From: Keyon, David

To: <u>Downtown West Project</u>

Subject: Fw: Employment Generation Factor -Update/NEw Information

Date: Wednesday, August 26, 2020 10:21:45 AM

David Keyon

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From: Manford, Robert < Robert. Manford@sanjoseca.gov>

Sent: Monday, April 6, 2020 10:30 AM

To: Hughey, Rosalynn <Rosalynn.Hughey@sanjoseca.gov>

Cc: Keyon, David <david.keyon@sanjoseca.gov>

Subject: Fw: Employment Generation Factor -Update/NEw Information

Hi Rosalynn:

Since sending you this email, I have had the opportunity to review the revised sections of the ADEIR (3rd draft). I can confirm that ESA has done a better job explaining the rationale for using 250 sf per employee and a good faith effort of disclosing the impacts, based on the type of offices the applicant intends to build. They based their analysis on the same economic study done for the City in 2016. Hopefully, this will put the matter of employment generation factor to rest, as the requirement for full disclosure has been addressed this time around in the FIR.

Should this matter come up again, I will explain why the CEQA requirement has been met in the EIR, and so not necessary to worry about.

We now just have to wait for Jared's revised numbers to ensure consistency across the board between DTW and DSAP/Downtown Strategy.

I hope this helps?

From: Manford, Robert

Sent: Friday, April 3, 2020 5:25 PM

To: Hughey, Rosalynn < Rosalynn. Hughey@sanjoseca.gov>

Subject: Employment Generation Factor

Hi Rosalynn:

I did some research after our discussions yesterday and this morning. Here is the interesting findings:

A 2016 market study "San Jose Market Overview Employment Lands Analysis" prepared for the City by Strategic Economic indicated that, a typical office space in San Jose shows a ratio of one employee per 300 square feet but creative office could be one employee per 175 square feet of office space.

Specifically page 72 under Demand for Employment Land states:

Employment densities (gross building square feet per employee). Figure V-9 shows the average amount of building space allocated per worker, by land use. For example, traditional office is assumed to provide 300 gross square feet per workers, while creative office allocates 175 gross square feet per worker. 2. Employment densities (gross building square feet per employee). Figure V-9 shows the average amount of building space allocated per worker, by land use. For example, traditional office is assumed to provide 300 gross square feet per workers, while creative office allocates 175 gross square feet per worker.

For purposes of planning, 300 square feet per employee (i.e., traditional office) is for program/plan level analysis based on General Plan. Project specific analysis related to transportation impacts (and by extension, air quality and utilities, etc) is based on the characteristics of an individual project.

Creative office (also referred to as High Tech Office) spaces are built with more open floor plans and fewer private offices. They turn to have more flexible layouts with moveable walls that can be expanded or contracted, rooms that can serve as team meeting areas and or lounges, and are more adaptable to generation Z and millennials as the modern workfore has transitioned from static to mobile. A distinctive feature of creative workspace is their focus on wellness. (e.g., ready access to natural light, combination of indoor/outdoor work tables, roof decks, grass lawns, etc).

While Google utilizes 250 square feet per employee, it is unclear whether they utilize creative office spaces or traditional office spaces (well they are a tech company). That would have to be clarified. Use of 175 square feet per employment will actually show more employment for the Google project than the 250 per employment being used. An appropriate generation factor will be based on the unique characteristics of their project, to the extent that it is justified and reasonable. The question then remains - Is Google trying to under represent the their exact employment numbers by not using 175 square feet per employee? Cityview Plaza used 175.

With regards to the 2nd question regarding the shift of employment, I will have to wait for Jared's revised numbers based on this morning's discussion, then I will delve into that in detail and revert.

I hope this helps?