



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Planning Commission

SUBJECT: SEE BELOW

DATE: May 14, 2021

COUNCIL DISTRICTS: 3 & 6

SUBJECT: GP19-009, PDC19-039, PD19-029, HP20-002, HL20-005, HL20-004, & PT20-027: THE PROJECT INCLUDES A DEVELOPMENT PROGRAM WITH THE FOLLOWING USES: A MAXIMUM OF 7.3 MILLION GROSS SQUARE FEET (GSF) OF COMMERCIAL OFFICE SPACE; A MAXIMUM OF 5,900 RESIDENTIAL UNITS; A MAXIMUM OF 500,000 GSF OF ACTIVE USES (COMMERCIAL RETAIL/RESTAURANT, ARTS, CULTURAL, LIVE ENTERTAINMENT, COMMUNITY SPACES, INSTITUTIONAL, CHILDCARE AND EDUCATION, MAKER SPACES, NON-PROFIT, AND SMALL-FORMAT OFFICE SPACE); A MAXIMUM OF 300 HOTEL ROOMS; A MAXIMUM OF 800 LIMITED-TERM CORPORATE ACCOMMODATIONS; A MAXIMUM OF TWO EVENT AND CONFERENCE CENTERS TOTALING UP TO 100,000 GSF; A MAXIMUM OF 4,800 PUBLICLY ACCESSIBLE COMMERCIAL PARKING SPACES AND A MAXIMUM OF 2,360 UNBUNDLED PARKING SPACES FOR RESIDENTIAL USE; DEMOLITION OF A MAXIMUM OF 7 RESIDENTIAL UNITS AND APPROXIMATELY 755,000 GSF OF NONRESIDENTIAL STRUCTURES; REMOVAL AND REPLACEMENT OF A MAXIMUM OF 254 ORDINANCE-SIZED TREES; REALIGNMENT OF LOTS AND ALLOW A MAXIMUM OF 38 LOTS, 19 COMMON LOTS, AND A MAXIMUM OF 5,900 RESIDENTIAL CONDOMINIUMS AND 20 COMMERCIAL CONDOMINIUMS; A "DISTRICT SYSTEMS" APPROACH TO DELIVERY OF ON-SITE UTILITIES, INCLUDING DESIGNATED INFRASTRUCTURE ZONES WITH A MAXIMUM OF TWO (2) ON-SITE CENTRALIZED UTILITY PLANTS TOTALING UP TO 130,000 GSF; ONE OR MORE ON-SITE LOGISTICS CENTERS TO SERVE THE COMMERCIAL ON-SITE USES THAT WOULD OCCUPY A TOTAL OF ABOUT 100,000 GSF; A TOTAL OF APPROXIMATELY 15 ACRES OF PARKS, PLAZAS AND OPEN SPACE, INCLUDING AREAS FOR OUTDOOR SEATING AND COMMERCIAL ACTIVITY (SUCH AS RETAIL, CAFES, AND RESTAURANTS), GREEN SPACES, LANDSCAPING, MID-BLOCK PASSAGES, RIPARIAN SETBACKS, AND TRAILS; AND VARIOUS OTHER IMPROVEMENTS TO THE PUBLIC REALM TO IMPROVE TRANSIT ACCESS AND PEDESTRIAN AND BICYCLE CIRCULATION AND FACILITATE CONNECTIVITY, BOTH WITHIN THE SITE AND TO AND FROM SURROUNDING NEIGHBORHOODS LOCATED ON AN APPROXIMATELY 84-GROSS ACRE SITE GENERALLY BOUNDED BY LENZEN AVENUE TO THE NORTH, CAHILL STREET AND THE CALTRAIN RAIL TRACKS TO THE WEST, AUZERAIS AVENUE TO THE SOUTH, AND LOS GATOS CREEK AND HIGHWAY 87 TO THE EAST (450 WEST SANTA CLARA STREET) (GOOGLE, OWNER).

