SOUTHWESTERN EMPLOYMENT AREA
Enhance the area's ability to attract technology companies within proximity to transit by redesignating the area's parcels to the proposed Business Park/Research and Development designation. BPRD will accommodate office, research and development, clean light industrial, supporting commercial, and similar uses up to a FAR of 2.5.
5. MIDTOWN SPECIFIC PLAN AREA
Intensify and densify development within the area based upon the General Plan's vision and the Midtown Specific Plan's land use regulations, development standards, and design guidelines.
6. CENTRAL MANUFACTURING AREA - SOUTH
Accommodate additional residential and/or commercial development within proximity to the Transit Area Specific Plan's transit stations by redesignating the area's parcels to Boulevard Very High Density Mixed Use.
7. CENTRAL MANUFACTURING AREA - NORTH
Enable the area to accommodate more intense manufacturing and other industrial uses that may generate additional jobs and tax revenue by increasing the Manufacturing designation's maximum FAR to 1.0.
8. LANDESS NEIGHBORHOOD NODE/COMMERCIAL CENTER
Encourage the center's revitalization by redesignating the area's parcels to the proposed Neighborhood Center Mixed Use designation. NCMU will support commercial uses that serve the surrounding neighborhoods and multifamily residences developed in conjunction with a commercial component.
9. CALAVERAS & NORTH PARK NEIGHBORHOOD NODE/ COMMERCIAL CENTER
Encourage the center's revitalization by redesignating the area's parcels to the proposed Neighborhood Center Mixed Use designation. NCMU will support commercial uses that serve the surrounding neighborhoods and multifamily residences developed in conjunction with a commercial component.
10. JACKLIN & 680 NEIGHBORHOOD NODE/ COMMERCIAL CENTER - EAST
Encourage the center's revitalization by redesignating its parcels to the proposed Neighborhood Commercial designation. NC will support commercial uses that serve the surrounding neighborhoods at an a FAR of up to 0.75.
11. JACKLIN & 680 NEIGHBORHOOD NODE/ COMMERCIAL CENTER - WEST
Encourage the center's revitalization by redesignating its parcels to the proposed Neighborhood Commercial designation. NC will support commercial uses that serve the surrounding neighborhoods at an a FAR of up to 0.75.
Legend
HVL - Hillside Very Low Density
HLD - Hillside Low Density
HMD - Hillside Medium Density
SFL - Single Family Low Density
SMD - Single Family Medium Density
MFM - Multi-Family Medium Density
MFH - Multi-Family High Density
VHD - Multi-Family Very High Denisty
URR - Urban Residential
MHP - Mobile Home Park
MXD - Mixed Use
RRMU - Residential Retail High Density Mixed Use
BVMU - Boulevard Very High Density Mixed Use
NCMU - Neighborhood Commercial Mixed Use*
HDTOR - High Density Transit Oriented
PAO - Professional & Administrative Office
RSC - Retail Subscenter
GNC - General Commercial
NC - Neighborhood Commercial*
HWS - Highway Service
TWC - Town Center
INP - Industrial Park
BPRD - Business Park/Reseach & Development*
MFG - Manufacturing
PF - Public Facilities
POS - Permanent Open Space
WW - Waterway
Planning Areas
City of Milpitas
Milpitas Sphere of Influence
Milpitas Urban Service Area
San Jose Planning Limits of Urban Growth
County Boundary
Transit Stations
BART Station
VTA Station
0 ½ 1
Miles
* Proposed Land Use Designation
De Novo Planning Group
A Land Use Planning, Design, and Environmental Firm

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2.3 ALTERNATIVE ANALYSIS – ECONOMIC AND CIRCULATION BACKGROUND

This section describes the background, assumptions, and methods used to analyze the Opportunity Areas' economic development and fiscal/revenue implications, as well as the circulation/traffic implications.

Economic and Fiscal Implications - Background

The revenue analysis is intended to be preliminary and is not a full fiscal impact analysis since changes in expenditures are not estimated. Once the City has settled on a preferred General Plan land use alternative, a full fiscal impact analysis will be prepared to estimate all General Fund service costs and revenues.

New development under the General Plan update would generate additional General Fund revenues from a variety of sources. This analysis is focused on the General Fund revenue sources that are most directly affected by land use decisions, and which can thus be influenced to some degree by the General Plan update. The most important revenues in this regard are property tax, sales tax, and transient occupancy tax. The analysis is organized by Opportunity Area and is based on the potential new development that could occur in each area. The revenue implications for each Opportunity Area are driven by the value and intensity of new potential development, as well as the number of new residents and jobs generated in each area.

The City's property tax revenues would increase as property values rise and new development activity occurs. Property in California is subject to a base 1.0 percent property tax rate, which is shared among various local jurisdictions and special districts. Overall, the City receives approximately 16 percent of the base 1.0 percent property tax generated within the City limits. The property tax revenue estimates for each land use Opportunity Area depend on the projected mix of land uses and the value of new development that would occur in each area. Assessed property value assumptions were estimated by land use type and reflect the estimated development costs of new construction, excluding the cost of land. Because land within the City is currently generating property tax revenue, this analysis excludes the existing land value from assessed value calculations.

Sales tax revenues associated with the General Plan update would be expected to accrue from new taxable retail spending at Milpitas retailers by new residents and employees, as well as business-to-business taxable transactions resulting from new businesses that are accommodated through the General Plan update. New retail space developed under the new plan would also have the potential to increase the City's capture of retail sales. The sales tax revenue estimates for each Opportunity Area are based on the taxable spending in Milpitas that would be generated by new residents and employees. Although buildout of the General Plan would undoubtedly include a net increase in retail space in the City, any new retail space is expected to be supported at least in part by the net increase in residents and workers. The following analysis did not separately calculate revenues from new retail space to avoid double-counting these revenues. Overall, the estimates of new sales tax revenues in each Opportunity Area are conservative because they do not assume any changes in underlying spending patterns, incomes, or injections of sales. The estimates also do not include any business-to-business sales tax revenues that would be generated by new businesses that locate in Milpitas. This revenue could be significant if Milpitas is able to attract a company that sells computers, telecommunications hardware, or other equipment subject to sales tax.

The City currently receives General Fund revenue from 2,812 rooms in twenty hotels located in Milpitas. There are currently several planned and proposed hotels in the development pipeline, which could add an estimated 1,000 hotel rooms to the City's inventory. The new employment and business activity generated by the General Plan Update could significantly influence the amount of TOT revenue generated in these existing and future planned hotels. Should the General Plan update include plans for additional hotels, the City could see an even greater increase in revenues from this funding source. The TOT estimates for each land use Opportunity Area reflect the TOT revenue generated by new business-related lodging demand that would occur due to the increase in employment and business activity in each area. The estimates are based on the existing ratio of citywide jobs to hotel rooms (18 jobs per hotel room) and the existing average annual General Fund TOT revenue generated per room (approximately $3,800 per room). The citywide jobs to hotel rooms ratio was multiplied by the projected new employment in each land use Opportunity Area to estimate the new corporate hotel room demand that would be supported by new business activity in each area. To translate this new corporate hotel room demand into TOT revenue, the new hotel room demand estimates were multiplied by the average existing General Fund TOT revenue generated per room.

Circulation and Traffic Implications - Background

Milpitas is part of the greater San Francisco Bay Area in Silicon Valley and is geographically divided by major regional freeways. Interstates I-880 and I-680 run parallel in the north-south direction through the city while State Route (SR) 237 connects the two Interstates through the center of the City. Milpitas is bounded by San Jose to the south and west, Fremont to the north, and unincorporated Santa Clara County to the east. The interstates and state highway that bisect Milpitas connect Silicon Valley to a majority of the San Francisco Bay Area and beyond into northern California. Given its central location, Milpitas is home to many major regional employers creating high levels of traffic congestion during peak commute hours. A majority of commute trips by residents are in single-occupancy vehicles, with a low percentage of residents using public transit. On-going improvement and investment in public transit infrastructure aims to shift commuters away from single-occupancy vehicles to public transit. Once complete, the Milpitas BART Station will provide connections to the entire BART network which includes stations in Contra Costa, Alameda, San Francisco, San Mateo, and Santa Clara counties, including downtown San Francisco and Oakland, and both San Francisco and Oakland International Airports.

For the Milpitas General Plan Land Use Alternatives Report, a series of 13 "Opportunity Areas' were created showing where changes in land use and/or density may occur. A high-level traffic analysis was conducted of the impacts on transportation from each alternative land use. The discussion below includes references to level of service and (LOS) and vehicle miles traveled (VMT), both of which are standard performance metrics in fields of transportation planning and engineering used to measure the potential impact of a project on the surrounding roadway facilities. The LOS performance metric is typically used to analyze intersections, roadway segments, and freeways and is a representation of perceived congestion reporting the change in delay experienced by a user on the roadway network. VMT, as a performance metric, is the measure of the total number of vehicle miles traveled throughout a given location. VMT can be reported as an area wide total or per service population, where the service population is the number of residents and employees in the given area. When comparing the magnitude of these performance metrics, decreasing VMT is generally preferred while a lower LOS grade is considered undesirable.

2.4 ALTERNATIVE ANALYSIS BY OPPORTUNITY AREA

This section describes the 13 Opportunity Areas' existing conditions and envisioned buildout conditions. For each Opportunity Area, the following discussion and information is provided:

- **Existing Setting.** Describes current conditions within the Opportunity Area, including types of uses and number of housing units
- **Vision.** Describes the purpose and intent of the potential change within the Opportunity Area.
- **Growth Potential.** Identifies the number of new housing units, population increases, and new jobs that may occur within each Opportunity Area upon full buildout.
- **Economic and Fiscal Findings.** Describes the potential for job growth, economic development, and revenue generation associated with each Opportunity Area.
- **Circulation Findings.** Describes the implications associated with traffic congestion, mobility, and alternative transportation associated with each Opportunity Area.

Figures displaying the existing and proposed Land uses, and existing site condition photos are included following the discussion of each Opportunity Area.

OPPORTUNITY AREA 1: SUNNY HILLS NEIGHBORHOOD NODE/COMMERCIAL CENTER

Setting: The Sunny Hills Neighborhood Node/Commercial Center primarily provides commercial services to residents living in the surrounding neighborhoods. Existing assessed non-residential square feet in this area totals approximately 231,243 square feet of primarily service retail and commercial services (including grocery, restaurant and service retail), and approximately 282 multifamily dwelling units. Structures within the area range in year of construction from 1962 to 2000 with 1992 being the median year.

Vision: Under the Opportunity Area 1 Alternative, the Sunny Hills Neighborhood Node/Commercial Center changes from the Multi-Family High Density (MFH-17.49 acres), Mixed Use (MXD-0.38 acres), and Retail Subcenter (RSC-20.40 acres) designations to the newly-proposed Neighborhood Center Mixed Use (NCMU) designation. The NCMU designation is intended to accommodate a mix of commercial and residential uses with an emphasis on commercial activity as the primary use, and residential and office uses allowed on a limited basis. Specifically, the designation supports retail, personal services, and offices that primarily serve the adjacent neighborhoods. This potential change is envisioned to encourage the center's revitalization by providing opportunities for increased development intensities, while creating a more vibrant center through a land use mix that supports a pedestrian-oriented mixed-use environment. The NCMU designation allows for FAR's up to 0.75, and up to 1 dwelling unit per 1,500 square feet of non-residential square footage (1DU/1500 Sq. Ft.).

Growth Potential: Table 2-2 below presents growth potential for this area under the Existing General Plan Alternative, and the Opportunity Area 1 Alternative. As shown in Table 2-2 under the Existing General Plan Alternative the area could include approximately 71 additional dwelling units, and an additional 21,249 square feet of retail/service/commercial development. Under the intensified land uses allowed by the Opportunity Area 1 Alternatives' NCMU designation, the area could include approximately 362 additional dwelling units and an additional 569,573 square feet of retail/service/commercial mixed-use development.

Table 2-2: Opportunity Area 1: Existing and New Development Potential

Land Use	Acres	Dwelling Units	Nonresidential Sq. Ft.	Population Increase [2]	Job Growth
Existing Assessed Conditions					
MFH, MXD, RSC	38.27	282	231,243	--	--
New Development Potential: Existing General Plan Alternative [1]					
MFH, MXD, RSC	38.27	71	21,249	238	37
New Development Potential: Opportunity Area 1 Alternative [1]					
NCMU	38.27	362	569,573	1,212	1,069

[1] Represent Net Potential Additional Units and Non-Residential Sq. Ft.

[2] Assumes 3.35 Persons per Household. Note Multi-Family Mixed-Use Units may reduce HH size over time, and thus reduce this population projection

Economic and Fiscal Findings: The Opportunity Area 1 Alternative would increase the number of residential units and the amount of commercial space developed in the Sunny Hills Neighborhood Node/Commercial Center area (Opportunity Area 1). Under this Alternative, some existing commercial uses would shift from the Retail Subcenter and Mixed Use land use designations to a new Neighborhood Commercial Mixed Use designation, which would provide a mix of retail, entertainment, and personal service uses to serve surrounding neighborhoods. The intensified land uses would allow Opportunity Area 1 to support 1,069 jobs at buildout of the Alternative, a significant increase from the 37 new jobs that would be provided under buildout of the existing General Plan.

General Fund Revenue Implications: Buildout of the Opportunity Area 1 Alternative would generate approximately $1.6 million in annual revenue to the City's General Fund. Most of the revenue generated in Opportunity Area 1 would stem from increases in property tax, transient occupancy tax, and sales tax revenue.

Table 2-3: Sunny Hills Neighborhood Node/Commercial Center Revenue Impacts

Sunny Hills Neighborhood Node/ Commercial Center	Existing General Plan	Opportunity Area Alternative	Difference (Alternative Less Existing)
Annual General Fund Revenue Impacts			
Property Tax	$105,000	$936,000	$831,000
Transient Occupancy Tax	$8,000	$225,000	$217,000
Sales Tax	$30,000	$198,000	$168,000
Franchise Tax	$8,000	$92,000	$84,000
Business License Tax	--	$12,000	$12,000
Other Revenue	$19,000	$129,000	$110,000
Total Annual General Fund Revenue	$170,000	$1,592,000	$1,422,000
Buildout Assumptions			
Multi-family Condominiums	35	181	146
Multi-family Apartments	36	181	145
Net New Residential Units	71	362	291
Neighborhood Commercial Mixed Use	-	797,453	797,453
Mixed Use	4,204	(3,952)	(8,156)
Retail Subcenter	17,045	(223,928)	(240,973)
Net New Non-Residential Sq. Ft.	21,249	569,573	548,323
Net New Employees	37	1,069	1,032
Net New Residents	236	1,211	975
Net New Service Population [1]	255	1,746	1,491

[1] Service population equals the resident population plus a portion of the employment population to reflect the reduced demand from commercial uses. To estimate service population, employees are multiplied by 1/2. Source: BAE, 2018.

Economic Development Implications: Changes proposed for the Sunny Hills Opportunity Area will encourage the center's revitalization by providing incentives for property owners to reinvest and redevelop their properties. The proposed Neighborhood Center Mixed use designation will provide new retail space for goods and services retailers in an attractive setting with common amenities[1]. NCMU will support commercial uses that serve the surrounding neighborhoods and multifamily residents developed in conjunction with a commercial component. While the existing retail centers provide inexpensive space for local businesses that serve the community, they are dated and aging. Existing low-volume businesses would be at risk of displacement as properties redevelop. However, to stay competitive in the long term,

[1] These amenities can include but are not limited to gathering spaces, outdoor seating, pop-up retail spaces, play areas, venues for small-scale special events, and areas for food trucks.

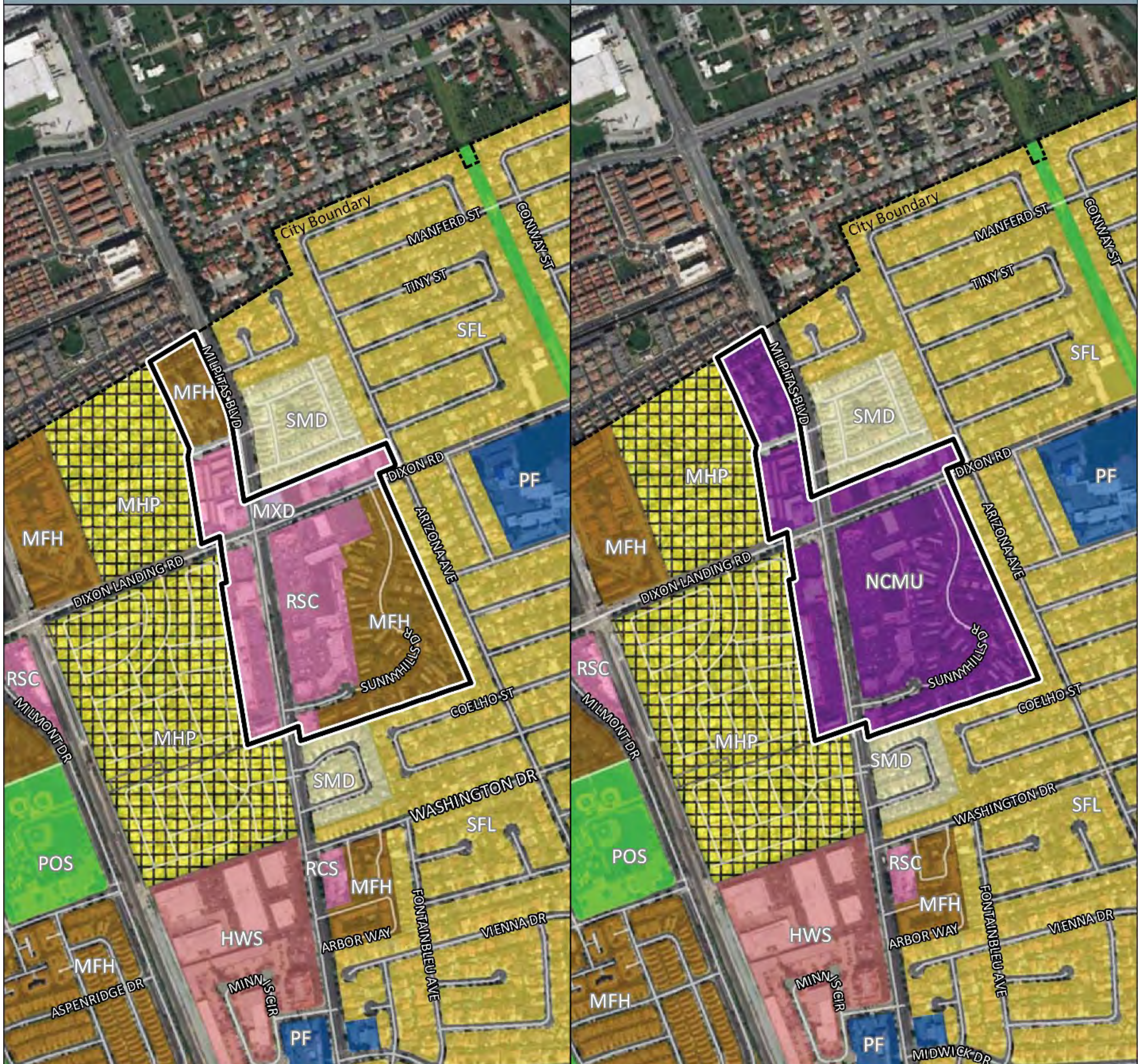
retail facilities need to offer physically attractive shopping environments that encourage shoppers to stay and linger on the premises.

