

**From:** [Phan, Johnny](#)  
**To:** [Downtown West Project](#)  
**Subject:** FW: Google - DW - DA Exhibits  
**Date:** Tuesday, April 6, 2021 2:35:34 PM  
**Attachments:** [Google - DW - Exhibit C1 Public Benefits Matrix to Development Agreement 2.16.21-c.pdf](#)  
[Google - DW - Exhibit C2 Community Benefits Schedule to Development Agreement 2.16.21-c.docx](#)  
[REDLINE Google - DW - Exhibit H to Development Agreement 2.12.21 vs 2.16.21-c.pdf](#)

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**From:** Straka, Stephanie <SStraka@coblentzlaw.com>  
**Sent:** Tuesday, February 16, 2021 7:38 PM  
**To:** Phan, Johnny <Johnny.Phan@sanjoseca.gov>  
**Cc:** Miller, Gregg <gmiller@coblentzlaw.com>  
**Subject:** Google - DW - DA Exhibits

[External Email]

Johnny,

Please see the following attached documents:

- Exhibit C1 Public Benefits Matrix
- Exhibit C2 Community Benefits Schedule
- Redline showing a few revisions/clarifications to Exhibit H that we sent on 2.12.

The documents remain subject to Google review and comment.

Thanks.

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## **Exhibit C1**

### **Public Benefits Matrix**

	<b>Public Benefits <sup>1</sup></b>		
	<b>Baseline City Requirements &amp; Mitigations</b>	<b>Community Benefits <i>\$200M</i></b>	<b>Project Features</b>
<b>Affordable Housing <sup>2</sup></b>	<p style="text-align: center;"><b>20% Affordable</b></p> <p>This Baseline requirement, when combined with the additional housing provided as a Community Benefit, furthers the DSAP's goal of 25% affordable housing (of 4,000 total units), and also provides affordable housing within ¼ mile of transit, retail and services, and open space.</p> <p>As more particularly described in <u>Exhibit D</u>, provided through inclusionary units, land dedication, and in-lieu fees:</p> <ul style="list-style-type: none"> <li>770 on-site affordable units including: <ul style="list-style-type: none"> <li>170 units (5% of 3,400 units per IHO code) of Inclusionary Housing at 100% AMI within Market-rate buildings plus 30 units of Inclusionary Housing at 100% AMI identified as Community Benefit for a total of 200 units (5% of 4,000 units); and</li> <li>Two land sites dedicated to the City that can accommodate at least 600 units (15% of 4,000 units)</li> </ul> </li> <li>For the first 3,400 units, \$18.70/rsf in-lieu fee of \$40.5M, credited against value of land dedication at \$39.7M for ~2.16 acres accommodating at least 600 units at various AMI to be decided by the City. <b>Remaining fee of \$773,000 is prepaid 120 days after Final Approval</b></li> <li>For the 3,401st units and beyond, developer shall pay IHO Fees of (i) \$18.70/rsf and 5% of units as moderate income, or (ii) \$43.00/rsf to which developer is not including at least 5% of the units as moderate income</li> <li>Commercial linkage fee of \$12/gsf on office paid at Certificate of Occupancy, with Good Faith Efforts by City to direct fee for use on affordable housing sites within the DSAP, in furtherance of the 25% DSAP-wide goal</li> </ul>	<p style="text-align: center;"><b>Additional Affordable</b></p> <p>Provided through inclusionary units and monetary contributions</p> <ul style="list-style-type: none"> <li>Additional 30 units of on-site Inclusionary Housing at 100% AMI within Market-rate buildings as described in <u>Exhibit D</u>, furthering the shared goal of creating a mixed-income community with affordable housing integrated within the Plan Area</li> <li>Project will forego Downtown Residential High-Rise Inclusionary Housing Ordinance In-Lieu Fee Reduction available through June 30, 2025 (including step up period) and pay the fee as described under baseline city requirements</li> </ul> <p style="text-align: center;"><b>Other Program Benefits</b></p> <ul style="list-style-type: none"> <li>A multi-year, multi-million dollar citywide displacement &amp; stabilization effort addressed through Community Stabilization and Opportunity Pathways Fund</li> <li>Autumn Street Parcels land donation of three contiguous parcels (approximately 0.8 acres) in the DSAP to City 6 months after Final Approval (\$8.4M value). The City's is considering rezoning of these parcels to allow for residential development as part of its DSAP update, and thereafter the City could elect to develop the sites with affordable housing, increasing the amount of affordable housing in the DSAP in furtherance of the 25% DSAP-wide goal.</li> </ul>	<p style="text-align: center;"><b>More housing, near transit and jobs</b></p> <p>Land previously designated primarily for commercial use; Google voluntarily redesignated approximately half the site from office to residential and other non-office uses, making way for a mixed-use, mixed income community. At 4,000 units, Project increases residential capacity six times over the existing DSAP capacity in the Plan Area</p>
<b>Community Benefits Fund</b>		<p><b>\$154,773,000 million towards Community Stabilization and Opportunity Pathways Fund</b></p> <p>As more particularly described in <u>Exhibit H</u>:</p>	Google will collaborate with the fund, sharing job opportunities, discussing career pathways and generally