RECOMMENDATION

The Planning Commission voted 5-0-2 (Vice Chair Bonilla absent and Commissioner Lardinois abstained) to recommend that the City Council take all of the following actions:

1. Adopt a Resolution certifying the Downtown West Mixed-Use Plan Environmental Impact Report (EIR) and making certain findings concerning significant impacts, mitigation measures and alternatives, and adopting a statement of overriding considerations and a mitigation monitoring and reporting program, all in accordance with the California Environmental Quality Act, as amended (CEQA); and
2. Adopt a Resolution by two-thirds majority making certain findings required by California Public Utilities Code Section 21676 that Proposed General Plan Amendment File No. GP19-009 and Planned Development Rezoning File No. PDC19-039 are consistent with the purposes set forth in California Public Utilities Code Section 21670 and overruling the Santa Clara County Airport Land Use Commission's (ALUC) determination that the proposed project is inconsistent with the ALUC noise and height policies as defined by the Comprehensive Land Use Plan for the San José International Airport (CLUP); and
3. Adopt a Resolution amending the Envision San José 2040 General Plan to revise the land use designation of the project site, amend General Plan policies LU-6.1 and LU-1.9, and implement other text amendments and amendments to General Plan diagrams related to the Downtown West Mixed-Use Plan; and
4. Adopt a Resolution amending the 2014 Diridon Station Area Plan, a component of the General Plan, to revise the land use designations for the project site, expand the Diridon Station Area Plan boundary, and implement other text amendments and amendments to diagrams related to the Downtown West Mixed-Use Plan; and
5. Approve an Ordinance amending Title 20 to add Section 20.70.700 to clarify that project-specific ordinances for the Downtown West Mixed-Use Plan shall govern development within the Downtown West Planned Development Zoning District and supersede any conflicting provisions in Title 20; and
6. Approve an Ordinance rezoning an approximately 80-gross acre site on certain real properties extending approximately one mile from north to south, and generally bounded by: Lenzen Avenue and the Union Pacific Railroad tracks to the north; North Montgomery Street, Los Gatos Creek, the Guadalupe River, State Route 87, Barack Obama Boulevard, and Royal Avenue to the east; Auzerais Avenue to the south; and the Caltrain rail corridor and Cahill Street to the west from the HI Heavy Industrial, LI Light Industrial, A(PD) Planned Development, PQP Public/Quasi-Public, Commercial Neighborhood, DC Downtown Primarily Commercial, CG Commercial General, CIC Combined Industrial/Commercial to the DC(PD) Planned Development Zoning District, to allow developing up to 5,900 residential units; up to 7,300,000 gross square feet (GSF) of office space; up to 500,000 GSF of active uses such as retail, cultural, arts, civic etc.; up to 300 hotel rooms; up to 800 limited-term corporate accommodations; up to two event and conference centers totaling up to 100,000 GSF; up to two central utility plants totaling

approximately 130,000 GSF; logistic/warehouse(s) totaling approximately 100,000 GSF, and approximately 15 acres of open space; and

7. Adopt a Resolution approving, subject to conditions, a Planned Development Permit, including the Downtown West Design Standards and Guidelines (DWDSG), the Downtown West Improvement Standards, the Conceptual Infrastructure Plan Sheets, and Conformance Review Implementation Guide, to allow a maximum of 5,900 residential units; a maximum of 7,300,000 gross square feet (gsf) of office space; a maximum of 500,000 GSF of active uses such as retail, cultural, arts, civic etc.; a maximum of 300 hotel rooms; a maximum of 800 limited-term corporate accommodations; a maximum of two event and conference centers totaling up to 100,000 GSF; a maximum of two central utility plants totaling approximately 130,000 GSF; logistic/warehouse(s) totaling approximately 100,000 GSF and approximately 15 acres of open space on an approximately 78-gross acre site extending approximately one mile from north to south, and generally bounded by Lenzen Avenue and the Union Pacific Railroad tracks to the north; North Montgomery street, Los Gatos Creek, the Guadalupe River, State Route 87, Barack Obama Boulevard, and Royal Avenue to the east; Auzerais Avenue to the south; and the Caltrain rail corridor and Cahill street to the west; and
8. Adopt a Resolution approving, subject to conditions, the Vesting Tentative Map to subdivide 136 lots into no more than 178 lots and allow a maximum of 5,900 residential condominiums and a maximum of 20 commercial condominiums on an approximately 84-gross acre site; and
9. Approve an Ordinance approving a Development Agreement between the City of San José and Google LLC for the Downtown West Mixed-Use Plan; and
10. Adopt a Resolution authorizing Major Encroachment Permits for District Systems at various locations within the Downtown West development area; and
11. Adopt a Resolution approving the Construction Impact Mitigation Plan; and
12. Adopt a Resolution amending the Historic Preservation Permit HP16-002 (File No. HP20-002) to revise the terms of the permit to be consistent with the Downtown West Mixed-Use Plan, which includes the San José Water Works City Landmark at 374 West Santa Clara Street.