Circulation Findings: This Opportunity Area is located between the I-880 and I-680 freeways. Dixon Landing Road and North Milpitas Boulevard are major arterial roads that bisect the middle of the Opportunity Area. North Milpitas Boulevard/Dixon Landing Road is a four-legged signalized intersection with protected left-turn phasing on all approaches. Marked crosswalks and pedestrian signals are provided across all four legs, as well as pedestrian curb ramps. North Milpitas Boulevard has average hourly vehicle volumes of approximately 700 in the a.m. peak hour and 900 during the p.m. peak hour. Increased development intensity is expected to increase congestion along Dixon Landing Road.

The current land use designations within the Sunny Hills node are Multi-Family High Density, Mixed Use, and Retail Subcenter. The existing majority of retail centers are south on North Milpitas Boulevard from this neighborhood, which increases traffic volumes along this corridor. This land use alternative would change the land use designation to Neighborhood Center Mixed Use. The new designation will support commercial uses for the neighborhoods and multifamily residents surrounding, potentially reducing local trips to the North Milpitas Boulevard commercial district. While the increased intensity of building in this area might affect Level of Service for traffic, this designation alternative is expected to decrease vehicle miles traveled from the neighborhoods surrounding due to daily amenities becoming closer in distance to residents of the surrounding neighborhoods. Additionally, the commercial area proposed will be within walking distance of the majority of the Single-Family Homes and Multi-Family residences, which will encourage an increase in active transportation users. The proposed land use will not decrease the Multi-Family designation, but would replace the Mixed Use and Retail Subcenter designations.

FIGURE 2-3: OPPORTUNITY AREA 1 LAND USE ALTERNATIVES

Existing General Plan Alternative	Opportunity Area Alternative



HVL - Hillside Very Low Density	MHP - Mobile Home Park	NC - Neighborhood Commercial
HLD - Hillside Low Density	MXD - Mixed Use	HWS - Highway Service
HMD - Hillside Medium Density	RRMU - Residential Retail High Density Mixed Use	TWC - Town Center
SFL - Single Family Low Density	BVMU - Boulevard Very High Density Mixed Use	INP - Industrial Park
SMD - Single Family Medium Density	NCMU - Neighborhood Commercial Mixed Use	BPRD - Business Park/Reseach & Development
MFM - Multi-Family Medium Density	HDTOR - High Density Transit Oriented	MFG - Manufacturing
MFH - Multi-Family High Density	PAO - Professional & Administrative Office	PF - Public Facilities
VHD - Multi-Family Very High Denisty	RSC - Retail Subscenter	POS - Permanent Open Space
URR - Urban Residential	GNC - General Commercial	WW - Waterway

FIGURE 2-4: OPPORTUNITY AREA 1 EXISTING CONDITIONS

OPPORTUNITY AREA 2: CALIFORNIA CIRCLE

Setting: The California Circle area provides for industrial park and residential multifamily uses. Existing assessed non-residential development in the area totals approximately 902,417 square feet of light industrial, commercial service, and hotel uses. Multifamily dwelling units have been planned and approved within this area (residential developments in this area are currently under construction). In addition to the residential project, the area includes assembly uses. The presence of these sensitive uses has led to several discussions of land use conflicts between residential and other sensitive receptors being within close proximity to industrial uses. Conflicts between uses may limits the area's ability to serve as an industrial employment center. Structures within this area range in year of construction from 1984 to 2007 with 2007 being the median year.

Vision: Under the Opportunity Area 2 Alternative, the California Circle area changes from the Multi-Family High Density (MFH-9.37 acres) and Industrial Park (INP-67.80 acres) designations to the City's Mixed Use (MXD) designation. This concept builds upon the area's recent residential and commercial development by redesignating its parcels to Mixed-Use (MXD) with the intent of reducing land use conflicts. The MXD designation will support the area's continued transformation to a mixed-use district that includes multi-family and single-family attached residential, commercial, hotels and other visitor-serving, and assembly uses.

Growth Potential: Table 2-4 below presents growth potential for this area under the Existing General Plan Alternative, and the Opportunity Area 2 Alternative. As shown in Table 2-4 under the Existing General Plan Alternative the area could include approximately 142 additional dwelling units, and an additional 73,058 square feet of industrial development. Under the intensified land uses allowed by the Opportunity Area 1 Alternatives' MXD designation, the area could include approximately 1,417 additional dwelling units and an additional 551,816 square feet of retail/service/commercial development.

Table 2-4: Opportunity Area 2: Existing and New Development Potential

Land Use	Acres	Dwelling Units	Nonresidential Sq. Ft.	Population Increase [2]	Job Growth
Existing Assessed Conditions					
INP, MFH	77.17	-- [3]	902,417	--	--
New Development Potential: Existing General Plan Alternative [1]					
INP, MFH	77.17	142	73,058	476	104
New Development Potential: Opportunity Area 2 Alternative [1]					
MXD	77.17	1,417	551,816	4,747	1,525

[1] Represent Net Potential Additional Units and Non-Residential Sq. Ft.

[2] Assumes 3.35 Persons per Household. Note Multi-Family Mixed-Use Units may reduce HH size over time, and thus reduce this population projection

[3] Note: includes only current assessed units. Units under construction at the time of assessment are not included.

Economic and Fiscal Findings: The Opportunity Area 2 Alternative would significantly increase the residential and non-residential development capacity in the California Circle area (Opportunity Area 2). Under the Alternative, approximately 737,000 square feet of existing non-residential space would shift from industrial park uses to a mix of commercial and assembly uses. Overall, the new development potential would allow Opportunity Area 2 to support 1,525 jobs and an estimated 4,746 new residents in 1,417 units at buildout.

General Fund Revenue Implications: Buildout of the Opportunity Area 2 Alternative would generate approximately $4.1 million in annual General Fund revenue. Residential property values would drive most of the net increase in property tax revenue generated. Similarly, most of the new sales tax revenue generated under the Opportunity Area 2 Alternative would stem from new resident taxable spending in Milpitas.

Table 2-5: California Circle Revenue Impacts

California Circle	Existing General Plan	Opportunity Area Alternative	Difference (Alternative Less Existing)
Annual General Fund Revenue Impacts			
Property Tax	$208,000	$2,515,000	$2,307,000
Transient Occupancy Tax	$22,000	$321,000	$299,000
Sales Tax	$62,000	$647,000	$585,000
Franchise Tax	$17,000	$202,000	$185,000
Business License Tax	$1,000	$17,000	$16,000
Other Revenue	$39,000	$408,000	$369,000
Total Annual General Fund Revenue	**$349,000**	**$4,110,000**	**$3,761,000**
Buildout Assumptions			
Multi-family Condominiums	71	708	637
Multi-family Apartments	71	709	638
Net New Residential Units	**142**	**1,417**	**1,275**
Mixed Use	--	1,289,171	1,289,171
Industrial Park	73,058	(737,355)	(810,413)
Net New Non-Residential Sq. Ft.	**73,058**	**551,816**	**478,758**
Net New Employees	104	1,525	1,421
Net New Residents	475	4,746	4,271
Net New Service Population [1]	**527**	**5,509**	**4,982**

[1] Service population equals the resident population plus a portion of the employment population to reflect the reduced demand from commercial uses. To estimate service population, employees are multiplied by 1/2. Source: BAE, 2018.

Economic Development Implications: The Mixed Use designation proposed for this Opportunity Area builds upon the area's recent residential and commercial development. The designation will support the area's continued transformation to a mixed-use district that includes multi-family residences; commercial, including hotels and other visitor-serving, uses, and assembly uses. New mixed use development will add new employees and residents who will make significant contributions to the City's economic prosperity through their local expenditures. New development under this designation will also support the City's economic development efforts by offering attractive environments for live, work, and play --critical attributes to attract highly skilled workers and the businesses that employ them. Partially offsetting these benefits, however, would be the potential for displacement of existing industrial tenants.

Circulation Findings: This Opportunity Area lies in-between I-880 and the BART tracks. California Circle cuts through the center of the area, connecting to Dixon Landing Road and Milmont Drive. The area is just south of the intersection of California Circle/Northbound I-880 Ramps, where marked crosswalk and pedestrian signals are provided across the south California Circle leg, as are pedestrian curb ramps. There is only one access point to the neighborhoods and commercial areas, via Dixon Landing Road. Dixon Landing Road is currently a heavily-congested arterial that carries both local traffic and regional traffic from I-880. An at-grade UPRR crossing located on Dixon Landing Road east of Milmont Drive currently interrupts vehicular and pedestrian traffic flow during train crossing activities.

The proposed Opportunity Area 2 Alternative would create residential units with increased commercial mixed-use including hotels and other visitor-serving uses. This area is intended to function as a neighborhood center, which would increase walkability from surrounding neighborhoods to the commercial area. There is only one access point to this Opportunity Area, so the increased development intensity is expected to increase congestion along Dixon Landing Road.

FIGURE 2-5: OPPORTUNITY AREA 2 LAND USE ALTERNATIVES

Existing General Plan Alternative	Opportunity Area Alternative

HVL - Hillside Very Low Density
HLD - Hillside Low Density
HMD - Hillside Medium Density
SFL - Single Family Low Density
SMD - Single Family Medium Density
MFM - Multi-Family Medium Density
MFH - Multi-Family High Density
VHD - Multi-Family Very High Denisty
URR - Urban Residential
MHP - Mobile Home Park
MXD - Mixed Use
RRMU - Residential Retail High Density Mixed Use
BVMU - Boulevard Very High Density Mixed Use
NCMU - Neighborhood Commercial Mixed Use
HDTOR - High Density Transit Oriented
PAO - Professional & Administrative Office
RSC - Retail Subscenter
GNC - General Commercial
NC - Neighborhood Commercial
HWS - Highway Service
TWC - Town Center
INP - Industrial Park
BPRD - Business Park/Reseach & Development
MFG - Manufacturing
PF - Public Facilities
POS - Permanent Open Space
WW - Waterway

FIGURE 2-6: OPPORTUNITY AREA 2 EXISTING CONDITIONS

OPPORTUNITY AREA 3: MCCARTHY RANCH INDUSTRIAL AREA

Setting: The McCarthy Ranch Industrial Area is generally bounded by State Route 237 to the south, Interstate 880 to the east and Coyote Creek to the west. This area is commonly referred to as the McCarthy Business Park and is comprised of R&D and office buildings. All of the parcels within the 192-acre site are designated Industrial Park (INP). Existing assessed development in this area totals approximately 1.5 million square feet of industrial, warehouse, and office uses. The existing structures within the area were built in 2001.

Vision: Under the Opportunity Area 3 Alternative, the McCarthy Ranch Industrial Area would retain the current land use designation of Industrial Park (INP), however, to enable the area to accommodate a greater variety of employment-generating industrial park uses the intensity standard for Industrial Park land use designation in this area would increase the maximum FAR from 0.5 to 1.0.

Growth Potential: Table 2-6 below presents growth potential for this area under the Existing General Plan Alternative, and the Opportunity Area 3 Alternative. As shown in Table 2-6 under the Existing General Plan Alternative the area could include approximately 1.5 million square feet of additional industrial park floor space development. Under the intensified land uses allowed by the 1.0 FAR under the Opportunity Area 3 Alternative, the area could include approximately 3 million square feet of additional industrial park floor space development.

Table 2-6: Opportunity Area 3 Existing and New Development Potential					
Land Use	Acres	Dwelling Units	Nonresidential Sq. Ft.	Population Increase	Job Growth
Existing Assessed Conditions					
INP	192.29	--	1,499,203	--	--
New Development Potential: Existing General Plan Alternative [1]					
INP	192.29	--	1,524,651	--	2,178
New Development Potential: Opportunity Area 3 Alternative [1]					
INP (1.0 FAR)	192.29	--	3,049,301	--	4,356

[1] Represent Net Potential Additional Units and Non-Residential Sq. Ft.

Economic and Fiscal Findings: The Opportunity Area 3 Alternative would double the non-residential development potential and employment growth in the McCarthy Ranch Industrial Area. The new space developed within Opportunity Area 3 would likely be a mix of traditional industrial, creative industrial, and creative office space.

General Fund Revenue Implications: Compared to the buildout of the Existing General Plan, buildout of the Opportunity Area 3 Alternative would generate an additional $1.5 million in annual General Fund revenue. Most of the difference would stem from the increase in development capacity, which would increase property value, and the increase in employment growth, which would increase business-related lodging demand in Milpitas.

Table 2-7: McCarthy Ranch Industrial Area Revenue Impacts			
McCarthy Ranch Industrial Area	Existing General Plan	Opportunity Area Alternative	Difference (Alternative Less Existing)
Annual General Fund Revenue Impacts			
Property Tax	$671,000	$1,342,000	$671,000
Transient Occupancy Tax	$458,000	$916,000	$458,000
Sales Tax	$105,000	$210,000	$105,000
Franchise Tax	$129,000	$258,000	$129,000
Business License Tax	$25,000	$50,000	$25,000
Other Revenue	$81,000	$161,000	$80,000
Total Annual General Fund Revenue	$1,469,000	$2,937,000	$1,468,000
Buildout Assumptions			
Net New Residential Units	--	--	--
Industrial Park	1,524,651	3,049,301	1,524,651
Net New Non-Residential Sq. Ft.	1,524,651	3,049,301	1,524,651
Net New Employees	2,178	4,356	2,178
Net New Residents	--	--	--
Net New Service Population [1]	1,089	2,178	1,089

[1] Service population equals the resident population plus a portion of the employment population to reflect the reduced demand from commercial uses. To estimate service population, employees are multiplied by 1/2. Source: BAE, 2018.

Economic Development Implications: The proposed change to this Opportunity Area would increase the Industrial Park designation's maximum FAR to 1.0. With a higher permitted intensity of development, property owners and developers would have the capacity to renovate or redevelop existing older industrial properties to accommodate new tenants that seek modern, higher quality industrial space. Such space provides a higher level of operational flexibility such as higher ceiling heights for robotic or vertical manufacturing, dock-high doors, and open office work spaces. Several 'creative industrial' projects have been proposed in the vicinity of this area that are designed to provide a more dynamic work environment with amenities for employees[2]. Many, but not all, of these projects seek higher intensity of development at or near a 1.0 FAR to ensure project financial feasibility. By upgrading its industrial stock, Milpitas will be positioned to retain and attract traditional and advanced manufacturing firms. One potential impact of this

[2] According to NAIOP Commercial Real Estate Development Organization, creative industrial developments "feature office amenities such as indoor-outdoor gathering areas, extensive glass for natural lighting, bifold vertical glass rollup doors and open floor plans for a collaborative work experience. Additional outdoor amenities might include fire pits, water features, a bocce ball court or a movie wall. The industrial elements involve modern early suppression fast response (ESFR) sprinkler systems, higher clear heights (from 27 to 32 feet) and multiple true dock-high loading doors (where the height of the slab at the bottom of the door is about four feet above ground level, with limited use of wells). By integrating creative office design elements and on-site amenities into high-quality, state-of-the-art industrial buildings, creative industrial development is poised to deliver what the next generation of industrial space users needs to bolster their corporate images and drive their businesses forward." See www.NAIOP.org for more information.

change, however, is that there is a risk of displacing existing industrial businesses as inexpensive, older industrial space is replaced with new industrial facilities with amenities that command higher rents.

Circulation Findings: McCarthy Boulevard bisects the center of the Opportunity Area, connecting Dixon Landing Road to SR-237. North McCarthy Boulevard/Ranch Drive South is a four-legged signalized intersection with protected left-turn phasing on all approaches. Northbound North McCarthy Boulevard has a right-turn overlap onto eastbound Ranch Drive. Marked crosswalks and pedestrian signals are provided across all four legs, as are pedestrian curb ramps. South of the Opportunity Area, McCarthy Boulevard connects to the SR-237 Westbound Ramps at a four-legged signalized intersection with protected left-turn phasing on northbound McCarthy Boulevard onto the westbound SR-237 onramp. Marked crosswalks and pedestrian signals are provided across the North McCarthy Boulevard leg and both SR-237 legs, as are pedestrian curb ramps. There are only two entry points into this area via SR-237 and Dixon Landing Road, which are both heavily-congested corridors. McCarthy Boulevard parallels I-880 and freeway traffic diverts onto McCarthy Boulevard during peak congestion periods on I-880.

