

July 22, 2019

Mayor Sam Liccardo and City Councilmembers  
City of San Jose  
200 E. Santa Clara St.  
San Jose, CA 95113

Dear Mayor Liccardo and City Councilmembers:

On behalf of SPUR, we are writing in support of two decisions the Council recently made in regard to Coyote Valley: 1) The decision to revisit the long-term vision for Coyote Valley as part of the General Plan 4-Year Review and 2) Council's continued support for allocating up to \$50 million dollars of Measure T funding for Coyote Valley as was envisioned in the campaign for the ballot measure.<sup>1</sup> Both of these efforts should be used to further a new vision for Coyote Valley, one that moves away from a focus on commercial or industrial uses. The first step in advancing toward that vision is to use Measure T funds to preserve land, via acquisitions of easements or land purchase, within North Coyote Valley so that it can be permanently designated for open space, wildlife habitat, natural flood control and agricultural uses.

SPUR has been deeply invested in San Jose for the past six years; advocating for smart growth, good government, and environmental best practices. We have watched the City make considerable progress to prioritize transit, infill development and increase economic opportunity over the last several years. Many of these accomplishments are attributed to the vision and strategy laid out in Envision 2040. Additionally, the City has adopted new policies that impact land use designations made in the general plan, such as, Climate Smart San Jose and Vehicle Miles Travel (VMT). However, some aspects from the Envision 2040 plan no longer align with the transit-oriented vision for the City's future. This mismatch between the current plan and a better vision of growth is especially true for Coyote Valley.

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<sup>1</sup> June 11, 2019: City Council adoption of the staff recommendation for the scope of the General Plan 4-Year Review to include, "along with the analysis of the potential redistribution of job growth from North Coyote Valley... discussion on the long-term future of North Coyote Valley and the Mid-Coyote Urban Reserve to achieve key city objectives including the preservation of open space and wildlife habitat, flood and groundwater protection, agriculture, climate change resilience, and passive recreation."

June 25, 2019: Council adoption of the recommendation, from that status report on Measure T, directing staff to continue exploring "land acquisition using bond funds authorized by Measure T for 'preventing flooding and water quality contamination, including the acquisition of open space in Coyote Valley for these purposes'"

The history of land use in Coyote Valley is long and complex. Dating back to 1984, much of North Coyote Valley has long been designated for campus and industrial uses. Developers in the late 80's and 90's had expansive plans for developing corporate campuses in the area for Apple and Cisco Systems. However, with the recession and trends in development, none of those plans were realized. While ownership changes have occurred since, there has been little new office development proposed in many years. Despite the lack of market demand in this area, Envision 2040 reaffirmed the long-term goal of developing North Coyote Valley (NCV) subsequently designating it as an Employment Lands Growth Area (35,000 planned new jobs). Since the adoption of the plan, while there have been some proposals to build low-density warehouse and distribution facilities, there has been little movement from the private market to develop office campuses in Coyote Valley, as large employers now want to work in areas that are transit rich and in close proximity to housing - both of which are lacking in Coyote Valley.

Many different strands of SPUR's research lead us to the conclusion that Council should plan a future for Coyote Valley as one of agriculture and open space rather than a jobs center. In *Rethinking the Corporate Campus* (2017) and *The Urban Future of Work* (2012) we highlight the importance of locating jobs in accessible places that reduce drive-alone commuting, make more efficient use of land and reduce greenhouse gas emission. In our report *Locally Nourished* (2013) we highlighted the value that agriculture brings in diversifying the region's economic base and its value as a land-use that reinforces growth toward infill, rather than sprawl. For San Jose, the sum of these recommendations translates into concentrating job growth in already existing urbanized areas, not planning for greenfield development at the southern border of the city.

Preserving Coyote Valley as agricultural and open-space land does not preclude job growth for San Jose. Instead, as we emphasized in the *Economic Prosperity Strategy* (2014) and other reports, we believe Bay Area cities should develop land use plans that support transit-oriented jobs, industrial uses and housing.

SPUR understands the importance for the City to maintain aggressive job growth goals as this helps generate revenue for city services. Per the presentation made by the Office of Economic Development during the City Council study session on January 22, 2019, the jobs projected for North Coyote Valley would support the industrial and manufacturing labor force. SPUR reinforces the importance of maintaining a diversified workforce as it is a critical function of a healthy local economy, but we believe that these jobs can be better supported in other locations in San Jose, in existing industrial zones such as North San Jose and in qualified opportunity zones. Additionally, now is the time to rethink the barriers within the zoning code that prevent specific uses in more traditional urban and commercial districts. Light and clean manufacturing is an

industry quickly on the rise and has successfully re-energized cities across the country.<sup>2</sup> We strongly urge the City through the four-year general plan review to reexamine how manufacturing jobs are defined and where they are designated in the city.

The preservation of North Coyote Valley is a once in a lifetime opportunity for the City of San Jose. Preservation of natural resources provides us with an opportunity to innovate around flood protection, groundwater recharge, wildlife habitat and greenhouse gas reduction. And while this land will not be used for commercial development, investing in natural infrastructure and the agriculture sector should be looked at as a strong economic development strategy. City Council has the unique opportunity to reimagine the possibilities for Coyote Valley and authorize the City Manager to allocate the full \$50 million allocated from Measure T funding to North Coyote Valley for the acquisition of easements or land that permanently protect the area for open space and agriculture.

We want to extend our thanks and recognition to Mayor Liccardo, Santa Clara Valley Open Space Authority, Peninsula Open Space Trust and the private property owners for working together to try to negotiate a mutually agreeable purchase agreement for land in North Coyote Valley. We also want to recognize the effort by Council Member Jimenez and Assemblymember Kalra for their work to preserve Coyote Valley in totality and permanently transform it into open space and working land that benefits the Bay Area.

Sincerely,



Michelle Huttenhoff  
San Jose Policy Director



Eli Zigas  
Food and Agriculture Policy Director

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<sup>2</sup> Smart Growth America, *Made in Place: Small-scale Manufacturing and Neighborhood Revitalization*, 2017.