Recommendations from the Historic Landmarks Commission

13. Adopt a Resolution to amend the boundary of the Southern Pacific Depot City Landmark (File No. HL94-100) from a 12.5-gross acre site to an 11.54-gross acre site located at 65 Cahill Street; and
14. Adopt a Resolution to amend the boundary of the San José Water Works City Landmark (File No. HS91-57) from a 0.96-gross acre site to a 0.31-gross acre site at 374 West Santa Clara Street in downtown San José; and

Additional Recommendations to be detailed in a separate supplemental memorandum to the City Council:

15. Adopt Resolutions conditionally vacating portions of South Montgomery Street, Otterson Street, Park Avenue, Cinnabar Street with the reservation of public easements over the vacated area; and
16. Adopt a Resolution authorizing Major Encroachment Permits for Streetscape Improvements at various locations within the Downtown West development area.
17. Approve the allocation of Google's early payment of \$7.5 million and the allocation of up to \$22.3 million in Community Benefits funding that will be paid by Google as office buildings are built over time.
18. Clarification on the recommendation to approve a Development Agreement: Approve an Ordinance (a) approving a Development Agreement between the City of San José and Google LLC for the Downtown West Mixed-Use Plan and (b) delegating the authority to the City Manager, or designee, to (i) negotiate and execute a Reimbursement Agreement and amendments thereto consistent with reimbursement agreement term sheet attached as Schedule A to the Development Agreement; and (ii) negotiate and execute Transfer Agreements related to the affordable housing sites described in Exhibit D of the Development Agreement).

OUTCOME

If the City Council approves the actions listed above, the applicant will be able to implement the Project pursuant to the Project approvals and entitlement documents, including subsequent conformance reviews and development of uses established and authorized under the Planned Development Zoning District's General Development Plan.

If the City Council denies certain actions listed above, the project site will remain as is.

EXECUTIVE SUMMARY

On April 28, 2021, the Planning Commission conducted a public hearing pursuant to the requirements of CEQA and considered certification of the Downtown West Mixed-Use Plan EIR, with a Statement of Overriding Considerations and various permits and approvals listed above.

During the public hearing, staff and the applicant provided project overview presentations. Public testimony was received from a total of 45 individuals, organizations agencies. After discussion, the Planning Commission voted to recommend that the City Council approve the project.

HEARING BACKGROUND

Prior to the April 28, 2020 Planning Commission hearing, the project was taken to the following commission bodies for formal recommendations.

Airport Land Use Commission (ALUC)

As portions of the project fall within the Airport Land Use Commission (ALUC) Airport Influence Area surrounding Mineta San José International Airport (SJC), the General Plan Amendment (land use designations) and Planned Development Rezoning were referred to the ALUC. On December 16, 2020, the ALUC found the General Plan and Planned Development Zoning inconsistent with certain ALUC noise and height policies as defined in the “Comprehensive Land Use Plan for San José International Airport” (CLUP). The ALUC found the rezoning and general plan amendment would be inconsistent with the CLUP Noise Policy N-4 and Table 4-1 because a portion of the site would permit residential outdoor patios or outdoor activity areas within the CLUP’s 65 A-weighted decibels (dBA) Community Noise Equivalent Level (CNEL) noise contour. The ALUC found the proposed rezoning and general plan amendment were also inconsistent with the CLUP H-1 height policy, as the project may propose building heights that exceed FAR Part 77 Surfaces. The CLUP height policy references FAR Part 77 Surfaces to determine compatible land uses in the Airport Influence Area.

On February 19, 2021, the City notified the ALUC and the Caltrans Division of Aeronautics of the City’s intention to overrule the determination by the ALUC with a two-thirds vote of the City Council, providing a draft City resolution making specific findings that the proposed action is consistent with the purposes set forth in Section 21670 of the California Public Utilities Code (Section 21670). The City received Caltrans comments on March 23, 2021 and ALUC comments on April 15, 2021. The Planning Commission Staff Report and Draft Resolution includes the required findings for overruling of the Determination of Inconsistency by the ALUC. The action by the City Council requires a two-thirds majority vote of the quorum to overrule ALUC’s inconsistent determination.