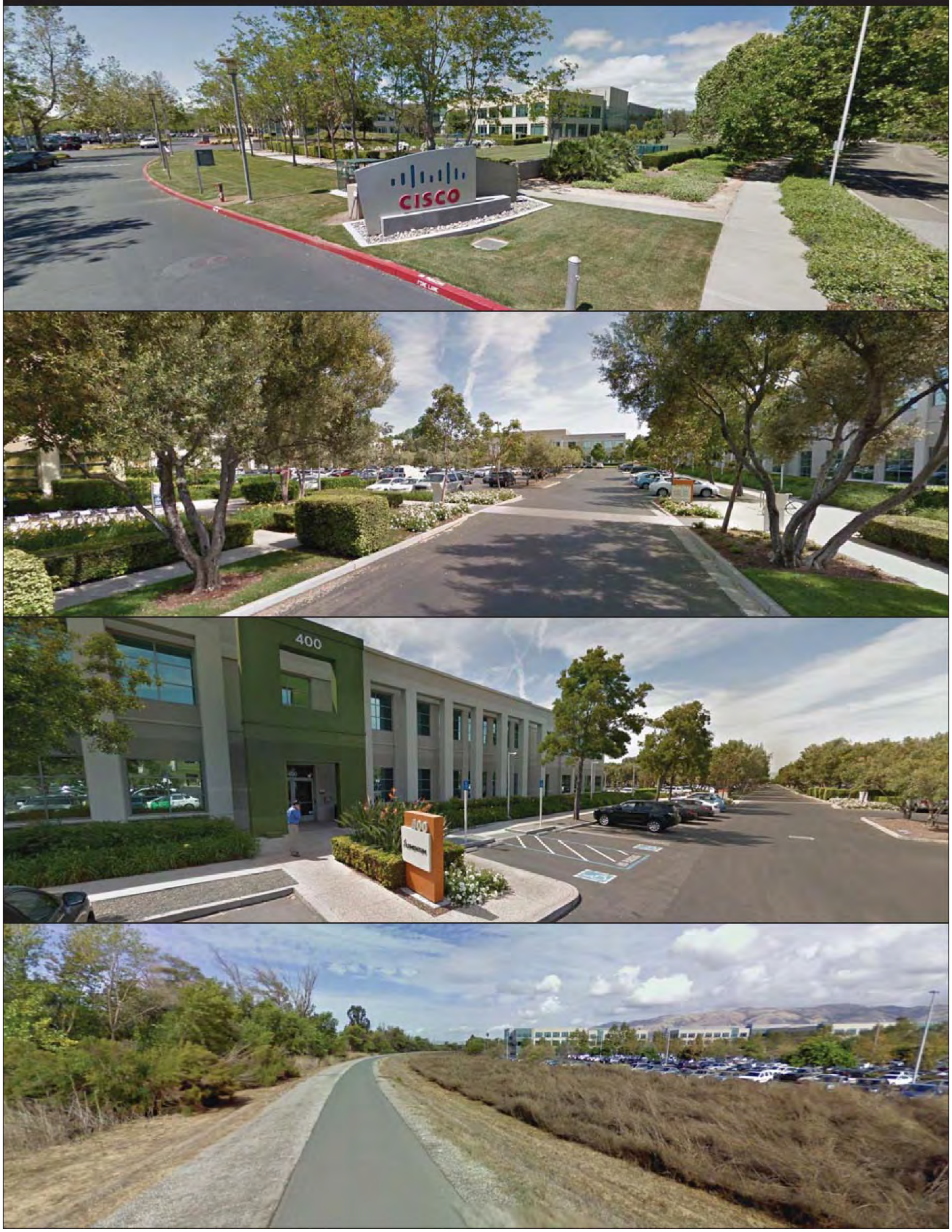
The proposed change land use intensity identified by the Opportunity Area 3 Alternative would allow an increase of the floor area ratio (FAR) to 1.0 throughout the Industrial Park, which is expected to accommodate additional local job growth. North McCarthy Boulevard has the capacity to accommodate increased vehicle volumes to area, however the only two entry points onto North McCarthy Boulevard for this area are heavily congested. The increase in building space in this area is expected to decrease LOS on both Dixon Landing Road and SR-237. The Coyote Creek Trail runs parallel to North McCarthy Boulevard, which would allow for active transportation alternatives to the area. However, there is currently only one path at Ranch Drive to connect trail users to the Industrial Park, which is the southern section of the area.

FIGURE 2-7:
OPPORTUNITY AREA 3 LAND USE ALTERNATIVES

Existing General Plan Alternative | Opportunity Area Alternative

- HVL - Hillside Very Low Density
- HLD - Hillside Low Density
- HMD - Hillside Medium Density
- SFL - Single Family Low Density
- SMD - Single Family Medium Density
- MFM - Multi-Family Medium Density
- MFH - Multi-Family High Density
- VHD - Multi-Family Very High Denisty
- URR - Urban Residential
- MHP - Mobile Home Park
- MXD - Mixed Use
- RRMU - Residential Retail High Density Mixed Use
- BVMU - Boulevard Very High Density Mixed Use
- NCMU - Neighborhood Commercial Mixed Use
- HDTOR - High Density Transit Oriented
- PAO - Professional & Administrative Office
- RSC - Retail Subscenter
- GNC - General Commercial
- NC - Neighborhood Commercial
- HWS - Highway Service
- TWC - Town Center
- INP - Industrial Park
- BPRD - Business Park/Reseach & Development
- MFG - Manufacturing
- PF - Public Facilities
- POS - Permanent Open Space
- WW - Waterway

FIGURE 2-8:
OPPORTUNITY AREA 3 EXISTING CONDITIONS



OPPORTUNITY AREA 4: SOUTHWESTERN EMPLOYMENT AREA

Setting: The Southwestern Employment Area is bounded by Highway 237 to the north, Interstate 880 to the east, Montague Expressway to the south, and the City limit to the west. This area includes the Oak Creek Business Park south of Tasman Drive and the Milpitas Business Park north of Tasman Drive. The area is the home to several of the city's largest employers, including Cisco Systems, KLA Tencor, and SanDisk, as well as many other companies. This area is generally comprised of light industrial, R&D, and office uses, with limited commercial uses located in the northern and southwest portions of the site. The area is currently designated Industrial Park (INP 392.20 acres), Highway Service (HWS 95.15 acres), and Public Facilities (PF 0.92 acres). Existing assessed development in the area totals approximately 7.7 million square feet of industrial, R&D, office, and commercial uses. Structures within the area were constructed between 1972 to 2010 with 1992 being the median year of construction.

Vision: Under the Opportunity Area 4 Alternative, the area would change from the Industrial Park (INP 392.20 acres), Highway Service (HWS 95.15 acres), and Public Facilities (PF 0.92 acres) designations to the Business Park Research and Development (BPR&D) designation. The BPR&D designation is intended to enhance the area's ability to attract technology companies within proximity to transit by redesignating the area's parcels to allow for increased intensities and allowed uses. BPR&D will accommodate office, research and development, clean light industrial, supporting commercial, and similar uses up to a FAR of 2.5.

Growth Potential: Table 2-8 below presents growth potential for this area under the Existing General Plan Alternative, and the Opportunity Area 4 Alternative. As shown in Table 2-8 under the Existing General Plan Alternative the area could include approximately 306,039 square feet of additional industrial park development. Under the intensified land uses allowed by the Opportunity Area 1 Alternatives' BPR&D designation, the area could include approximately 5 million additional square feet of business park R&D, and office development.

Table 2-8: Opportunity Area 4 Existing and New Development Potential

Land Use	Acres	Dwelling Units	Nonresidential Sq. Ft.	Population Increase	Job Growth
Existing Assessed Conditions					
INP, HWS, PF	488.26	--	7,727,799	--	--
New Development Potential: Existing General Plan Alternative [1]					
INP, HWS, PF	488.26	--	306,039	--	437
New Development Potential: Opportunity Area 4 Alternative [1]					
BPR&D	488.26	--	5,126,097	--	12,860

[1] Represent Net Potential Additional Units and Non-Residential Sq. Ft.

Economic and Fiscal Findings: The Opportunity Area 4 Alternative would significantly increase the non-residential development potential and employment growth in the Southwestern Employment Area. Under this alternative, parcels in the Southwestern Employment Area would be re-designated to the newly proposed Business Park/Research & Development (BPR&D) designation. The area would accommodate a mix of office, research and development, clean light industrial, and a small amount of supporting commercial. Because the new designation would allow for a FAR up to 2.5, most of the net increase in new development under this Alternative would be expected to be office and office-oriented R&D space.

General Fund Revenue Implications: Due to the significant increase in commercial development allowed under the Opportunity Area 4 Alternative, buildout of the Alternative would generate almost $10 million more in annual General Fund revenue within Opportunity Area 4 than buildout of the Existing General Plan. On balance, commercial property values would be higher under the Alternative than under the Existing General Plan due to the different types of commercial spaces that would be developed. For this reason, property tax revenue accounts for a greater share of the total revenue generated under the Opportunity Area 4 Alternative than under the Existing General Plan.

Table 2-9: Southwestern Employment Area Revenue Impacts

Southwestern Employment Area	Existing General Plan	Opportunity Area Alternative	Difference (Alternative Less Existing)
Annual General Fund Revenue Impacts			
Property Tax	$135,000	$5,543,000	$5,408,000
Transient Occupancy Tax	$92,000	$2,703,000	$2,611,000
Sales Tax	$21,000	$621,000	$600,000
Franchise Tax	$26,000	$761,000	$735,000
Business License Tax	$5,000	$147,000	$142,000
Other Revenue	$16,000	$476,000	$460,000
Total Annual General Fund Revenue	**$295,000**	**$10,251,000**	**$9,956,000**
Buildout Assumptions			
Net New Residential Units	--	--	--
Industrial Park	306,039	(5,710,929)	(6,016,968)
Highway Service	--	(1,580,207)	(1,580,207)
Business Park/R&D	--	12,417,233	12,417,233
Net New Non-Residential Sq. Ft.	**306,039**	**5,126,097**	**4,820,058**
Net New Employees	437	12,860	12,423
Net New Residents	--	--	--
Net New Service Population [1]	**219**	**6,430**	**6,211**

[1] Service population equals the resident population plus a portion of the employment population to reflect the reduced demand from commercial uses. To estimate service population, employees are multiplied by 1/2. Source: BAE, 2018.

Economic Development Implications: This change to the City's General Plan would provide a potential area for major employer expansions or location for new employers seeking a large-floorplate campus. Milpitas is the logical extension of higher-intensity industrial and office/R&D development that the western end of State Route 237 (primarily in Santa Clara and North San Jose) is currently undergoing. As land availability continues to tighten in the west valley, technology firms will continue to migrate to the east to take advantage of land availability. Over the past two decades, major technology firms have tended to make 'major moves' to acquire real estate (e.g., 500,000 to 2,000,000 or more square feet) and prefer locations that can offer entitled sites without having to undergo long term planning processes. Having a pool of 'high FAR' square feet in this area with access to public transit will give Milpitas an advantage in attracting technology firms when they are ready to 'move.'

It should be noted that new, high-intensity redevelopment of existing office and industrial stock will likely not occur in the short term. New development at the high end (e.g., 2.5 FAR) will not occur until rents rise to make office/R&D construction economically feasible –this may take one or two business cycles (five to fifteen years depending on length of cycles; real estate cycles are typically seven years).

Circulation Findings: McCarthy Boulevard is aligned in the north-south direction, bisecting the center of this Opportunity Area. The area is between I-880 and Coyote Creek, with access provided via SR-237, East Tasman Drive, and Montague Expressway. McCarthy Boulevard/East Tasman Drive is a four-legged signalized intersection with protected left-turn phasing on all approaches. The southbound McCarthy Boulevard approach has a right turn overlap. VTA's Alum Rock – Santa Teresa light rail line runs along the median of East Tasman Drive and crosses McCarthy Boulevard in the intersection. Marked crosswalks and pedestrian signals are provided across all four legs, as are pedestrian curb ramps. Tasman Drive between Alder Drive and I-880 SB Ramps has vehicle volumes greater than existing capacities in the westbound direction during the a.m. peak period. McCarthy Boulevard–O'Toole Avenue/Montague Expressway is a four-legged signalized intersection with protected left-turn phasing on all approaches, and right turn channelization on all approaches except for eastbound Montague Expressway. McCarthy Boulevard on the north leg turns into O'Toole Avenue on the south leg. Marked crosswalks and pedestrian signals are provided across all legs except the east Montague Expressway leg, as are pedestrian curb ramps on all corners except for on the northeast side of the intersection where there is no sidewalk. VTA operates an at-grade light-rail line along the median of Tasman Drive between Thompson Street to McCarthy Boulevard. The light-rail train receive priority service as it travel across the signalized intersections on Tasman Drive.

The Opportunity Area 4 Alternative includes FARs of up to 2.5 in order to attract technology, business, and research growth within Milpitas. As a result, the area is expected to have regional job growth, which could impact regional traffic congestion along SR-237 and I-880. The area would be served by a light rail station on East Tasman Drive, which could lower the reliance on vehicle travel to and from the area. The Coyote Creek Trail runs parallel to McCarthy Boulevard, which could allow for bicycle usage to sites, however there is no existing connection from the trail into the Opportunity Area. Tasman Drive currently has higher vehicle volumes during the peak hours than capacity; as a result, development of the Opportunity Area may lead to decreased LOS on Tasman Drive. It should be noted that several intersections along Montague expressway in the southern portion of the Opportunity Area operate below acceptable LOS while the average delay per vehicle it notably high.

FIGURE 2-9: OPPORTUNITY AREA 4 LAND USE ALTERNATIVES

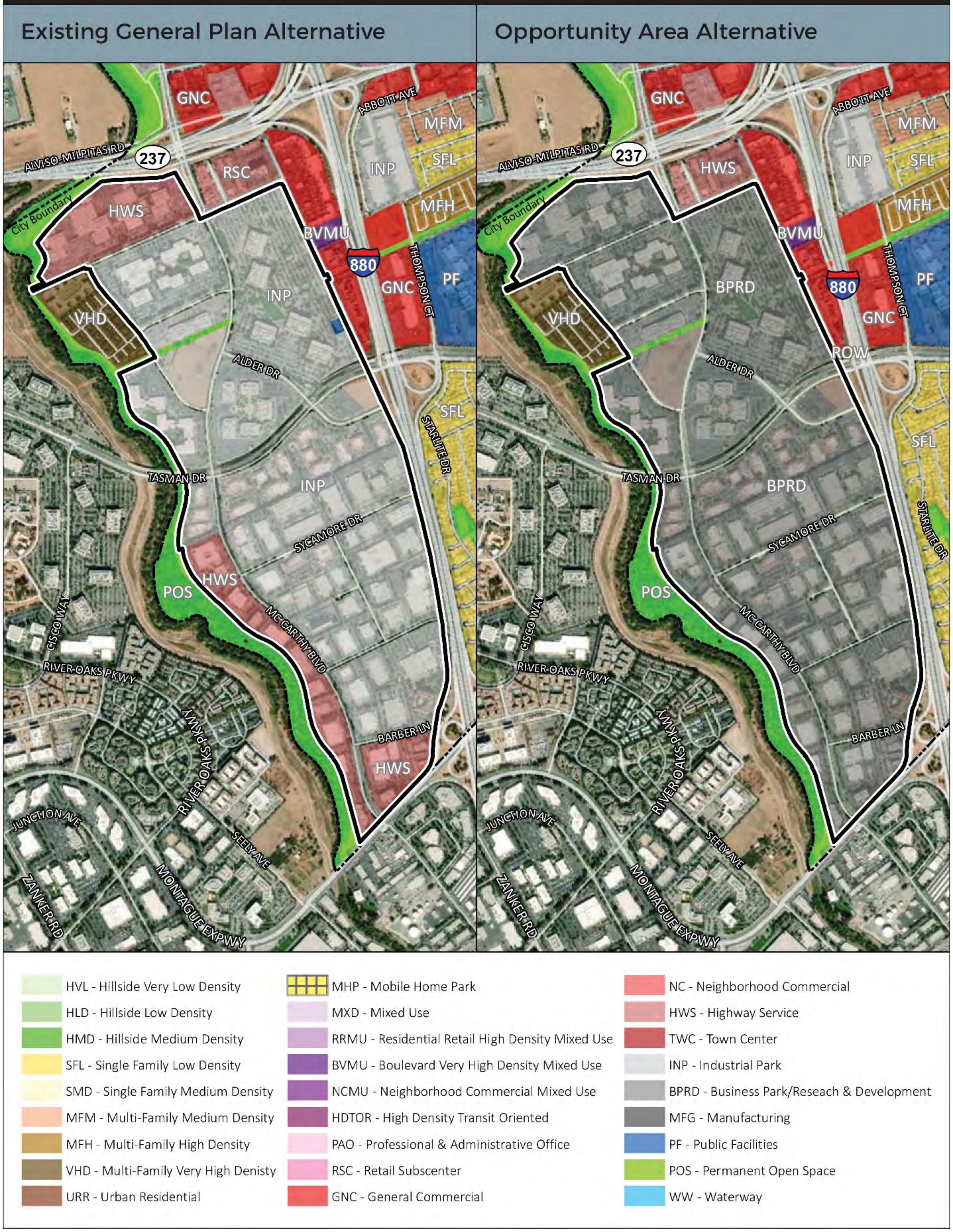


FIGURE 2-10:
OPPORTUNITY AREA 4 EXISTING CONDITIONS

OPPORTUNITY AREA 5: MIDTOWN SPECIFIC PLAN AREA

Setting: The Milpitas Midtown Specific Plan, originally adopted in March 2002 (updated in 2010), presents a framework for new development and reinvestment on approximately 500 acres of the city's central core. The Specific Plan envisions the area's transition into an attractive and economically vital district that accommodates a mixture of housing, shopping, employment, entertainment, and cultural and recreational activities organized within a system of landscaped boulevards, streets and pedestrian/ bicycle linkages are envisioned.