		<ul style="list-style-type: none"> <li>Commit \$154,773,000 towards a multi-year Community Stabilization and Opportunity Pathways Fund to be paid on a \$21.20/sf basis per office building, paid at Certificate of Occupancy. Fund focus areas will include: affordable housing preservation, homelessness displacement and prevention, homeless services, housing innovation research, small business stabilization, early childhood education, career exploration, college / post secondary scholarships, adult upskilling and small business and entrepreneurship, with an emphasis in all focus area on underserved students, families and adults</li> </ul>	working in a public-private partnership to further our collective goals
Community Benefits Prepayment		<p><b>Prepayment of \$6,727,000 million towards immediate needs in the community for job readiness and stabilization</b></p> <ul style="list-style-type: none"> <li>To be paid 120 days after Final Approval (\$0.92/sf Office)</li> </ul>	
Local Hire, Workforce and Supplier Diversity for Construction and Operations			<p>As more particularly described in <u>Exhibit G</u>:</p> <ul style="list-style-type: none"> <li>30% local hire goal for all employment opportunities under the applicable construction contract for construction trade positions and entry-level positions related to providing support to the construction industry</li> <li>Pay prevailing wages covering all onsite construction workers within the Project</li> <li>Encourage vendors that provide building operations services to Google to notify local workforce agencies such as work2future when the vendor is hiring for positions that service such buildings</li> <li>Host career development workshop targeted at economically disadvantaged communities and underrepresented workers that will focus on topics such as resume writing, interviewing skills, and job search four (4) times per year</li> <li>\$300m commercial office building design and construction contracts with businesses that are qualify as a Local Business Enterprise (LBE), Disadvantaged Business Enterprise (DBE), Minority Business Enterprise (MBE), Woman Business Enterprise (WBE), LGBT Business Enterprise (LGBTBE), Disability Owned Business Enterprise (DOBE), and/or Service-Disabled/Veteran Owned Business (SD/VOB)</li> <li>Work with vendors that provide building operations services to hire contractors, subcontractors, suppliers, and/or consultants that</li> </ul>

			<p>qualify as a LBES, DBES, MBES, WBS, LGBTBS, DOBS, and/or SD/VOBS for ongoing service contracts (e.g. maintenance, janitorial, landscaping, security etc.) related to Google's commercial office buildings</p> <ul style="list-style-type: none"> <li>• Host informational session targeted to LBES, DBE, MBES, WBS, LGBTBS, DOBS, and/or SD/VOBS interested in providing goods and services to Google's commercial office buildings two (2) times per year</li> </ul>
Open Space	<ul style="list-style-type: none"> <li>• Dedicate and construct 4.8 AC of parks and trails, including 0.53 acres of Los Gatos Creek Trail as described in the Parkland Agreement</li> </ul>		<ul style="list-style-type: none"> <li>• Development of ~10.2 acres of Privately-Owned Open Space that will be publicly accessible via a public access agreement as described in the DA</li> <li>• ~7 acres of the 10.2 total acres shall be subject to a restrictive covenant maintaining its use as described in the DA</li> <li>• Free public programming throughout the year</li> <li>• Management and maintenance of 10.2 acres of Privately-Owned Open Spaces</li> <li>• Community rental of privately owned open space available at affordable rates</li> <li>• Publicly dedicated and privately owned parks in close proximity thereby allowing coordination and public private partnership opportunities</li> <li>• Connecting Los Gatos Creek Trail at the San Carlos under crossing through the project site to Arena Green, providing a key link in the current LGC trail system, as well as on-street bike facilities</li> </ul>
Transportation	<ul style="list-style-type: none"> <li>• \$30 million in transportation improvements to address the Local Transportation Analysis and Focused Local Transportation Analysis;</li> <li>• Multimodal, pedestrian/transit-first Complete Streets; and <ul style="list-style-type: none"> <li>○ Extend, repave, and restripe public streets along project frontage including along Auzerais Avenue, Royal Avenue, West San Carlos Street, Bird Avenue, Park Avenue, South Autumn Street, Cahill Street, West San Fernando Street, South Montgomery Street, West Post Street, West St. John Street, North Montgomery Street, and West Julian Street</li> </ul> </li> <li>• Transportation Demand Management Plan and Neighborhood Traffic and Parking Intrusion Monitoring Plan</li> </ul>		<ul style="list-style-type: none"> <li>• Enhanced right-of-way design to balance pedestrian, cyclists, and other non-vehicular modes of transportation with vehicular use <ul style="list-style-type: none"> <li>○ Provide protected bikeways and mature street trees along project frontage including Class IV bicycle facilities along Auzerais Avenue, Bird Avenue, Park Avenue, South Autumn Street, Cahill Street, West San Fernando Street, West St. John Street, North Montgomery Street, and West Julian Street</li> <li>○ Extend the public realm including extended active street realms, the use of dynamic lanes for furniture, landscaping, and other non-vehicular uses, as well as for SAP Center event ingress/egress</li> <li>○ Designation of shared streets that have traffic calming, low speeds, and</li> </ul> </li> </ul>