Historic Landmarks Commission

The project proposed modifications to the boundaries of the San José Water Works City Landmark from a 0.96- gross acre site to a 0.31-gross acre site (File No. HL20-005) and the Southern Pacific Depot City Landmark HL94-100 from a 12.5-gross acre site to an 11.54-gross acre site (File No. HL20-004). Additionally, the project includes amending an existing Historic Preservation Permit for the San José Water Works City Landmark. Therefore, pursuant to the City’s Historic Preservation Ordinance, the project was referred to the Historic Landmarks Commission (HLC) for a recommendation on revisions to the landmark boundaries and amendments to the existing Historic Preservation Permit. On March 17, 2021, the HLC conducted a public hearing, heard public comments, and by a vote of 4-0-2 (Commissioners Arnold and Royer absent) recommended that City Council adopt a resolution to approve the Historic Preservation Permit Amendment to revise the terms of the permit to be consistent with the Downtown West Mixed-Use Plan, and approve the modifications to both historic landmark boundaries.

Parks and Recreation Commission

On November 4, 2020, the Parks and Recreation Commission (PRC) heard an informational presentation on the Downtown West Design Standards and Guidelines and open space plan. On March 8, 2021, PRC heard the project again and took action to “Recommend that City Council approve the open space concept of the Downtown West Design Standards and Guidelines”. The motion passed 5-2-1 (Vega and Snider opposed and Adas absent).

Planning Commission

On April 28, 2020, the Planning Commission conducted a public hearing to consider and make recommendations to the City Council on the adequacy of the Downtown West Mixed-Use Plan EIR and associated approvals and permits, pursuant to CEQA. This memorandum summarizes the Planning Commission Public Hearing on the Downtown West Plan.

Staff Presentation

Rosalynn Hughley, Deputy City Manager, provided an introduction to the project and summary of the City’s objectives and goals for the Diridon station area, driven by community input. Lori Severino, Diridon Program Manager, summarized the significant amount of effort that went into community engagement and incorporating feedback from the community members and various stakeholders since early 2018. Staff provided an outline of the various project applications and permits and an overview of the proposed development program and land use plan.

Staff provided a summary of the purpose of the Environmental Impact Report (EIR), the public circulation period and response to comments on the Draft EIR (DEIR), minor changes made to the Project since public circulation of the DEIR to reduce environmental impacts, significant and unavoidable impacts requiring a Statement of Overriding Considerations, significant impacts reduced to less-than-significant with mitigation, and alternatives to the proposed Project evaluated in the DEIR.

Nanci Klein, Director of Economic Development, provided an overview of the proposed Development Agreement, including a set of equity-focused Community Benefits. The presentation highlighted the various benefits to the public resulting from the project’s investments in community priorities: affordable housing, community stabilization (anti-displacement), economic opportunity, parks/open space, transportation, and environment. The presentation also described the Community Advisory Committee for the Community Stabilization and Opportunity Fund, as described in Exhibit H of the Draft Development Agreement, and key business terms of the Development Agreement (e.g., legally binding and enforceable for 30 years).

Staff provided an overview of the District System and infrastructure improvements proposed by the Project sponsor. The Project proposes construction of an underground utility corridor (“Utilidor”) for private utilities within the public right-of-way at various locations. The Project also proposes improvements to the West San Fernando Street bridge, Los Gatos Creek, sanitary sewer and storm upgrades, as well as other transportation improvements.

Staff provided an overview of the Transportation and Parking elements of the Project. Overall, the Project emphasizes places for people, including ample sidewalks and protected bikeways with planted buffers. It also includes mobility hubs with access to improved public transit, shared streets for all modes and shared parking. Staff also outlined how the City has been coordinating

with Sharks Sports and Entertainment (SSE) and would meet the terms of the existing Arena Management Agreement (AMA) between SSE and the City.

Staff provided an overview of the parks and open space plan and discussed the Parkland Agreement and its integration into the overarching Development Agreement. Additionally, staff presented Project's parkland obligation, lands to be City-owned, and the project-sponsored open space.

Regarding the Project's housing approach, staff shared the goal of providing 25% of all housing in the DSAP affordable to a range of incomes from moderate to extremely-low incomes. The strategy includes production, preservation and prevention actions that will provide stability for existing residents and create new affordable housing for others. The Project meets the Inclusionary Housing and Commercial Linkage Fee requirements through building moderate income units onsite, dedication of three affordable housing sites, and payment of commercial linkage fees. Community benefits include a fourth site for affordable housing development.

Staff also provided three clarifications in the staff report (see updated Staff Report Attachment A); staff provided some updated language referencing the staff report attachment and clarified the calculations for the overall project improvements and parks and open improvement dollar amount.

During the presentation, Commissioner Oliverio asked if residential portions could proceed ahead of commercial development if the Project were approved and how much of the site was being converted to residential use. Staff clarified that approximately 18 acres of previously non-residential designation would now have a Downtown land use designation under the General Plan, which could allow residential uses to be developed. However, the Downtown designation is not solely a residential designation; it also permits commercial and office uses. Additionally, the project would be intensifying the amount of residential and commercial allowed with the new General Plan and Planned Development Zoning District land uses.