Vision: The City of Milpitas is currently in the initial phase of updating the Midtown Specific Plan. It is anticipated that the plan update will include new and/or updated policies and guidelines, streetscape improvements, and infrastructure and public open spaces components that reflect the changing nature of the area. The Specific Plan process provides the opportunity to plan for the Midtown Area more comprehensively as well as on the basis of more specific information than is possible in a general plan. While the Specific Plan provides more detailed direction for the area, it is ultimately a policy document that will shape future growth and investment in the area. This report assumes that the land use designations currently specified in the area will remain present following the Specific Plan's update. Growth potential for the area is provided; however, any land use changes associated with the Specific Plan's update could amount to additional growth.

Growth Potential: Table 2-10 below presents growth potential for the Midtown Specific Plan area. As shown in Table 2-10 the area could include approximately 1,434 additional dwelling units, and an additional 1.4 million square feet of service/commercial and manufacturing/industrial development.

Table 2-10: Opportunity Area 5 Existing and New Development Potential

Land Use	Acres	Dwelling Units	Nonresidential Sq. Ft.	Population Increase [2]	Job Growth
Existing Assessed Conditions					
GNC, INP, MFH, MFG, PF, MXD, RSC, VHD	496.35	2,403	1,998,016	--	--
New Development Potential [1]					
GNC, INP, MFH, MFG, MXD, VHD	496.35	1,434	1,437,403	4,804	2,063

[1] Represent Net Potential Additional Units and Non-Residential Sq. Ft.

[2] Assumes 3.35 Persons per Household. Note Multi-Family Mixed-Use Units may reduce HH size over time, and thus reduce this population projection

Economic and Fiscal Findings: The residential and non-residential development potential in the Midtown Specific Plan Area (Opportunity Area 5) would be the same under the existing General Plan and the Opportunity Area 5 Alternative. New non-residential development in Opportunity Area 5 would consist of a mix of manufacturing, general commercial, and mixed commercial uses. At buildout, both the Alternative and the existing General Plan would support 1,434 new residential units and 2,063 new jobs in Opportunity Area 5.

General Fund Revenue Implications: Buildout of the Alternative and the existing General Plan in Opportunity Area 5 would generate roughly $5 million in annual General Fund revenue. Property tax would be the largest source of revenue, accounting for roughly 60 percent of the annual revenue generated from Opportunity Area 5.

Table 2-11: Midtown Specific Plan Area Revenue Impacts			
Midtown Specific Plan Area	Existing General Plan	Opportunity Area Alternative	Difference (Alternative Less Existing)
Annual General Fund Revenue Impacts			
Property Tax	$2,692,000	$2,692,000	--
Transient Occupancy Tax	$432,000	$432,000	--
Sales Tax	$680,000	$680,000	--
Franchise Tax	$235,000	$235,000	--
Business License Tax	$24,000	$24,000	--
Other Revenue	$432,000	$432,000	--
Total Annual General Fund Revenue	**$4,495,000**	**$4,495,000**	**--**
Buildout Assumptions			
Multi-family Condominiums	717	717	--
Multi-family Apartments	717	717	--
Net New Residential Units	**1,434**	**1,434**	**--**
General Commercial	389,409	389,409	--
Industrial Park	7,009	7,009	--
Manufacturing	705,336	705,336	--
Mixed Use	483,391	483,391	--
Multi-family Very High Density	(147,742)	(147,742)	--
Net New Non-Residential Sq. Ft.	**1,437,403**	**1,437,403**	**--**
Net New Employees	2,063	2,063	--
Net New Residents	4,804	4,804	--
Net New Service Population [1]	**5,835**	**5,835**	**--**

[1] Service population equals the resident population plus a portion of the employment population to reflect the reduced demand from commercial uses. To estimate service population, employees are multiplied by 1/2. Source: BAE, 2018.

Economic Development Implications: While no changes are proposed for the Midtown Specific Plan area, the existing specific plan provides for intensified and densified development that will implement the General Plan's vision.

Circulation Findings: This Opportunity Area is located between the BART tracks and I-880. South Main Street-South Abel Street are in a north-south alignment, connecting West Calaveras Boulevard (SR-237), Great Mall Parkway, and Montague Expressway within this Opportunity Area.

Calaveras Boulevard between Abel Street and Milpitas Boulevard is a constraint corridor with two lanes in each direction of travel, while the remaining Calaveras Boulevard has three lanes in each direction of travel. Abel Street/West Calaveras Boulevard is a four-legged signalized intersection with protected left-turn phasing on all approaches. Both West Calaveras Boulevard approaches have channelized right turns onto

Abel Street. A right turn overlap is provided from northbound South Abel Street to eastbound West Calaveras Boulevard. Marked crosswalks and pedestrian signals are provided across all four legs, as well as pedestrian curb ramps. The intersection of Abel Street/West Calaveras Boulevard operates poorly at a LOS of E during the p.m. peak period, with average delays of 78 seconds. West Calaveras Boulevard bisects the north section of this land use opportunity, and is elevated above the Opportunity Area. While the road is elevated above, an increase in development density may worsen the LOS of Abel Street/West Calaveras Boulevard since it is a connector to I-880, I-680, and the proposed Town Center. While a determination in a proposed land use for this area has not been made, densified mixed-use development of residential/employments opportunities has the potential to decrease VMT.

Union Pacific Railroad tracks run parallel to and along the east side of South Main Street and pass bisect the Opportunity Area. The Santa Clara Valley Transportation Authority's (VTA's) Alum Rock – Santa Teresa light rail line runs on elevated tracks above the median of Great Mall Parkway, including a grade-separated station in this Opportunity Area.

South Main Street-Oakland Road/Montague Expressway is a four-legged signalized intersection with protected left-turn phasing and right turn channelization on all approaches. South Main Street on the north leg turns into Oakland Road on the south leg. Marked crosswalks and pedestrian signals are provided across all four legs, as well as pedestrian curb ramps. On average, there are significant delays of over 120 seconds per vehicle at this intersection of South Main Street-Oakland Road/Montague Expressway, resulting in LOS E and LOS F operations during the peak periods. Montague Expressway is a congested and constrained corridor where the intensification of development along the corridor has the potential to result in more vehicle delay and deteriorating LOS. Development in this Opportunity Area should promote design and transportation demand management strategies to encourage fewer vehicle trips.

FIGURE 2-11:
OPPORTUNITY AREA 5 LAND USE ALTERNATIVES

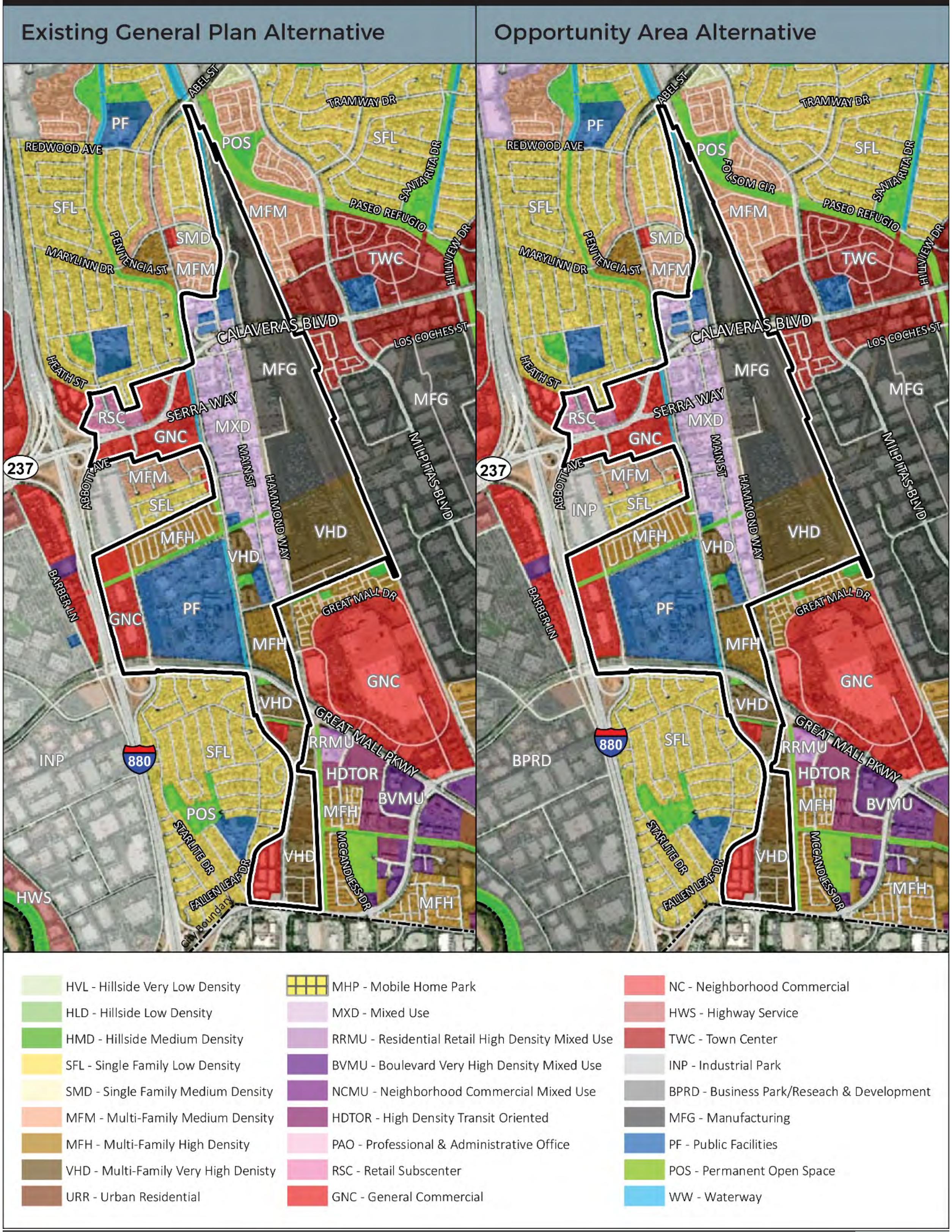


FIGURE 2-12:
OPPORTUNITY AREA 5 EXISTING CONDITIONS

OPPORTUNITY AREA 6: CENTRAL MANUFACTURING AREA - SOUTH

Setting: The Central Manufacturing Area - South is bounded by Montague Expressway to the north, the City Limit to the south and east, and Berryessa Creek to the west. The area primarily supports manufacturing, warehouse and storage uses. All parcels within the 26.49-acre area are designated Manufacturing (MFG). Existing assessed non-residential development in the area totals approximately 288,947 square feet of primarily general manufacturing, warehousing, and mini-storage uses. Structures within this area were constructed between 1979 to 1984 with 1982 being the median year of construction.

Vision: Under the Opportunity Area 6 Alternative the Central Manufacturing Area – South changes from Manufacturing (MFG) to the Boulevard Very High Density Mixed Use (BVMU) designation. This is intended to allow the area to accommodate additional residential and/or commercial development within proximity to the Transit Area Specific Plan and associated transit stations. The Boulevard Very High Density Mixed Use (BVMU) designation would encourage redevelopment through intensified land uses which allow for residential densities between 41-75 dwelling units per acre, and nonresidential development with an FAR of up to 1.5.

Growth Potential: Table 2-12 below presents growth potential for this area under the Existing General Plan Alternative, and the Opportunity Area 6 Alternative. As shown in Table 2-12 under the Existing General Plan Alternative the area could include approximately 20,471 additional square feet of manufacturing and warehousing development. Under the intensified land uses allowed by the Opportunity Area 6 Alternatives' BVMU designation, the area could include approximately 1,007 additional dwelling units and an additional 463,736 square feet of retail, service, and commercial development.

Table 2-12: Opportunity Area 6 Existing and New Development Potential

Land Use	Acres	Dwelling Units	Nonresidential Sq. Ft.	Population Increase [2]	Job Growth
Existing Assessed Conditions					
MFG	26.49	--	288,947	--	--
New Development Potential: Existing General Plan Alternative [1]					
MFG	26.49	--	20,471	--	20
New Development Potential: Opportunity Area 6 Alternative [1]					
BVMU	26.49	1,007	463,736	3,373	1,216

[1] Represent Net Potential Additional Units and Non-Residential Sq. Ft.

[2] Assumes 3.35 Persons per Household. Note Multi-Family Mixed-Use Units may reduce HH size over time, and thus reduce this population projection

Economic and Fiscal Findings: The Opportunity Area 6 Alternative would significantly increase the residential and non-residential development capacity in South Central Manufacturing Area. Existing non-residential uses in the area would shift from manufacturing to very high density mixed uses. Due to the significant increase in non-residential development potential that would occur, buildout of the Alternative would provide 1,196 more jobs in Opportunity Area 6 than buildout of the existing General Plan. The Alternative would also allow residential uses in Opportunity Area 6 and would provide up to 1,007 new residential units and roughly 3,375 new residents at buildout.

General Fund Revenue Implications: Buildout of the Opportunity Area 6 Alternative would generate approximately $3.0 million in annual General Fund revenue from Opportunity Area 6. Residential property values would account for most of the increase in property tax revenue generated within Opportunity Area 6. Similarly, most of the new sales tax revenue generated under this Alternative would stem from new resident taxable spending.

Table 2-13: Central Manufacturing Area (South) Revenue Impacts

Central Manufacturing Area (South)	Existing General Plan	Opportunity Area Alternative	Difference (Alternative Less Existing)
Annual General Fund Revenue Impacts			
Property Tax	$10,000	$1,772,000	$1,762,000
Transient Occupancy Tax	$4,000	$256,000	$252,000
Sales Tax	$1,000	$466,000	$465,000
Franchise Tax	$1,000	$152,000	$151,000
Business License Tax	--	$14,000	$14,000
Other Revenue	$1,000	$295,000	$294,000
Total Annual General Fund Revenue	**$17,000**	**$2,955,000**	**$2,938,000**
Buildout Assumptions			
Multi-family Condominiums	--	503	503
Multi-family Apartments	--	504	504
Net New Residential Units	**--**	**1,007**	**1,007**
Boulevard Very High Density Mixed Use	--	752,683	752,683
Manufacturing	20,471	(288,947)	(309,418)
Net New Non-Residential Sq. Ft.	**20,471**	**463,736**	**443,264**
Net New Employees	20	1,216	1,196
Net New Residents	--	3,375	3,375
Net New Service Population [1]	**10**	**3,983**	**3,973**

[1] Service population equals the resident population plus a portion of the employment population to reflect the reduced demand from commercial uses. To estimate service population, employees are multiplied by 1/2. Source: BAE, 2018.

Economic Development Implications: The changes proposed for the Central Manufacturing Area (South) recognize the importance of the Transit Area Specific Plan's transit stations to attract both new residents and businesses by re-designating the area's parcels to Boulevard Very High Density Mixed Use. Over the past decade, businesses have shifted location preferences to areas near transit and this change would position Milpitas to capture new residential and commercial development. New residents and employees will contribute significantly to the City's fiscal sustainability through their local expenditures. A potential negative impact of this change, however, will be the potential, over time, for displacement of existing businesses particularly older manufacturing businesses.

Circulation Findings: This Opportunity Area has one access point via Montague Expressway and is separated from the surrounding residential areas by a creek and I-880. The intersection of South Milpitas Boulevard/Montague Expressway is at the northwest corner of the Opportunity Area, connecting the area to Town Center and locations between I-680 and the BART station. South Milpitas Boulevard/Montague Expressway will be a four-legged signalized intersection with right turn channelization on westbound Montague Expressway and southbound South Milpitas Boulevard. It should be noted that the intersection of South Main Street – Oakland Road/Montague Expressway operates unacceptably at LOS E and F, including average delays longer the 120 seconds.

The proposed Opportunity Area 6 Alternatives land use designation would accommodate residential and commercial development. This designation is within one-half mile of the light rail and new BART station, providing public transportation for local and regional travel. Proximity to public transit has the potential to partially offset increased vehicle demand on Montague Expressway.

FIGURE 2-13: OPPORTUNITY AREA 6 LAND USE ALTERNATIVES

HVL - Hillside Very Low Density	MHP - Mobile Home Park	NC - Neighborhood Commercial
HLD - Hillside Low Density	MXD - Mixed Use	HWS - Highway Service
HMD - Hillside Medium Density	RRMU - Residential Retail High Density Mixed Use	TWC - Town Center
SFL - Single Family Low Density	BVMU - Boulevard Very High Density Mixed Use	INP - Industrial Park
SMD - Single Family Medium Density	NCMU - Neighborhood Commercial Mixed Use	BPRD - Business Park/Reseach & Development
MFM - Multi-Family Medium Density	HDTOR - High Density Transit Oriented	MFG - Manufacturing
MFH - Multi-Family High Density	PAO - Professional & Administrative Office	PF - Public Facilities
VHD - Multi-Family Very High Denisty	RSC - Retail Subscenter	POS - Permanent Open Space
URR - Urban Residential	GNC - General Commercial	WW - Waterway

FIGURE 2-14:
OPPORTUNITY AREA 6 EXISTING CONDITIONS

OPPORTUNITY AREA 7: CENTRAL MANUFACTURING AREA - NORTH

Setting: The Central Manufacturing Area - North is generally bounded by Los Coches Street to the north, Montague Expressway to the south, Interstate 680 to the east and the Union Pacific railroad to the west. This Manufacturing district is comprised of Class A warehouse space and Class A&B R&D space. All parcels within the 492-acre Opportunity Area are currently designated Manufacturing (MFG). Existing assessed development in this area totals approximately 6.7 million square feet. The structures within this area were constructed between 1961 to 2009 with 1985 being the median year of construction.

Vision: Under the Opportunity Area 7 Alternative, the Central Manufacturing Area - North would retain the current land use designation of Manufacturing (MFG); however, to enable the area to accommodate a greater variety of employment-generating uses and to facilitate new and more modern manufacturing operations that require more intensive site development standards, the designation's maximum FAR would increase from 0.4 to 1.0.

Growth Potential: Table 2-14 below presents growth potential for this area under the Existing General Plan Alternative, and the Opportunity Area 7 Alternative. As shown in Table 2-14 under the Existing General Plan Alternative the area could include approximately 493,488 square feet of additional manufacturing development. Under the intensified land uses allowed by the Opportunity Area 7 Alternatives' 1.0 FAR, the area could include approximately 2.6 million square feet of additional manufacturing and office park development.