Commissioner Oliverio and Chair Caballero asked about the Arena Management Agreement (AMA) parking and value of the street improvements. Staff expanded on the efficiency of shared parking with several scenarios in considered for district parking and staff stated as part of billion dollar of improvements by the project, that includes approximately five miles of street upgrades, which would be a significant investment. Commissioner Oliverio asked about the timeline for delivery of City-owned parks and associated triggers. Staff clarified that the delivery schedule and triggers are outlined in Exhibit E3.1 of the Parkland Agreement. Staff added that the delivery of City-owned parks in association with the Project is linked to the development of either residential and/or commercial buildings within certain areas of the Project site, depending upon the dedication in question.

The entire staff PowerPoint presentation to the Planning Commission is attached to this memorandum (Attachment B).

Public Hearing

Alexa Arena and Laura Crescimano led the applicant's PowerPoint presentation on the Project (included in Attachment C). Ms. Arena shared the timeline of engagement with the City and the community at large and described how the engagement process led to the project framework. Ms. Arena provided a summary of the Project scope for office, residential (including affordable units),

parks and open space, riparian habitat, and sustainability. She explained that the Project supports the City's General Plan goals and creates a central social district connecting the different uses. Further, she shared that "Google is here for the long haul" as a community partner to help build upon San José's identity and to implement the vision for this part of Downtown. The Project includes amenities that nearby neighborhoods can enjoy, supporting the principles of a "15-minute city." The project includes significant community benefits, including up to \$154.8 million for equity-driven programs through the community stabilization and opportunity pathways fund.

Laura Crescimano of SITELAB urban studio provided an overview of the Project design approach. The Project is unique as it may include up to 30 or more buildings, more than three miles of street improvements, and ten different types of parks. Given the scale of the Project, it may take more than ten years for build out. Instead of including just one design, the Project through its Development Standards and Design Standards and Guidelines creates opportunities for buildings to be dynamic and contextual for each site. The design is meant to prioritize the pedestrian experience, connect to the ecology of the area, and create active public areas with diverse design and experiences. The project uses both detailed design requirements with measures that allow it to be context-sensitive and adaptable to the evolving conditions and needs of the site. As such, the Project needed to consider the site's architectural and historic resources. To demonstrate how the various standards and guidelines create the general buildable envelope, Ms. Crescimano provided a conceptual example using the block north of the Lakehouse Historic District and showed some examples of various designs that could fit within that envelope.

Lastly, Ms. Arena summarized that the Project is meant to be a place for learning, part of the Downtown gateway, and increase access to the natural ecology. The Project aims to celebrate San José's diversity and history and bring activation to the area, all while being carbon-neutral. The presentation concluded with the overall value in public benefits that the Project provides.

Public Comments

A total of 45 members of the public provided comments on the Project, with 41 people primarily expressing support and four people expressing concerns or opposition. The following provides a summary of expressions of support:

- A transformative project, creating a vibrant urban center near Diridon Station and SAP Center; a model for the rest of Downtown
- Project would make San José a destination
- Project takes the right steps in densifying the area
- The inclusion of housing and significant affordable housing
- Appreciation of the effort to address displacement
- Development will help homelessness in the community
- A pedestrian focus design and 15-minute City design approach
- Successful outreach approach by the City and Google; community input incorporated as part of the Project and Development Agreement; appreciation for Google's

responsiveness to multiple community organizations; Project should be the standard for outreach for other development proposals

- Significant support from the community organization and various groups
- Process facilitated community empowerment
- Appreciation of the Community Stabilization Opportunity Pathways Fund and other benefits
- Desire to not overpark the site; focus on other modes to access the SAP Center; embrace the change from the City's car-centric history
- Additional parking is not necessary; Project could reduce amount of parking
- Prioritize public transit
- Support for bicycle infrastructure
- Support for the ecological consideration of the project in its design elements; Project is a strong example of climate leadership
- Desire to embrace the new residents and workers coming to the area
- Project has incorporated additional historic preservation measures since the original proposal
- Support of the additional availability of park space
- Good opportunity for union jobs in the hospitality industry

The following is a summary of comments expressing concerns and opposition to the project:

- A better use of the land would be for food production
- Project should have no car-supporting infrastructure
- Insufficient water and electrical infrastructure
- Concern about the pollution and impact of construction.
- People will not take public transit to the site
- Concern about the lack of parking, given other development proposals in the area under-parked
- Land sold to Google should have been provided to a community land trust
- Insufficient analysis of impacts to natural resources (i.e., anthropocentric analysis)
- Sixty (60) decibel threshold for noise impacts is unenforceable without noise monitoring network
- Affordable housing is separated from market-rate housing

Planning Commission Discussion

Commissioner Torrens moved to recommend approval of staff's recommendation and the motion was seconded by Commissioner Oliverio.

Commissioner Torrens shared she was impressed by how the Project was received by public commenters compared to when the Project was initiated in 2018; she indicated that the applicant has done much to gain community support. She shared her gratification with Google's long-term approach and investment in San José.

Commissioner Oliverio stated there is no guarantee that Google will build all the commercial and office development and that it may take 20 or 30 years for full buildout; he referenced that it took Santana Row significant time to be fully constructed. He stated the Project was a great opportunity for the City and that not all project applicants can enter into development agreements; it is up to the City Council to pursue and require them.

Chair Caballero complimented the staff and applicant for their hard work and was excited to see hundreds of people at one of the community outreach events. She shared her excitement for the Project and acknowledged that no project or development is ever perfect. She expressed that the Project was a great opportunity for better parks, transportation, and streets and to make Downtown vibrant. Lastly, she shared she was glad to see the 25% affordable housing and sustainability of the Project.

The Planning Commission voted 5-0-2 (Bonilla absent and Lardinois abstained) to recommend that the City Council approve and adopt all project actions.

ANALYSIS

Analysis of the proposed project, including conformance with the General Plan, and City Council policies, is contained in the attached staff report.

Letters Received

Staff received several letters/emails from organizations and individuals supporting the project, including from the following organizations:

- Diridon Area Neighborhood Group (DANG)
- Preservation Action Council of San José (PAC*sj)
- Sierra Club Loma Prieta Chapter
- Santa Clara Valley Chapter of California Native Plant Society
- Santa Clara Valley Audubon Society
- Committee for Green Foothills
- Silicon Valley Leadership Group (SVGL)
- Silicon Valley Rising (SVR)
- Housing Action Coalition (HAC)
- San José Downtown Association (SJDA)
- Silicon Valley Bicycle Coalition (SVBC)
- Silicon Valley at Home (SV@Home)

- Santa Clara Valley Transportation Authority (VTA)

Additionally, staff received many letters/emails expressing concerns about the project and/or opposition to the project. After posting the Planning Commission staff report, the City received approximately 600 letters/emails from Sharks fans requesting denial or changes to the Project related to parking, circulation, and construction impacts. On the afternoon of the April 28, 2021 Planning Commission hearing, Silicon Valley Law Group, representing Sharks Sports & Entertainment LLC, submitted a letter in response to the First Amendment to the Draft Environmental Impact Report (DEIR). The City's response to this letter is included in Attachment D.

CONCLUSION

The Planning Commission voted 5-0-2 (Bonilla absent and Lardinois abstained) to recommend that the City Council to approve and adopt all the above listed action.

EVALUATION AND FOLLOW-UP

Should the City Council certify the EIR and adopt the associated Statement of Overriding Considerations and MMRP and approve all applications listed above, the applicant will be able to move forward with the conformance review and development of the project, which includes:

- A maximum of 7.3 million gross square feet (gsf) of commercial office space
- A maximum of 5,900 residential units
- A maximum of 500,000 gsf of active uses (commercial retail/restaurant, arts, cultural, live entertainment, community spaces, institutional, childcare and education, maker spaces, non-profit, and small-format office space)
- A maximum of 300 hotel rooms
- A maximum of 800 limited-term corporate accommodations
- A maximum of 100,000 gsf of event and conference space
- A maximum of 4,800 publicly accessible commercial parking spaces and a maximum of 2,360 unbundled parking spaces for residential use
- A "District Systems" approach to delivery of on-site resources, including designated infrastructure zones with up to two (2) on-site centralized utility plants totaling up to 130,000 gsf
- One or more on-site logistics centers to serve the commercial on-site uses that would occupy a total of approximately 100,000 gsf
- A total of approximately 15 acres of parks, plazas and open space, including 4.8 acres of

turnkey public park and 10.2 acres of privately own publicly accessible open space that will include areas for outdoor seating and commercial activity (such as retail, cafes, and restaurants), green spaces, landscaping, mid-block passages, riparian setbacks, and trails.