Table 2-14: Opportunity Area 7 Existing and New Development Potential

Land Use	Acres	Dwelling Units	Nonresidential Sq. Ft.	Population Increase	Job Growth
Existing Assessed Conditions					
MFG	492.14	--	6,766,475	--	--
New Development Potential: Existing General Plan Alternative [1]					
MFG	492.14	--	493,488	--	493
New Development Potential: Opportunity Area 7 Alternative [1]					
MFG (1.0 FAR)	492.14	--	2,602,882	--	2,603

[1] Represent Net Potential Additional Units and Non-Residential Sq. Ft.

Economic and Fiscal Findings: The Opportunity Area 7 Alternative would significantly increase the non-residential development potential and employment growth in the North Central Manufacturing Area (Opportunity Area 7). Although the general land uses would likely remain the same under the Alternative, increases in the maximum FAR would allow the area to accommodate higher-intensity manufacturing and industrial uses and generate additional jobs.

General Fund Revenue Implications: Compared to the buildout of the Existing General Plan, buildout of the Opportunity Area 7 Alternative would generate an additional $1.8 million in annual General Fund revenue from Opportunity Area 7. Most of the difference would stem from the significant increase in development capacity allowed under the Opportunity Area 7 Alternative.

Table 2-15: Central Manufacturing Area - North Revenue Impacts			
Central Manufacturing Area - North	Existing General Plan	Opportunity Area Alternative	Difference (Alternative Less Existing)
Annual General Fund Revenue Impacts			
Property Tax	$237,000	$1,249,000	$1,012,000
Transient Occupancy Tax	$104,000	$547,000	$443,000
Sales Tax	$24,000	$126,000	$102,000
Franchise Tax	$29,000	$154,000	$125,000
Business License Tax	$6,000	$30,000	$24,000
Other Revenue	$18,000	$96,000	$78,000
Total Annual General Fund Revenue	$418,000	$2,202,000	$1,784,000
Buildout Assumptions			
Net New Residential Units	--	--	--
Manufacturing	493,488	2,602,882	2,109,394
Net New Non-Residential Sq. Ft.	493,488	2,602,882	2,109,394
Net New Employees	493	2,603	2,109
Net New Residents	--	--	--
Net New Service Population [1]	247	1,301	1,055

[1] Service population equals the resident population plus a portion of the employment population to reflect the reduced demand from commercial uses. To estimate service population, employees are multiplied by 1/2. Source: BAE, 2018.

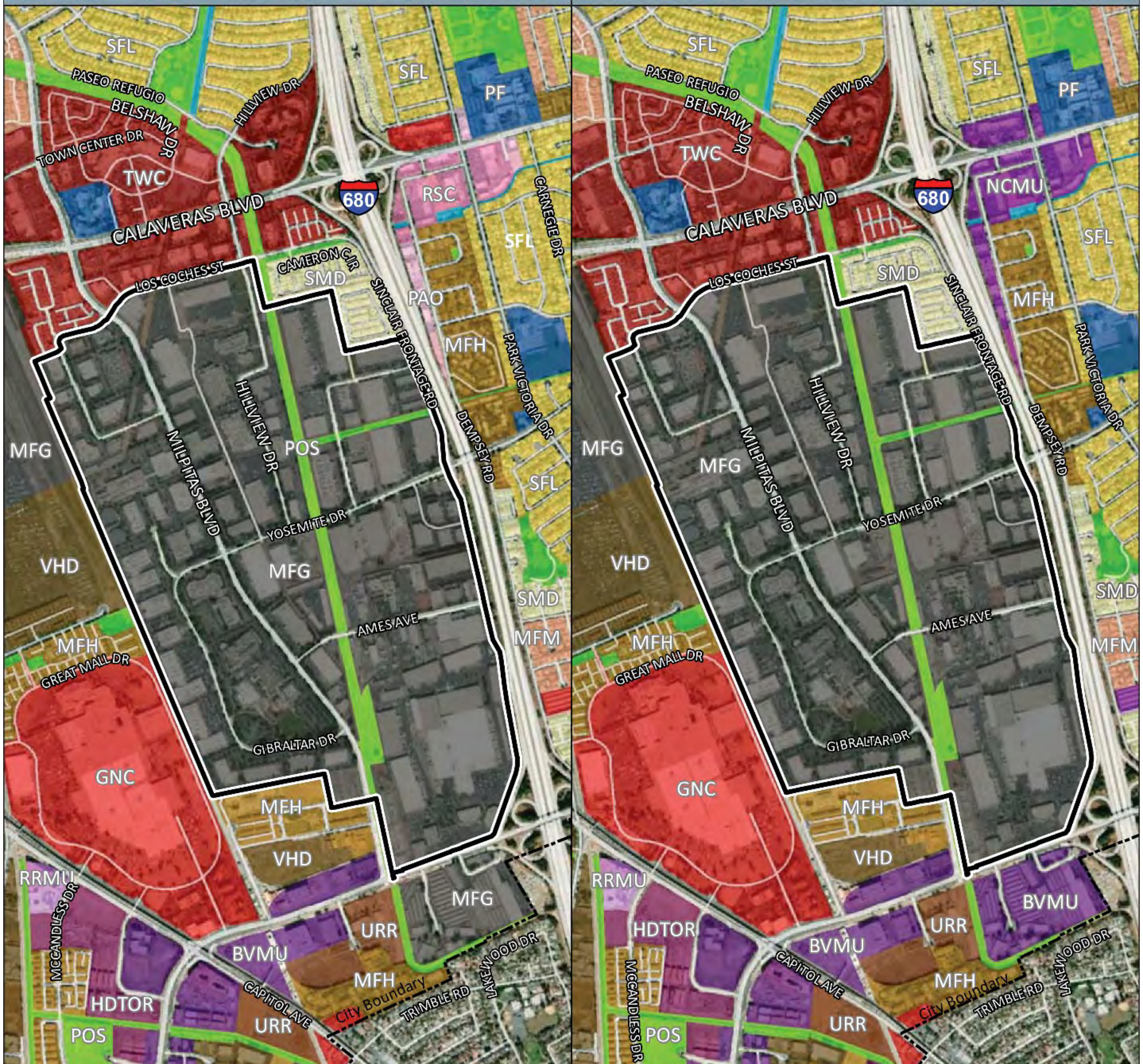
Economic Development Implications: The economic development implications for this Opportunity Area are similar to Opportunity Area 3 (McCarthy Ranch Industrial Area). It would enable the area to accommodate more intense manufacturing and other industrial uses, such as ‘creative industrial’ that may generate additional jobs and tax revenue by increasing the Manufacturing designation’s maximum FAR to 1.0. With a higher permitted intensity of development, property owners and developers would have the capacity to renovate or redevelop existing older industrial properties to accommodate new tenants that seek modern, higher quality industrial space. Such space provides a higher level of operational flexibility such as higher ceiling heights for robotic or vertical manufacturing, dock-high doors, and open office work spaces. Several ‘creative industrial’ projects have been proposed in the vicinity of this area that are designed to provide a more dynamic work environment with amenities for employees. Many, but not all, of these projects seek higher intensity of development at or near a 1.0 FAR to ensure project financial feasibility. By upgrading its industrial stock, Milpitas will be positioned to retain and attract advanced manufacturing firms that is widely viewed as the future of manufacturing. One potential impact of this change, however, is that there is a risk of displacing existing, traditional industrial businesses as inexpensive, older industrial space is replaced with new industrial facilities with amenities that command higher rents.

Circulation Findings: South Milpitas Boulevard is aligned north-south through the center of the Opportunity Area, connecting East Calaveras Boulevard to Montague Expressway. The area is located south of East Calaveras Boulevard at Los Coches Street.

The Opportunity Area Alternatives' increase in FAR to 1.0 to accommodate additional manufacturing and other uses is expected to result in job growth to the area. There are multiple access points to the area from surrounding residential neighborhoods to the north, south and east, reducing the potential for additional traffic volumes to disproportionately impact adjacent congested roads. However, the area has limited west connections due to the BART tracks, which could lead to an increase in traffic volumes and a decrease in LOS on South Milpitas Boulevard. The southern section of the Opportunity Area is within a half mile of the BART and light rail stations, which could help to offset some of the impacts to South Milpitas Boulevard.

FIGURE 2-15: OPPORTUNITY AREA 7 LAND USE ALTERNATIVES

Existing General Plan Alternative | Opportunity Area Alternative



- HVL - Hillside Very Low Density
- HLD - Hillside Low Density
- HMD - Hillside Medium Density
- SFL - Single Family Low Density
- SMD - Single Family Medium Density
- MFM - Multi-Family Medium Density
- MFH - Multi-Family High Density
- VHD - Multi-Family Very High Denisty
- URR - Urban Residential
- MHP - Mobile Home Park
- MXD - Mixed Use
- RRMU - Residential Retail High Density Mixed Use
- BVMU - Boulevard Very High Density Mixed Use
- NCMU - Neighborhood Commercial Mixed Use
- HDTOR - High Density Transit Oriented
- PAO - Professional & Administrative Office
- RSC - Retail Subscenter
- GNC - General Commercial
- NC - Neighborhood Commercial
- HWS - Highway Service
- TWC - Town Center
- INP - Industrial Park
- BPRD - Business Park/Reseach & Development
- MFG - Manufacturing
- PF - Public Facilities
- POS - Permanent Open Space
- WW - Waterway

FIGURE 2-16:
OPPORTUNITY AREA 7 EXISTING CONDITIONS

OPPORTUNITY AREA 8: LANDESS NEIGHBORHOOD NODE/COMMERCIAL CENTER

Setting: The Landess Neighborhood Node/Commercial Center provides for commercial services to the residents living in the surrounding neighborhoods. The parcels within the 38.03-acre area are currently designated for General Commercial (GNC) uses. Existing assessed commercial development in the area totals approximately 410,525 square feet of retail and commercial services, including a grocery store, restaurants, and service retail. Structures were constructed between 1969 to 2010 with 1980 being the median year of construction.

Vision: Under the Opportunity Area 8 Alternative, the center changes from the General Commercial (GNC) to Neighborhood Center Mixed Use (NCMU) designation. The NCMU designation is intended to accommodate a mix of commercial and residential uses with an emphasis on commercial activity as the primary use, and residential and office uses allowed on a limited basis. Specifically, the designation supports retail, personal services, and offices that primarily serve the adjacent neighborhoods. This potential change is envisioned to encourage the center's revitalization by providing opportunities for increased development intensities, while creating a more vibrant center through a land use mix that supports a pedestrian-oriented mixed-use environment. The NCMU designation allows for FAR's up to 0.75, and up to 1 dwelling unit per 1,500 square feet of non-residential square footage (1DU/1500 Sq. Ft.).

Growth Potential: Table 2-16 below presents growth potential for this area under the Existing General Plan Alternative, and the Opportunity Area 8 Alternative. As shown in Table 2-16 under the Existing General Plan Alternative, the area could include an additional 410,525 square feet of retail/service/commercial development. Under the intensified land uses allowed by the Opportunity Area 8 Alternatives' NCMU designation, the area could include approximately 621 additional dwelling units and an additional 521,274 square feet of retail/service/commercial mixed-use development.

Table 2-16 Opportunity Area 8 Existing and New Development Potential

Land Use	Acres	Dwelling Units	Nonresidential Sq. Ft.	Population Increase [2]	Job Growth
Existing Assessed Conditions					
GNC	38.03	--	410,525	--	--
New Development Potential: Existing General Plan Alternative [1]					
GNC	38.03	--	162,060	--	270
New Development Potential: Opportunity Area 8 Alternative [1]					
NCMU	38.03	621	521,274	2,080	1,010

[1] Represent Net Potential Additional Units and Non-Residential Sq. Ft.

[2] Assumes 3.35 Persons per Household. Note Multi-Family Mixed-Use Units may reduce HH size over time, and thus reduce this population projection

Economic and Fiscal Findings: The Opportunity Area 8 Alternative would allow new residential uses and increase the non-residential development capacity of the Landess Neighborhood Node/Commercial Center area (Opportunity Area 8). Due to the increase in allowable non-residential development, buildout of the Alternative would accommodate 740 more jobs in Opportunity Area 8 than buildout of the existing General Plan. Unlike the existing General Plan, the Alternative would include residential uses in Opportunity Area 8, allowing the area to support up to 621 new housing units and roughly 2,081 new residents at buildout.

General Fund Revenue Implications: Buildout of the Opportunity Area 8 Alternative would generate approximately $2.1 million in annual General Fund revenue. The new residential property values would drive most of the increase in property tax revenue generated by the Opportunity Area 8 Alternative. Similarly, most of the new sales tax revenue generated would stem from new resident taxable spending.

Table 2-17: Landess Neighborhood Node/Commercial Center Revenue Impacts

Landess Neighborhood Node/ Commercial Center	Existing General Plan	Opportunity Area Alternative	Difference (Alternative Less Existing)
Annual General Fund Revenue Impacts			
Property Tax	$123,000	$1,240,000	$1,117,000
Transient Occupancy Tax	$57,000	$212,000	$155,000
Sales Tax	$13,000	$300,000	$287,000
Franchise Tax	$16,000	$109,000	$93,000
Business License Tax	$3,000	$12,000	$9,000
Other Revenue	$10,000	$191,000	$181,000
Total Annual General Fund Revenue	**$222,000**	**$2,064,000**	**$1,842,000**
Buildout Assumptions			
Multi-family Condominiums	--	310	310
Multi-family Apartments	--	311	311
Net New Residential Units	**--**	**621**	**621**
Neighborhood Commercial Mixed Use	--	931,799	931,799
General Commercial	162,060	(410,525)	(572,585)
Net New Non-Residential Sq. Ft.	**162,060**	**521,274**	**359,214**
Net New Employees	270	1,010	740
Net New Residents	--	2,081	2,081
Net New Service Population [1]	**135**	**2,586**	**2,451**

[1] Service population equals the resident population plus a portion of the employment population to reflect the reduced demand from commercial uses. To estimate service population, employees are multiplied by 1/2. Source: BAE, 2018.

Economic Development Implications: Changes proposed for this Opportunity Area will encourage the revitalization by providing incentives for property owners to reinvest and redevelop their properties. The proposed Neighborhood Center Mixed use designation will provide new retail space for goods and services retailers in modern, attractive settings, potentially with common amenities. NCMU will support commercial uses that serve the surrounding neighborhoods and multifamily residents developed in conjunction with a commercial component. New residents will contribute to the City's fiscal sustainability through their local expenditures. While the existing commercial properties provide inexpensive space to local businesses and do serve the community presently, many are dated and require renovation and redevelopment to stay competitive.

Circulation Findings: This commercial and neighborhood center is located east of the I-680 northbound off-ramp on Dempsey-Landess Road. Landess Road and South Park Victoria Drive intersect near the center of the Opportunity Area. Landess Road is a collector that connects I-680 to South Park Victoria Road and Piedmont Road, turning into the Montague Expressway west of I-680. The center of Landess Road is the city limit line between the City of Milpitas and San Jose. South Park Victoria Drive parallels I-680 and is a north-south arterial between Landess Road and Jacklin Road, and a collector north of Jacklin Road. Existing daily traffic on the street averages 10,000 vehicles per day based on 2016 traffic counts. The I-680 Northbound Off-Ramp/Dempsey Road – Landess Avenue is a four-legged signalized intersection, with protected left-turn phasing on the eastbound Landess Road approach and a right turn overlap on the I-680 northbound off-ramp approach. The I-680 northbound off-ramp on the south leg turns into Dempsey Road on the north leg. Marked crosswalks and pedestrian signals are provided across all legs except the east Landess Road leg, as are pedestrian curb ramps.

The current land use designation for this node is General Commercial, and the area is bordered by Multi-Family Medium and High-Density residential uses. The center is also located near Rancho Milpitas Middle School as well as Single-Family Low- and Medium-Density housing. The change in land use to Neighborhood Center Mixed Use under the Opportunity Area 8 Alternative will support commercial uses for the neighborhoods within walking distance of this node, and will build additional multi-family residences. While there may be a decrease in LOS for Landess Avenue and/or Park Victoria Drive, the City's main commercial area is on the opposite side of I-680, so the shift in shopping and services trips to the nearby area would have the potential to reduce local traffic congestion along I-680 and in the Town Center. In addition, because of the proximity to the nearby Middle School and housing, active transportation modes for students will be viable, and will also help to decrease VMT in the area. The Opportunity Area will also allocate space for additional multi-family residences, placing housing closer to jobs and daily amenities.

FIGURE 2-17: OPPORTUNITY AREA 8 LAND USE ALTERNATIVES

- HVL - Hillside Very Low Density
- HLD - Hillside Low Density
- HMD - Hillside Medium Density
- SFL - Single Family Low Density
- SMD - Single Family Medium Density
- MFM - Multi-Family Medium Density
- MFH - Multi-Family High Density
- VHD - Multi-Family Very High Denisty
- URR - Urban Residential
- MHP - Mobile Home Park
- MXD - Mixed Use
- RRMU - Residential Retail High Density Mixed Use
- BVMU - Boulevard Very High Density Mixed Use
- NCMU - Neighborhood Commercial Mixed Use
- HDTOR - High Density Transit Oriented
- PAO - Professional & Administrative Office
- RSC - Retail Subscenter
- GNC - General Commercial
- NC - Neighborhood Commercial
- HWS - Highway Service
- TWC - Town Center
- INP - Industrial Park
- BPRD - Business Park/Reseach & Development
- MFG - Manufacturing
- PF - Public Facilities
- POS - Permanent Open Space
- WW - Waterway

FIGURE 2-18: OPPORTUNITY AREA 8 EXISTING CONDITIONS

OPPORTUNITY AREA 9: CALAVERAS & NORTH PARK NEIGHBORHOOD NODE/COMMERCIAL CENTER

Setting: The Calaveras & North Park Neighborhood Node/ Commercial Center provides commercial services to residents living in the surrounding neighborhoods. The area is currently designated Retail Sub-Center (RSC 17.15 acres), Professional & Administrative Office (PAO 6.12 acres), and General Commercial (GNC 5.02 acres). Existing assessed non-residential development in this area totals approximately 238,527 square feet, including approximately 194,000 square feet of service retail and commercial service uses -including grocery, restaurant and service retail, and approximately 44,000 square feet of office uses. Structures within this area were constructed between 1963 to 1989 with 1982 being the median year of construction.