- Various other improvements to the public realm to improve transit access and pedestrian and bicycle circulation and facilitate connectivity, both within the site and to and from surrounding neighborhood

CLIMATE SMART SAN JOSÉ

The recommendation in this memorandum aligns with one or more Climate Smart San José energy, water, or mobility goals. The Project would increase the development intensity of the site and would implement design features for a high-performing, energy-efficient development. The Project is a transit-oriented development (TOD) which facilitates job creation within City limits, and due to its accessible location and required transportation demand management (TDM) measures, facilitates mobility choices other than single-occupancy, gas-powered vehicles.

PUBLIC OUTREACH

Staff followed Council Policy 6-30: Public Outreach Policy to inform the public of the proposed project. Staff distributed a notice of the public hearing to the property owners and tenants of all properties located within 1,000 feet of the project site and posted on the City website. The staff report is also posted on the City's website.

Overview: Given the size of the project, the outreach has been extensive and involved both City and applicant-sponsored outreach and coordination. The community engagement process began in early 2018, when the City established the Diridon Station Area Advisory Group (SAAG) to advise the City on issues affecting the Diridon Station Area, including the Google development project. Since then, staff has conducted five rounds of outreach and engagement, with each round including a variety of methods. Google began their own outreach in 2018 as well.

2018: The first major milestone in the public process was the Diridon Station Area Civic Engagement Report (October 2018), which outlined a set of Desired Outcomes for the Diridon Station Area and Google project across six topic areas. It documented SAAG discussions and input from the general public conducted between February and October 2018. The MOU with Google was based on the input gathered through the 2018 process and was the foundation for the City's review of the proposed project, as it included a shared vision and goals.

2019-2020: Staff completed additional public outreach and community engagement before and after Google submitted its development application in October 2019. The main objectives of this outreach were to increase understanding of the planning and development review processes and secure feedback on initial and draft concepts under consideration. This occurred over several rounds of Diridon Station Area outreach and engagement. In 2019, Google expanded its outreach and engagement efforts to understand community priorities and concerns, ultimately holding over 100 meetings and having conversations with thousands of local residents. This input informed the design and programmatic aspects of their application.

In fall 2019, the City hosted a Downtown West Community Meeting and other events to solicit feedback on the initial application. In addition to project-focused outreach efforts in 2019, the City hosted a Scoping Meeting to identify the range of actions, alternatives, mitigation measures, and significant effects to be analyzed in depth in the DEIR. In Spring 2020, the City conducted an online survey on draft concepts for the DSAP Amendment and trade-offs related to Community Benefits to inform the Downtown West project review and Development Agreement processes.

2020-2021: In Fall 2020, staff held or participated in more than 20 meetings about the Downtown West project and the related efforts, including six hosted by the City's community partners and formally noticed second community meeting on October 19, 2020. This Phase was focused on collecting feedback on the draft plans made available in October 2020, including the Draft Downtown West Design Standards and Guidelines and updated application documents.

In 2021, the City has continued with focused outreach and engagement to prepare for the public hearing processes. During the 2020-21 timeframe, Google also continued holding its own design workshops (pre-COVID) and has continued hosting virtual engagements and sharing informational videos (post-COVID).

Draft Development Agreement (April-May 2021): In April, the City held SAAG and Community meetings and offered an online comment form to collect feedback on the staff-recommended Draft Development Agreement, released April 6, 2021, along with an [Informational Memo](#). Feedback on the Draft Development Agreement received at these two meetings and through 13 online comment forms have been largely positive. SAAG and community members commended the City and Google for its public outreach and for being responsive to community input in developing the Community Benefits and affordable housing approach. Several SAAG members suggested the project should serve as a model for other agreements and developments. There was notable praise for the structure of the "Community Stabilization and Opportunity Fund," which empowers community members to allocate Fund dollars. There were also several questions about the intended oversight and selection process for the Fund's Community Advisory Committee. Several community members expressed desire to avoid political influence and maximize transparency in the Committee selection process and in the administration of the Fund.

As part of outreach on the Development Agreement, staff requested specific input on how the City should allocate the \$7.5 million that would be paid by Google within 120 days after Final Approval (i.e., the latter of Council approval or resolution of project-related litigation) for "job readiness and community stabilization". The top suggestions included: tenant education, community land trust, legal services for tenants facing eviction, affordable housing for the currently unhoused, rent stabilization, and job training.

In addition to this feedback, topics with at least two comments include concerns or suggestions related to: transportation/parking (concerns about impacts), affordable housing (concentration and locations), climate change (want more attention to it), parks/open space (amount, access, maintenance), and equity (such as wanting employee benefits provided to contracted employees). There is general desire for continued outreach and inclusive engagement to keep community members informed and involved.

The April meeting summaries and comments received to date on the Draft Development Agreement are available at: www.diridonsj.org/downtownwestda.

Broad Outreach and Engagement Efforts: A consistent goal of the City’s engagement process for the Diridon Station Area has been to hear from the full range of the San José community. The City completed grant agreements with seven community-based organizations to help reach and involve underrepresented populations in the engagement process. These community partners are African American Community Services Agency, Catalyze SV, Friends of Caltrain, Latino Business Foundation, San Jose Jazz, SOMOS Mayfair, and Trinity Episcopal Cathedral.

The COVID-19 pandemic in March 2020 curtailed in-person outreach. Staff adjusted to continue outreach and engagement using online methods — enhancing diridonsj.org, creating videos, implementing online surveys, and hosting virtual meetings.

Summary: Since the beginning of the coordinated Diridon Station Area engagement process in February 2018, the City has hosted 19 SAAG meetings, 14 SAAG small group discussions, 30+ community meetings and partner events, three online surveys (2,260 responses), nine pop-ups at community events, and five virtual office hours. There have been 93,000+ web page views and 36,000+ visitors on diridonsj.org.

Collectively, the initial and ongoing community input over the last three years has helped shape the overall vision, shared goals, and top priorities for the Downtown West project and its community benefits. The SAAG in particular has been instrumental in representing a variety of needs and interests — including the many San José residents struggling with the high cost of living who need more affordable housing options, protections from displacement, and educational, job training, and employment opportunities. The City is grateful for the thoughtful civic contributions of these individuals and organizations. The City also recognizes the significant outreach and engagement effort that Google has led and their responsiveness to incorporating community feedback into the Downtown West project.

Staff’s contact information has been available on the community meeting notices and on the project webpage. The staff report is posted on the City’s website. Staff has been available to respond to questions from the public.

COORDINATION

Preparation of this memorandum has been coordinated with the City Attorney’s Office, Office of Economic Development, Department of Transportation, Department of Public Works, Department of Parks, Recreation and Neighborhood Services, Housing Department.

CEQA

The City of San José, as the lead agency for the proposed project, prepared a Draft Environmental Impact Report (DEIR). The DEIR was circulated for public review and comment from October 7, 2020 to December 8, 2020, including a 15-day extension in response to requests from the public.

The total duration of the public review period was 62 days. The City published the First Amendment to the DEIR on April 16, 2021, which includes responses to public comments submitted during the public circulation period along with revisions to the text of the DEIR made in response to comments, as necessary. The First Amendment together with the DEIR constitute the Final Environmental Impact Report (FEIR) for the proposed project. The DEIR, First Amendment, comments received during public circulation, and supporting technical reports can be found at <https://www.sanjoseca.gov/your-government/departments-directory/planning-building-code-enforcement/planning-division/environmental-planning/environmental-review/active-eirs/downtown-west-mixed-use-plan>.

Prior to the April 28, 2021 Planning Commission hearing, Silicon Valley Law Group, representing Sharks Sports & Entertainment LLC, submitted a letter in response to the First Amendment to the DEIR. The City's response to this letter is included as an attachment to this memorandum (Attachment E).

The public comments received during DEIR circulation, comments received leading up to the Planning Commission hearing, and testimony during the hearing, do not identify inadequacies in the DEIR or present new previously unidentified significant impacts that require recirculation of the EIR. The recirculation of a DEIR is required when significant new information is added to the DEIR after public notice is given of the availability of the DEIR for public review but before certification. "Information" can include changes in the project or environmental setting as well as additional data or other information. New information added to a DEIR is not "significant" unless the DEIR is changed in a way that deprives the public of meaningful opportunity to comment on a substantial adverse environmental effect of the project or a feasible way to mitigate or avoid such an effect (CEQA Guidelines Section 15088.5).

/s/

CHU CHANG, Secretary
Planning Commission

For questions, please contact Robert Manford, Deputy Director, at robert.manford@sanjoseca.gov.

Attachments

- Attachment A: [Updated Planning Commission Staff Report and associated attachments to resolutions, ordinances, and exhibits.](#)
- Attachment B: [Staff Presentation at Planning Commission](#)
- Attachment C: [Applicant Presentation at Planning Commission](#)
- Attachment D: [City Responses to EIR Letter from Silicon Valley Law Group representing Sharks Sports & Entertainment, dated April 28, 2021](#)