Vision: Under the Opportunity Area 9 Alternative, the center would change from the Retail Subcenter, (RSC) Professional & Administrative Office (PAO), and General Commercial (GNC) designations to the Neighborhood Center Mixed Use (NCMU) designation. The NCMU designation is intended to accommodate a mix of commercial and residential uses with an emphasis on commercial activity as the primary use, and residential and office uses allowed on a limited basis. Specifically, the designation supports retail, personal services, and offices that primarily serve the adjacent neighborhoods. This potential change is envisioned to encourage the center's revitalization by providing opportunities for increased development intensities, while creating a more vibrant center through a land use mix that supports a pedestrian-oriented mixed-use environment. The NCMU designation allows for FAR's up to 0.75, and up to 1 dwelling unit per 1,500 square feet of non-residential square footage (1DU/1500 Sq. Ft.).

Growth Potential: Table 2-18 below presents growth potential for this area under the Existing General Plan Alternative, and the Opportunity Area 9 Alternative. As shown in Table 2-18 under the Existing General Plan Alternative, the area could include an additional 93,258 square feet of office, and commercial retail development. Under the intensified land uses allowed by the Opportunity Area 9 Alternatives' NCMU designation the area could include approximately 436 additional dwelling units and an additional 416,836 square feet of retail/service/commercial mixed-use development.

Table 2-18: Opportunity Area 4 Existing and New Development Potential

Land Use	Acres	Dwelling Units	Nonresidential Sq. Ft.	Population Increase [2]	Job Growth
Existing Assessed Conditions					
RSC, PAO, GNC	28.28	1	238,527	--	--
New Development Potential: Existing General Plan Alternative [1]					
RSC, PAO, GNC	28.28	--	93,258	--	241
New Development Potential: Opportunity Area 9 Alternative [1]					
NCMU	28.28	436	416,836	1,461	691

[1] Represent Net Potential Additional Units and Non-Residential Sq. Ft.

[2] Assumes 3.35 Persons per Household. Note Multi-Family Mixed-Use Units may reduce HH size over time, and thus reduce this population projection

Economic and Fiscal Findings: The Opportunity Area 9 Alternative would allow new residential uses and increase the non-residential development potential in the Calaveras & North Park Neighborhood Node/Commercial Center area. Under the Alternative, the retail subcenter, general commercial, and professional and administrative office uses in Opportunity Area 9 would be re-designated as neighborhood commercial mixed use. Due to the increase in non-residential development potential, buildout of the Alternative would support 450 more jobs in Opportunity Area 9 than buildout of the existing General Plan. The Alternative would also permit residential uses within Opportunity Area 9, potentially supporting up to 436 new units at buildout.

General Fund Revenue Implications: Buildout of the Opportunity Area 9 Alternative would generate approximately $1.5 million in annual General Fund revenue. Most of this annual revenue would stem from property tax revenue generated by new residential uses in Opportunity Area 9. Similarly, most of the new sales tax revenue generated under the Opportunity Area 9 Alternative would stem from new resident taxable spending in Milpitas.

Table 2-19: Calaveras & North Park Neighborhood Node/Commercial Center Revenue Impacts

Calaveras & North Park Neighborhood Node/ Commercial Center	Existing General Plan	Opportunity Area Alternative	Difference (Alternative Less Existing)
Annual General Fund Revenue Impacts			
Property Tax	$71,000	$880,000	$809,000
Transient Occupancy Tax	$51,000	$145,000	$94,000
Sales Tax	$12,000	$210,000	$198,000
Franchise Tax	$14,000	$75,000	$61,000
Business License Tax	$3,000	$8,000	$5,000
Other Revenue	$9,000	$134,000	$125,000
Total Annual General Fund Revenue	**$160,000**	**$1,452,000**	**$1,292,000**
Buildout Assumptions			
Multi-family Condominiums	--	218	218
Multi-family Apartments	--	218	218
Net New Residential Units	**--**	**436**	**436**
Neighborhood Commercial Mixed Use	--	655,363	655,363
General Commercial	21,303	(56,004)	(77,307)
Professional & Administrative Office	36,509	(44,155)	(80,664)
Retail Subcenter	35,447	(138,368)	(173,815)
Net New Non-Residential Sq. Ft.	**93,258**	**416,836**	**323,578**
Net New Employees	241	691	450
Net New Residents	--	1,460	1,460
Net New Service Population [1]	**120**	**1,806**	**1,685**

[1] Service population equals the resident population plus a portion of the employment population to reflect the reduced demand from commercial uses. To estimate service population, employees are multiplied by 1/2. Source: BAE, 2018.

Economic Development Implications: Changes proposed for this Opportunity Area will encourage the revitalization by providing incentives for property owners to reinvest and redevelop their properties. The proposed Neighborhood Center Mixed use designation will provide new retail space for goods and services retailers in modern, attractive settings with the potential for common amenities. NCMU will support commercial uses that serve the surrounding neighborhoods and multifamily residents developed in conjunction with a commercial component. New residents will contribute to the City's fiscal sustainability through their local expenditures. While the existing commercial properties provide inexpensive space to local businesses and do serve the community, many are dated and require renovation and redevelopment to stay competitive.

Circulation Findings: This neighborhood and commercial center is east of the I-680 northbound off-ramp on East Calaveras Boulevard. East Calaveras Boulevard and South Park Victoria Drive bisect the main section, with Dempsey Road along the south point of the focused area. Calaveras Boulevard is designated as an arterial by the City of Milpitas, connecting I-680 to I-880, and is the major east-west route in the city. Park Victoria Drive parallels I-680 and is a north-south arterial between Landess Road and Jacklin Road, and a collector north of Jacklin Road. Existing daily traffic on the street averages 10,000 vehicles per day based on 2016 traffic counts. Calaveras Boulevard/Park Victoria Drive is a four-legged signalized intersection, with protected left turn phasing on both Calaveras Boulevard approaches, and split phasing on the Park Victoria Drive approaches. Marked crosswalks and pedestrian signals are provided across all legs, as well as pedestrian curb ramps.

This node's current land use designations are General Commercial and Retail Subcenter. The area is adjacent to Calaveras Hills High School, Single Family Low Density and Multi-Family High Density land uses. The proposed Opportunity Area 9 Alternative would re-designate the area as Neighborhood Center Mixed Use, including revitalization of current commercial parcels with the addition of multi-family residences. The resulting development pattern has the potential to reduce the VMT in surrounding residential neighborhoods. The land use will also allocate space for additional multi-family residences, placing housing closer to jobs and daily amenities. While LOS may decrease along East Calaveras Boulevard and North Park Victoria Drive, there is expected to be a modest decrease in local traffic congestion along I-680 and in the Town's Center.

FIGURE 2-19:
OPPORTUNITY AREA 9 LAND USE ALTERNATIVES

Existing General Plan Alternative	Opportunity Area Alternative

- HVL - Hillside Very Low Density
- HLD - Hillside Low Density
- HMD - Hillside Medium Density
- SFL - Single Family Low Density
- SMD - Single Family Medium Density
- MFM - Multi-Family Medium Density
- MFH - Multi-Family High Density
- VHD - Multi-Family Very High Denisty
- URR - Urban Residential
- MHP - Mobile Home Park
- MXD - Mixed Use
- RRMU - Residential Retail High Density Mixed Use
- BVMU - Boulevard Very High Density Mixed Use
- NCMU - Neighborhood Commercial Mixed Use
- HDTOR - High Density Transit Oriented
- PAO - Professional & Administrative Office
- RSC - Retail Subscenter
- GNC - General Commercial
- NC - Neighborhood Commercial
- HWS - Highway Service
- TWC - Town Center
- INP - Industrial Park
- BPRD - Business Park/Reseach & Development
- MFG - Manufacturing
- PF - Public Facilities
- POS - Permanent Open Space
- WW - Waterway

FIGURE 2-20:
OPPORTUNITY AREA 9 EXISTING CONDITIONS

OPPORTUNITY AREA 10: JACKLIN & 680 NEIGHBORHOOD NODE/ COMMERCIAL CENTER - EAST

Setting: The Jacklin & 680 Neighborhood Node/ Commercial Center – East provides for office employment, and commercial services to residents living in the surrounding neighborhoods. The area is currently designated Retail Sub-Center (RSC 2.40 acres), Professional & Administrative Office (PAO 1.13 acres), and Highway Service (HWS 4.43 acres). Existing assessed non-residential development in the area includes approximately 42,594 square feet, including approximately 28,000 square feet of service retail and commercial service uses, and approximately 14,000 square feet of office uses. Structures in this area were constructed between 1985 to 1990 with 1988 being the median year of construction.

Vision: Under the Opportunity Area 10 Alternative, the Jacklin & 680 Neighborhood Node/ Commercial Center – East would be redesignated Neighborhood Commercial (NC). The NC designation is intended to accommodate a mix of commercial uses that serve the surrounding neighborhoods at an FAR of up to 0.75. The designation supports a broad range of commercial uses, including neighborhood-serving retail stores and services and commercial and professional offices.

Growth Potential: Table 2-20 below presents growth potential for this area under the Existing General Plan Alternative, and the Opportunity Area 10 Alternative. As shown in Table 2-20 under the Existing General Plan Alternative, the area could include an additional 42,594 square feet of commercial, retail service, and office development. Under the intensified land uses allowed by the Opportunity Area 10 Alternatives' NC designation, the area could include an additional 152,321 square feet of retail service and commercial development.

Table 2-20: Opportunity Area 10 Existing and New Development Potential

Land Use	Acres	Dwelling Units	Nonresidential Sq. Ft.	Population Increase	Job Growth
Existing Assessed Conditions					
RSC, PAO, HWS	7.95	--	42,594	--	--
New Development Potential: Existing General Plan Alternative [1]					
RSC, PAO, HWS	7.95	--	42,822	--	81
New Development Potential: Opportunity Area 10 Alternative [1]					
NC	7.95	--	152,321	--	221

[1] Represent Net Potential Additional Units and Non-Residential Sq. Ft.

Economic and Fiscal Findings: The Opportunity Area 10 Alternative would include a modest increase in the non-residential development potential in the East Jacklin & 680 Neighborhood Node/Commercial Center area. Under this alternative, the retail subcenter, professional and administrative office, and highway service land uses would be re-designated as neighborhood commercial. As a result of the increase in non-residential development potential, buildout of the Alternative would support 140 more jobs in Opportunity Area 10 than buildout of the existing General Plan.

General Fund Revenue Implications: Buildout of the Alternative would generate approximately $204,000 in annual General Fund revenue from Opportunity Area 10. Most of the difference would stem from the increase in development capacity, which would increase property tax revenue.

Table 2-21: Jacklin & 680 Neighborhood Node/Commercial Center - East Revenue Impacts			
Jacklin & 680 Neighborhood Node/ Commercial Center - East	Existing General Plan	Opportunity Area Alternative	Difference (Alternative Less Existing)
Annual General Fund Revenue Impacts			
Property Tax	$25,000	$123,000	$98,000
Transient Occupancy Tax	$17,000	$46,000	$29,000
Sales Tax	$4,000	$11,000	$7,000
Franchise Tax	$5,000	$13,000	$8,000
Business License Tax	$1,000	$3,000	$2,000
Other Revenue	$3,000	$8,000	$5,000
Total Annual General Fund Revenue	$55,000	$204,000	$149,000
Buildout Assumptions			
Net New Residential Units	--	--	--
Neighborhood Commercial	--	194,915	194,915
Highway Service	38,590	--	(38,590)
Professional & Administrative Office	4,232	(14,020)	(18,252)
Retail Subcenter	--	(28,574)	(28,574)
Net New Non-Residential Sq. Ft.	42,822	152,321	109,499
Net New Employees	81	221	140
Net New Residents	--	--	--
Net New Service Population [1]	41	111	70

[1] Service population equals the resident population plus a portion of the employment population to reflect the reduced demand from commercial uses. To estimate service population, employees are multiplied by 1/2. Source: BAE, 2018.

Economic Development Implications: Changes proposed for this Opportunity Area will encourage the revitalization by providing incentives for property owners to reinvest and redevelop their properties and enhance the architectural quality of development. The proposed Neighborhood Commercial designation will provide new commercial space for a mix of retailers and other commercial uses. The Neighborhood Commercial designation will support commercial uses that serve the surrounding neighborhoods and provide attractive, modern space for new local-serving businesses. While the existing commercial properties provide inexpensive space to local businesses and do serve the community, many are dated and require renovation and redevelopment to stay competitive.

Circulation Findings: Interstate-680 borders the west side of the Opportunity Area, with the intersection of Jacklin Road/North Park Victoria Drive bisecting the center. I-680 Northbound Ramps/Jacklin Road is a four-legged signalized intersection with protected left-turn phasing on the eastbound Jacklin Road approach. Marked crosswalks and pedestrian signals are provided across all legs except the west Jacklin Road leg, as are pedestrian curb ramps. North Park Victoria Drive/Jacklin Road is a four-legged signalized intersection with protected left-turn phasing at each approach. Crosswalks and pedestrian signals are located on each leg of the intersection.

The proposed Neighborhood Commercial designation (identified in the Opportunity Area 10 Alternative) would replace the existing land uses of Retail Subcenter and Professional & Administrative Office. The Opportunity Area is surrounded by Single Family Low and Medium Density, and Multi-Family Medium Density neighborhoods. The neighborhood is separated from commercial centers and the Town Center by I-680. Increased FARs (up to 0.75) will allow for increased intensity of commercial uses, which is could potentially decrease per capita VMT in the surrounding neighborhoods due to improved access to jobs and daily amenities. The area is also expected to result in increased active transportation usage from residents of surrounding neighborhoods to the commercial center. While the LOS on Jacklin Road and Park Victoria Drive at this location may decrease, this change in land use has the potential to decrease local traffic congestion along I-680 and within City's Town Center.

FIGURE 2-21:
OPPORTUNITY AREA 10 LAND USE ALTERNATIVES

- HVL - Hillside Very Low Density
- HLD - Hillside Low Density
- HMD - Hillside Medium Density
- SFL - Single Family Low Density
- SMD - Single Family Medium Density
- MFM - Multi-Family Medium Density
- MFH - Multi-Family High Density
- VHD - Multi-Family Very High Denisty
- URR - Urban Residential
- MHP - Mobile Home Park
- MXD - Mixed Use
- RRMU - Residential Retail High Density Mixed Use
- BVMU - Boulevard Very High Density Mixed Use
- NCMU - Neighborhood Commercial Mixed Use
- HDTOR - High Density Transit Oriented
- PAO - Professional & Administrative Office
- RSC - Retail Subscenter
- GNC - General Commercial
- NC - Neighborhood Commercial
- HWS - Highway Service
- TWC - Town Center
- INP - Industrial Park
- BPRD - Business Park/Reseach & Development
- MFG - Manufacturing
- PF - Public Facilities
- POS - Permanent Open Space
- WW - Waterway

FIGURE 2-22: OPPORTUNITY AREA 10 EXISTING CONDITIONS

OPPORTUNITY AREA 11: JACKLIN & 680 NEIGHBORHOOD NODE/ COMMERCIAL CENTER - WEST

Setting: The Jacklin & 680 Neighborhood Node/ Commercial Center – West provides for office employment, and neighborhood commercial services to residents living in the surrounding neighborhoods. The area is currently designated Professional & Administrative Office (PAO 4.65 acres), and Highway Service (HWS 1.78 acres). Existing assessed non-residential development in this area includes approximately 76,631 square feet of which approximately 53,000 square feet includes primarily office uses. Structures in this area were constructed between 1980 to 2014 with 1986 being the median year of construction.

Vision: Under the Opportunity Area 11 Alternative, the Jacklin & 680 Neighborhood Node/ Commercial Center – West would be redesignated Neighborhood Commercial (NC). The NC designation is intended to accommodate a mix of commercial uses that serve the surrounding neighborhoods at an FAR of up to 0.75. The designation supports a broad range of commercial uses, including neighborhood-serving retail stores and services and commercial and professional offices.

Growth Potential: Table 2-22 below presents growth potential for this area under the Existing General Plan Alternative, and the Opportunity Area 10 Alternative. As shown in Table 2-22 under the Existing General Plan Alternative, the area could include an additional 24,430 square feet of commercial, retail service, and office development. Under the intensified land uses allowed by the Opportunity Area 11 Alternatives' NC designation, the area could include an additional 75,502 square feet of retail service and commercial development. It should be noted that redevelopment of aging office uses into commercial uses would lead to reduced square feet in the office land use category, which has a high job generation factor when compared to commercial services.

Table 2-22: Opportunity Area 11 Existing and New Development Potential

Land Use	Acres	Dwelling Units	Nonresidential Sq. Ft.	Population Increase	Job Growth
Existing Assessed Conditions					
PAO, HWS	6.42	--	76,631	--	--
New Development Potential: Existing General Plan Alternative [1]					
PAO, HWS	6.42	--	24,430	--	87
New Development Potential: Opportunity Area 11 Alternative [1]					
NC	6.42	--	75,502	--	4

[1] Represent Net Potential Additional Units and Non-Residential Sq. Ft.

Economic and Fiscal Findings: The Opportunity Area 11 Alternative would include a slight increase in the non-residential development potential in the West Jacklin & 680 Neighborhood Node/Commercial Center area. Under the Alternative, some existing professional and administrative office and highway service uses would be redeveloped into neighborhood commercial uses. Due to the new distribution of land uses and the different employment density factors associated with each land use category, buildout of the Alternative would provide 83 fewer jobs in Opportunity Area 11 than buildout of the existing General Plan.

General Fund Revenue Implications: Buildout of the Opportunity Area 11 Alternative would generate approximately $65,000 in annual General Fund revenue. Property tax would be the only source of revenue generated from buildout of the Opportunity Area 11 Alternative.

Table 2-23: Jacklin & 680 Neighborhood Node/Commercial Center - West Revenue Impacts

Jacklin & 680 Neighborhood Node/ Commercial Center - West	Existing General Plan	Opportunity Area Alternative	Difference (Alternative Less Existing)
Annual General Fund Revenue Impacts			
Property Tax	$17,000	$65,000	$48,000
Transient Occupancy Tax	$18,000	--	($17,000)
Sales Tax	$4,000	--	($4,000)
Franchise Tax	$5,000	--	($5,000)
Business License Tax	$1,000	--	($1,000)
Other Revenue	$3,000	--	($3,000)
Total Annual General Fund Revenue	$48,000	$65,000	$17,000
Buildout Assumptions			
Net New Residential Units	--	--	--
Neighborhood Commercial	--	129,835	129,835
Highway Service	4,774	(2,283)	(7,057)
Professional & Administrative Office	19,656	(52,050)	(71,706)
Net New Non-Residential Sq. Ft.	24,430	75,502	51,072
Net New Employees	87	4	(83)
Net New Residents	--	--	--
Net New Service Population [1]	44	2	(42)

[1] Service population equals the resident population plus a portion of the employment population to reflect the reduced demand from commercial uses. To estimate service population, employees are multiplied by 1/2. Source: BAE, 2018.

Economic Development Implications: Changes proposed for this Opportunity Area will encourage the revitalization by providing incentives for property owners to reinvest and redevelop their properties and enhance the architectural quality of development. The proposed Neighborhood Commercial designation will provide new commercial space for a mix of retailers and other commercial uses. The Neighborhood Commercial designation will support commercial uses that serve the surrounding neighborhoods and provide attractive, modern space for new local-serving businesses. While the existing commercial properties provide inexpensive space to local businesses and do serve the community, many are dated and require renovation and redevelopment to stay competitive.

Circulation Findings: This Opportunity Area is located on the west side of I-680. Hillview Drive and Jacklin Road intersect within the area. Hillview Drive/Jacklin Road is a four-legged signalized intersection with protected left-turn phasing on both Jacklin Road approaches, and split phasing on the Hillview Drive approaches. Marked crosswalks and pedestrian signals are provided across all four legs, as are pedestrian curb ramps. I-680 Southbound Ramps/Jacklin Road is a four-legged signalized intersection, with protected left-turn phasing on the westbound Jacklin Road approach and right turn channelization on the eastbound Jacklin Road approach. Marked crosswalks and pedestrian signals are provided across all legs except the west Jacklin Road leg, as well as pedestrian curb ramps.

The current land use designation within this node is Highway Service and Professional & Administrative Office. The proposed Neighborhood Commercial designation (identified by the Opportunity Area 11 Alternative) would increase the allowed FAR up to 0.75, providing improved access to commercial uses in surrounding residential areas. Providing commercial uses within one-half mile of nearby neighborhoods is expected to encourage active transportation usage and decrease per capita VMT related to daily amenities and jobs. The center is located next to I-680, and is expected to potentially reduce the amount of local traffic congestion on the freeway by providing commercial uses closer to surrounding neighborhoods.

FIGURE 2-23: OPPORTUNITY AREA 11 LAND USE ALTERNATIVES

Existing General Plan Alternative	Opportunity Area Alternative

- HVL - Hillside Very Low Density
- HLD - Hillside Low Density
- HMD - Hillside Medium Density
- SFL - Single Family Low Density
- SMD - Single Family Medium Density
- MFM - Multi-Family Medium Density
- MFH - Multi-Family High Density
- VHD - Multi-Family Very High Denisty
- URR - Urban Residential
- MHP - Mobile Home Park
- MXD - Mixed Use
- RRMU - Residential Retail High Density Mixed Use
- BVMU - Boulevard Very High Density Mixed Use
- NCMU - Neighborhood Commercial Mixed Use
- HDTOR - High Density Transit Oriented
- PAO - Professional & Administrative Office
- RSC - Retail Subscenter
- GNC - General Commercial
- NC - Neighborhood Commercial
- HWS - Highway Service
- TWC - Town Center
- INP - Industrial Park
- BPRD - Business Park/Reseach & Development
- MFG - Manufacturing
- PF - Public Facilities
- POS - Permanent Open Space
- WW - Waterway

FIGURE 2-24:
OPPORTUNITY AREA 11 EXISTING CONDITIONS

OPPORTUNITY AREA 12: MILPITAS TOWN CENTER

Setting: The Town Center (TWC) designation is envisioned to provide for a variety of commercial, civic and residential uses appropriate to the area's role as the city's civic center and of the community's central commercial district. The Town Center is a meeting place and a marketplace, the home of commercial and professional firms, an entertainment and dining destination, and a place to accommodate tourists. Because of this unique and relatively intensive mix of activities, very high density residential developments of up to 40 units per acre are permitted, creating a district where residents can lend increased economic support to area businesses and are proximate to retail, services, and jobs. The area also includes many government buildings and community facilities, including Milpitas City Hall, the Community Center, and the Senior Center. The area accommodates a variety of commercial services and retail establishments, including a grocery store, a drugstore, banks, fitness centers, salons, restaurants, and home goods stores. The area accommodates development at a FAR of up to 0.85 and residences at up to 40 units per acre. Existing assessed non-residential development in this area totals approximately 1.2 million square feet of primarily retail and commercial service uses and approximately 529 multifamily dwelling units. Structures within this area were constructed between 1973 to 2015 with 2009 being the median year of construction.

Vision: Based upon input provided the City Council, the GPAC, and members of the public, the TWC designation adequately captures the community's vision for future development in the Town Center area. This report assumes no changes to the designation of parcels in the area nor modifications to the TWC. The growth potential for the area has been included for reference and possible discussion only. If additional growth is desirable, additional analysis will be required.

Growth Potential: Table 2-24 below presents growth potential for the Town Center area. As shown in Table 2-24 the area could include approximately 535 additional dwelling units, and an additional 434,872 square feet of retail and commercial development.

Table 2-24: Opportunity Area 12 Existing and New Development Potential

Land Use	Acres	Dwelling Units	Nonresidential Sq. Ft.	Population Increase [2]	Job Growth
Existing Assessed Conditions					
TWC	133.90	529	1,246,962	--	--
New Development Potential [1]					
TWC	133.90	535	434,872	1,792	791

[1] Represent Net Potential Additional Units and Non-Residential Sq. Ft.

[2] Assumes 3.35 Persons per Household. Note Multi-Family Mixed-Use Units may reduce HH size over time, and thus reduce this population projection

Economic and Fiscal Findings: The residential and non-residential development potential in Milpitas Town Center would be the same under the existing General Plan and the Opportunity Area 12 Alternative. At buildout of both the Alternative and the existing General Plan, Opportunity Area 12 would support 535 new residential units and 791 new jobs.

General Fund Revenue Implications: Buildout of the existing General Plan and the Opportunity Area 12 Alternative would generate approximately $1.7 million in annual General Fund revenue.

Table 2-25: Milpitas Town Center Revenue Impacts

Milpitas Town Center	Existing General Plan	Opportunity Area Alternative	Difference (Alternative Less Existing)
Annual General Fund Revenue Impacts			
Property Tax	$1,011,000	$1,011,000	--
Transient Occupancy Tax	$166,000	$166,000	--
Sales Tax	$255,000	$255,000	--
Franchise Tax	$89,000	$89,000	--
Business License Tax	$9,000	$9,000	--
Other Revenue	$162,000	$162,000	--
Total Annual General Fund Revenue	$1,692,000	$1,692,000	--
Buildout Assumptions			
Multi-family Condominiums	267	267	--
Multi-family Apartments	268	268	--
Net New Residential Units	535	535	--
Town Center	434,872	434,872	--
Net New Non-Residential Sq. Ft.	434,872	434,872	--
Net New Employees	791	791	--
Net New Residents	1,791	1,791	--
Net New Service Population [1]	2,186	2,186	--

[1] Service population equals the resident population plus a portion of the employment population to reflect the reduced demand from commercial uses. To estimate service population, employees are multiplied by 1/2. Source: BAE, 2018.

Economic Development Implications: The Town Center Zoning District is intended as the functional and visual focus of Milpitas that provides a meeting and market place for commercial, professional and entertainment uses. No change is proposed for this Opportunity Area since the existing zoning will encourage more efficient use of land through higher density housing will ensure land is available for the continued focus of a mixed-use district that provides identity for the City. The Town Center concept already provides for the provision of common amenities that modern mixed use developments typically provide. Further it will allow a dense residential population to provide increased economic support to the commercial uses.

Circulation Findings: East Calaveras Boulevard (a State Route) bisects the center of this land use designation in an east-west direction. North Milpitas Boulevard/East Calaveras Boulevard is a four-legged signalized intersection with protected left-turn phasing on all approaches. All approaches have channelized right turns, except for northbound Milpitas Boulevard onto eastbound East Calaveras Boulevard. Marked crosswalks and pedestrian signals are provided across all four legs, as are pedestrian curb ramps.

Intensifying the land use within existing Town Center designation on both sides of East Calaveras Boulevard would increase the local congestion on East Calaveras Boulevard and Milpitas Boulevard. East Calaveras Boulevard functions as a state highway, and is under Caltrans' jurisdiction, connecting east and west Milpitas and carrying regional traffic from I-680, I-880 and the rest of SR 237. East Calaveras Boulevard currently has limited pedestrian and bicycle facilities and limited access to the BART or light-rail stations. This area does have accessibility to the freeway; however, due to the high regional traffic volumes and wide configuration of East Calaveras Boulevard, the Town Center area would not be appealing for active transportation modes. Increased demand in this Opportunity Area has the potential to increase local traffic congestion and attract more regional traffic. The lack of comfortable pedestrian and bicycle connections reduce the likelihood that local residents would choose active transportation modes to visit the Town Center.

FIGURE 2-25:
OPPORTUNITY AREA 12 LAND USE ALTERNATIVES

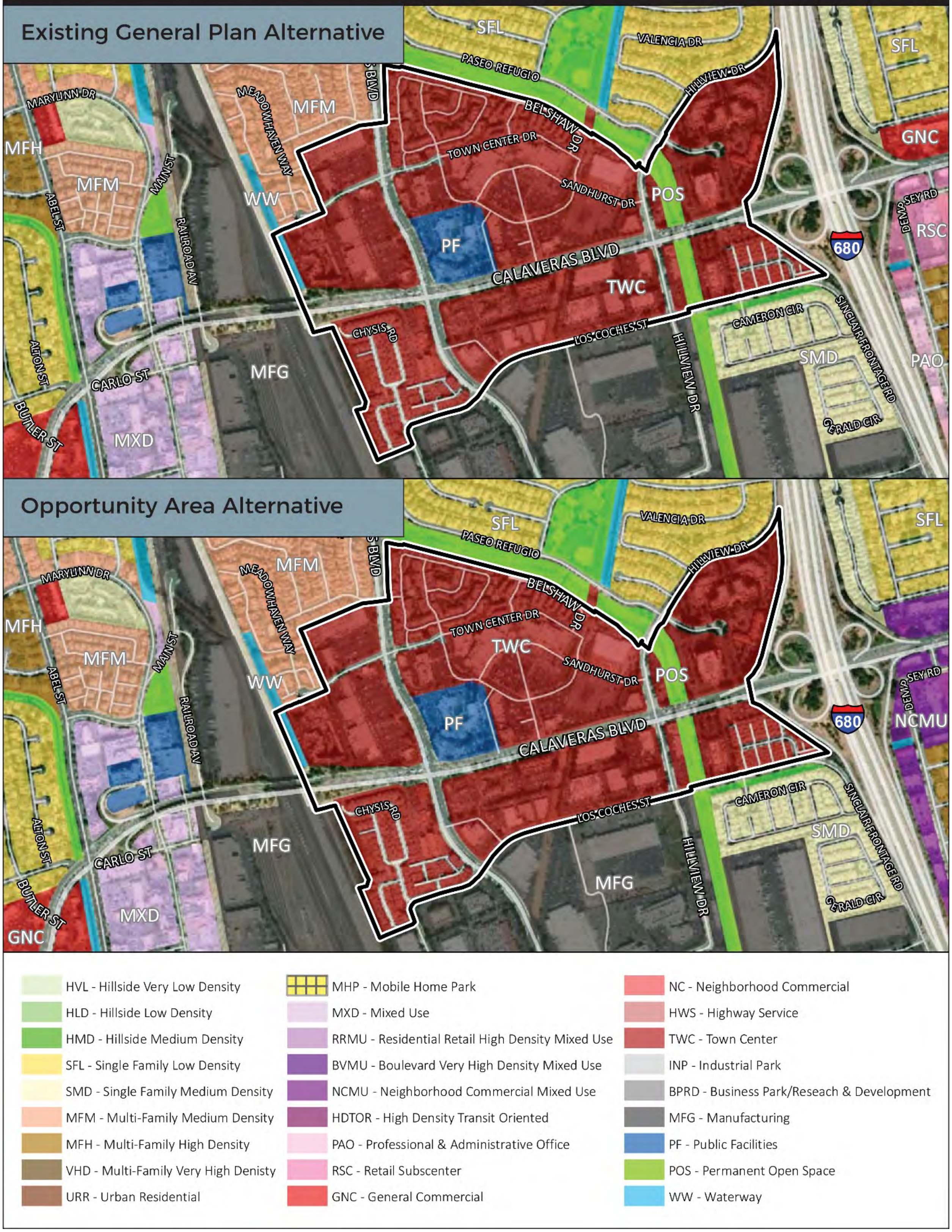
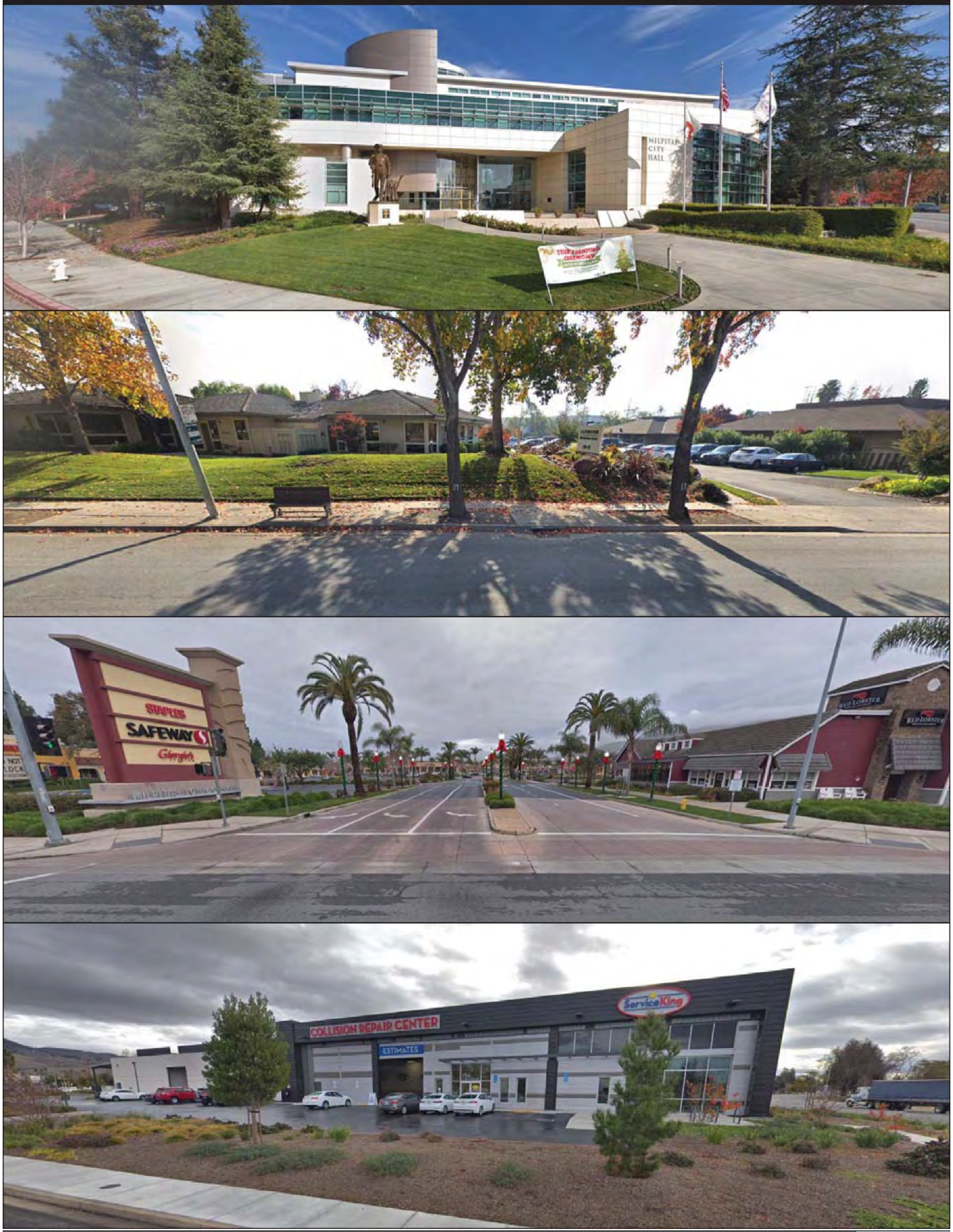


FIGURE 2-26:
OPPORTUNITY AREA 12 EXISTING CONDITIONS



OPPORTUNITY AREA 13: JACKLIN NEIGHBORHOOD NODE/ COMMERCIAL CENTER

Setting: The Jacklin Neighborhood Node/ Commercial Center provides for office employment and neighborhood commercial service uses to residents living in the surrounding neighborhoods. All lands within this Opportunity Area are designated by the Milpitas General Plan as Retail Subcenter (RSC 9.79 acres). Existing assessed non-residential development in the area totals approximately 140,229 square feet and is primarily comprised of retail and commercial service uses. Structures within the center were built in 1988.

Vision: Under the Opportunity Area 13 Alternative, the Jacklin Neighborhood Node/ Commercial Center would be redesignated from Retail Subcenter (RSC) to Neighborhood Commercial (NC). The NC designation is intended to accommodate a mix of commercial uses that serve the surrounding neighborhoods at an FAR of up to 0.75. The designation supports a broad range of commercial uses, including neighborhood-serving retail stores and services and commercial and professional offices.

Growth Potential: Table 2-26 below presents growth potential for this area under the Existing General Plan Alternative, and the Opportunity Area 13 Alternative. As shown in Table 2-26 under the Existing General Plan Alternative, the area could include an additional 12,272 square feet of commercial service and retail, development. Under the intensified land uses allowed by the Opportunity Area 13 Alternatives' NC designation, the area could include an additional 99,629 square feet of retail service and commercial development.

Table 2-26: Opportunity Area 13 Existing and New Development Potential

Land Use	Acres	Dwelling Units	Nonresidential Sq. Ft.	Population Increase	Job Growth
Existing Assessed Conditions					
RSC	9.79	--	140,229	--	--
New Development Potential: Existing General Plan Alternative [1]					
RSC	9.79	--	12,272	--	20
New Development Potential: Opportunity Area 13 Alternative [1]					
NC	9.79	--	99,629	--	166

[1] Represent Net Potential Additional Units and Non-Residential Sq. Ft.

Economic and Fiscal Findings: The Opportunity Area 13 Alternative would increase the non-residential development potential and employment growth in the Jacklin Neighborhood Node/Commercial Center area (Opportunity Area 13). Under this Alternative, some existing retail subcenter uses would be redeveloped into neighborhood commercial uses. Due to the overall increase in development potential, buildout of the Alternative would support 146 more jobs in Opportunity Area 13 than buildout of the existing General Plan.

General Fund Revenue Implications: At buildout, the Opportunity Area 13 Alternative would generate approximately $140,000 in annual General Fund revenue. Property tax and transient occupancy tax revenue would account for most of the revenue generated by this alternative.

Table 2-27: Jacklin Neighborhood Node/Commercial Center Revenue Impacts

Jacklin Neighborhood Node/ Commercial Center	Existing General Plan	Opportunity Area Alternative	Difference (Alternative Less Existing)
Annual General Fund Revenue Impacts			
Property Tax	$10,000	$80,000	$70,000
Transient Occupancy Tax	$4,000	$34,000	$30,000
Sales Tax	$1,000	$8,000	$7,000
Franchise Tax	$1,000	$10,000	$9,000
Business License Tax	-	$2,000	$2,000
Other Revenue	$1,000	$6,000	$5,000
Total Annual General Fund Revenue	$17,000	$140,000	$123,000
Buildout Assumptions			
Net New Residential Units	--	--	--
Neighborhood Commercial	--	239,858	239,858
Retail Subcenter	12,272	(140,229)	(152,501)
Net New Non-Residential Sq. Ft.	12,272	99,629	87,358
Net New Employees	20	166	146
Net New Residents	--	--	--
Net New Service Population [1]	10	83	73

[1] Service population equals the resident population plus a portion of the employment population to reflect the reduced demand from commercial uses. To estimate service population, employees are multiplied by 1/2. Source: BAE, 2018.

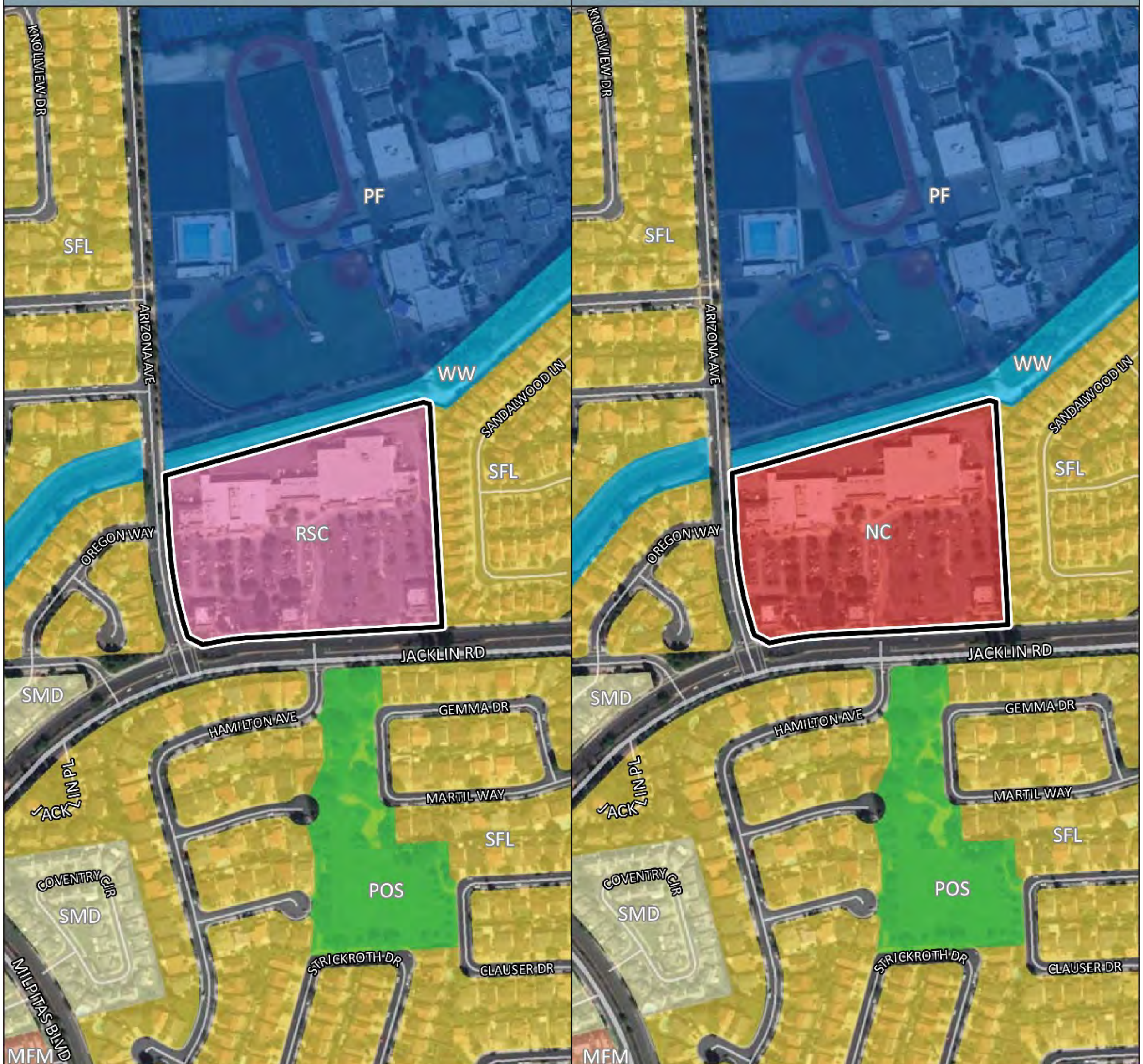
Economic Development Implications: Changes proposed for this Opportunity Area will encourage the revitalization by providing incentives for property owners to reinvest and redevelop their properties and enhance the architectural quality of development and potentially provide amenities to enhance shopper experience. The proposed Neighborhood Commercial designation will provide new commercial space for a mix of retailers and other commercial uses up to a FAR of 0.75. The Neighborhood Commercial designation will support commercial uses that serve the surrounding neighborhoods and provide attractive, modern space for new local-serving businesses. While the existing commercial properties provide inexpensive space to local businesses that do presently serve the community, many are dated and require renovation and redevelopment to stay competitive in the long term.

Circulation Findings: This neighborhood center is located in the northwest portion of the City near the intersection of Jacklin Avenue and Arizona Avenue. Jacklin Road/Arizona Avenue is a three-legged signalized intersection, with protected left-turn phasing on the eastbound Jacklin Road approach. Bicycle lanes are provided on each Jacklin Road approach, with crosswalks and pedestrian signals provided across all legs of intersection.

The current land use designation for this area is Retail Subcenter, and is proposed to be changed to the Neighborhood Commercial designation (identified by the Opportunity Area 13 Alternative). The proposed land use would increase the allowed FAR up to 0.75, and would increase commercial accessibility for surrounding neighborhoods and for Milpitas High School. Improved residential proximity to commercial uses has the potential to reduce the per capita VMT generated by students and nearby residents, and could help to encourage active transportation. The increase in commercial use may decrease LOS for Jacklin Road nearby, though may help to slightly decrease local traffic congestion along Milpitas Boulevard south of Jacklin Road.

FIGURE 2-27:
OPPORTUNITY AREA 13 LAND USE ALTERNATIVES

Existing General Plan Alternative	Opportunity Area Alternative



- HVL - Hillside Very Low Density
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- VHD - Multi-Family Very High Denisty
- URR - Urban Residential
- MHP - Mobile Home Park
- MXD - Mixed Use
- RRMU - Residential Retail High Density Mixed Use
- BVMU - Boulevard Very High Density Mixed Use
- NCMU - Neighborhood Commercial Mixed Use
- HDTOR - High Density Transit Oriented
- PAO - Professional & Administrative Office
- RSC - Retail Subscenter
- GNC - General Commercial
- NC - Neighborhood Commercial
- HWS - Highway Service
- TWC - Town Center
- INP - Industrial Park
- BPRD - Business Park/Reseach & Development
- MFG - Manufacturing
- PF - Public Facilities
- POS - Permanent Open Space
- WW - Waterway

FIGURE 2-28:
OPPORTUNITY AREA 13 EXISTING CONDITIONS

2.5 CITY-WIDE GROWTH POTENTIAL

The land use alternatives analyzed in this report would accommodate differing levels of residential and employment growth. Table 2-28 summarizes the increase in population, dwelling units, and jobs that may occur during the life of the General Plan, under the Existing General Plan and Opportunity Areas Alternatives.

The growth assumptions use data from the California Department of Finance, the Santa Clara County Assessor, and review of on-ground conditions via site visits and aerial photographs to identify vacant and underutilized parcels within the city that would potentially redevelop during the General Plan planning horizon.

Because the City of Milpitas is largely built out, meaning that there are very few vacant and undeveloped parcels remaining within core areas of the city, the growth projections contained in this report also rely on an analysis of the development potential associated with parcels that are considered to be underdeveloped or underutilized. Parcels which are currently vacant and/or underutilized were identified using data from the Santa Clara County Assessor's office. This data was used to estimate the new development and redevelopment potential within the city limits under each Land Use Map Alternative.

Given that actual development rates and growth rates in Milpitas are likely to be significantly lower than the maximum allowed development under the General Plan over a 20-year planning horizon (i.e. a full buildout projection), these growth projections were developed in order to provide a meaningful estimate of the upper-ranges of new growth that could potentially occur. New development and growth is largely dictated by existing development conditions, market conditions, and land turnover rates.

POPULATION, AND DWELLING UNITS

As shown on Table 2-28, new housing and population growth within the city would be increased under the Opportunity Area Scenario (13,100 dwelling units and 43,885 persons) when compared to the Existing General Plan (9,469 dwelling units and 31,722 persons).

JOB GROWTH

Job growth was projected based on non-residential square footage. Vacant and underutilized commercial, office, industrial, and portions of mixed-use sites were anticipated to be developed. The existing square footage of developed lands as well as lot areas were taken from the County's Assessor's database. For each type of non-residential development, a factor for job growth was determined based on the ratio of estimated jobs that correlate to a specific land use category.

As is shown on Table 2-28, new job growth within the city would be increased under the Opportunity Area Alternative Scenario (31,933 new jobs) when compared to the Existing General Plan Alternative (10,181 new jobs).

The citywide jobs to housing ratio would be 1.82 jobs per housing unit under the Existing General Plan Alternative, and 2.25 jobs per housing unit under the Opportunity Area Alternative Scenario.

TABLE 2-28: GROWTH PROJECTIONS BY ALTERNATIVE

Alternative	Population	Dwelling Units	Jobs	Jobs per Housing Unit
Existing Conditions				
	76,057	22,215	47,538	2.14
New Growth Potential				
Existing General Plan	31,722	9,469	10,181	1.08
Opportunity Area Alt	43,885	13,100	31,933	2.44
Total Growth: Existing Plus Potential New Growth				
Existing General Plan	107,779	31,684	57,719	1.82
Opportunity Area Alt	119,942	35,315	79,471	2.25

Sources: Santa Clara County Assessor 2017; California Department of Finance 2017; U.S Census OnTheMap; ESRI 2017, De Novo Planning Group 2018.

JOB TYPES

Job types were projected based on non-residential square footage and the associated land use for each alternative. Table 2-29 below shows the breakdown of new job growth by land use.

As shown in Table 2-29, the new proposed Business Park Research and Development (BPR&D) land use designation provides the most opportunities for job growth across all alternatives. The Existing General Plan Alternative provides a large share of employment within the BVMU - Boulevard Very High Density Mixed Use, GNC - General Commercial, and INP - Industrial Park land use designations at 2,949 jobs, 2,349 jobs, and 2,853 jobs respectively.

TABLE 2-29: JOB GROWTH BY LAND USE

Use	Existing General Plan Alternative	Opportunity Area Alternative
MXD - Mixed Use	975	3,537
RRMU - Residential Retail High Density Mixed Use	327	327
BVMU - Boulevard Very High Density Mixed Use	2,949	4,454
PAO - Professional & Administrative Office	277	-406
RSC - Retail Subcenter	108	-885
GNC - General Commercial	2,349	1,266
HWS - Highway Service	169	-2,541
MFG – Manufacturing	1,310	3,110
INP - Industrial Park	2,853	-4,723
RTO - Retail Transit- Oriented	--	--
NC - Neighborhood Commercial	--	941
NCMU - Neighborhood Commercial Mixed-Use	--	4,336
BPR&D - Business Park Research and Development	--	23,652
TWC - Town Center	791	791
PF - Public Facilities	--	--
POS - Permanent Open Space	--	--
WW - Waterway	--	--
Non-conforming Sq. Ft. HDTOR	-406	-406
Non-conforming Sq. Ft. URR	-654	-654
Non-conforming Sq. Ft. VHD	-590	-590
Non-conforming Sq. Ft. MFH	-277	-277
Total	**10,181**	**31,933**

JOB GROWTH PROJECTED BASED ON NON-RESIDENTIAL SQUARE FOOTAGE

2.6 PLAN BAY AREA 2040 REGIONAL GROWTH PROJECTIONS

Plan Bay Area 2040 is a long-range blueprint to guide transportation investments and land-use decisions throughout the greater Bay Area through 2040. This Plan describes the regional projections of employment, population, household and housing growth, and jurisdictional projections for household and employment growth through 2040.

The Plan Bay Area 2040 forecast was done in two steps. First, the totals for the region as a whole were forecast. This data presented projections at the regional level. Regional totals were then allocated to locations within each jurisdiction to arrive at jurisdictional forecasts. Distribution of the forecast geographically depends in part on market factors and in part on local and regional policies, including decisions regarding transportation investments. Current zoning was also obtained for all parcels in the region as a representation of the land use controls in place during the base year. Zoning codes and general plans were reviewed to obtain a consistent indication of each jurisdiction's long-term vision for land use type, residential dwelling units per gross acre, and commercial floor-area-ratio. Additionally, parcels containing structures built before 1930 were deemed non-developable due to assumed historical protection ordinance restrictions.

Each jurisdiction's forecast amount of growth was determined using the UrbanSim microeconomic model. This takes an existing map of current buildings, residents, and land use policies. It then simulates a subset of households and firms choosing new locations each year. Then a real estate development pro forma model was used to simulate the construction of new buildings in places with sufficient demand and current zoning allowances. These buildings will have occupants in future years, which form the basis of the growth forecast. Zoning modifications may be included to reflect the classification of ABAG's Priority Development Areas into various place-types (if these require intensities higher than existing zoning allows).

The Milpitas PDA is located within the Transit Area Specific Plan Planning area near the future Milpitas Bay Area Rapid Transit (BART) Station and light rail connection. Milpitas's transit area PDA encompasses 371 net acres and is a designated future Suburban Center (development standards identified by MTC for Suburban Center includes 35-100 dwelling units per acre, and FARs up to 4.0). The PDA includes the entire Transit Area Specific Plan area and a portion of the Midtown Specific Plan area. Milpitas has a second PDA that is part of the Santa Clara VTA PDA. The Santa Clara VTA PDA encompasses approximately 92 net acres and is a future Mixed-Use Corridor (development standards identified by MTC for Mixed-Use Corridor includes 25-60 dwelling units per acre, and FARs up to 2.0) along Great Mall Parkway.

Plan Bay Area 2040 does not mandate any changes to local zoning, general plans, or require project review. Each city and county in the region maintains control of its own decisions to adopt plans, and permit or deny development projects. However regional planning initiatives may offer cities and counties incentives to promote future growth near transit in existing urbanized areas that will capitalize on the existing and planned transportation network, and reduce the need to expand infrastructure into undeveloped parts of the region.

Tables 2-30 and 2-31 present the Plan Bay Area 2040 jurisdictional forecast for households and employment in the City of Milpitas.

TABLE 2-30: PLAN BAY AREA 2040 JURISDICTIONAL HOUSEHOLD FORECAST (MILPITAS)

Area/Summary Level	Households 2010	Households 2040	Growth in Households
Milpitas Total	19,200	30,400	11,200
Milpitas PDA	790	9,600	8,810

SOURCE: MTC AND ABAG PLAN BAY AREA 2040: DRAFT LAND USE MODELING REPORT 2017

TABLE 2-31: PLAN BAY AREA 2040 JURISDICTIONAL EMPLOYMENT FORECAST (MILPITAS)

Area/Summary Level	Employment 2010	Employment 2040	Growth in Employment
Milpitas Total	42,000	58,000	16,000
Milpitas PDA	5,600	9,900	4,300

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