			<p>potential restrictions to auto travel along South Montgomery between West San Fernando Street and West Santa Clara Street</p> <ul style="list-style-type: none"> <li>○ Extend the pedestrian network to allow for enhanced circulation and access including midblock passageways and a footbridge crossing Los Gatos Creek</li> <li>○ Reconnect the street grid including the extension of Cahill between West Santa Clara Street and North Montgomery Street in the North and between San Fernando Street and Park Street in the south to provide continuous north-south connectivity.</li> </ul> <ul style="list-style-type: none"> <li>● Over 3.5 miles of new and improved bikeways, and over 1.5 miles of new walkways and trail extensions</li> <li>● At least 15% EV charging parking spaces and at least 10% for specialty parking which includes ADA, expectant mother, car share, and car pool use.</li> <li>● Trail and on-street connectors to the existing Los Gatos Creek Trail between San Carlos and Santa Clara <ul style="list-style-type: none"> <li>○ Construct the Los Gatos Creek Trail along the west side of the creek between Park Avenue at the City's proposed grade separation at San Carlos and the Caltrain tracks just north of San Fernando</li> <li>○ Construct a multi-use shared along the north side of the VTA light rail corridor between S Montgomery Street and San Fernando Street</li> <li>○ Construct the Los Gatos Creek Trail along the east side of the creek between Santa Clara Street and the VTA light rail bridge</li> </ul> </li> <li>● Up to 4,800 publicly accessible commercial parking spaces and up to ~2,360 unbundled parking spaces for residential use (as described in Exhibit K).</li> </ul>
Ecology	<p>Setbacks from riparian areas, bird-safe treatment, and more</p> <ul style="list-style-type: none"> <li>● Setbacks from riparian areas as described under the San Jose Riparian Corridor Policy Study, the San Jose Riparian Corridor Protection and Bird-Safe Design Policy (Policy 6-34, Section A), and the Santa Clara Valley Habitat Plan</li> <li>● Bird-safe treatment as required under the Downtown Design Guidelines, for visible glass within 300 feet of a riparian corridor</li> </ul>		<p><b>Unique ecological revitalization and enhancement in a downtown environment</b></p> <ul style="list-style-type: none"> <li>● 10x increase in site perviousness</li> <li>● Over 4 acres of expanded riparian habitat</li> <li>● 2,280 new trees to be planted</li> <li>● Expanded riparian tree canopy throughout site</li> <li>● Learning opportunities designed around the creek and wildlife habitat</li> </ul>

	<ul style="list-style-type: none"> <li>Multi-year vegetation monitoring program</li> </ul>		<ul style="list-style-type: none"> <li>Expansion upon downtown bird-safe treatment requirements near riparian corridors</li> <li>Los Gatos Creek rehabilitation and enhancement</li> </ul>
Sustainability	<ul style="list-style-type: none"> <li>All-electric project</li> <li>San Jose Green Building Regulations for Private Development</li> </ul>		<p><b>Environmental Leadership Project</b></p> <ul style="list-style-type: none"> <li>Building sustainability into the construction and operations with a focus on decarbonization.</li> <li>Net zero greenhouse gas emissions over construction and 30 years of operations through energy efficiency, onsite renewables, and carbon offsets</li> <li>Use of renewable energies in construction, and building operations, including 7.8 megawatts of on-site solar generation</li> <li>LEED Gold Offices, LEED ND Gold Project</li> </ul>
Infrastructure & District Systems	<ul style="list-style-type: none"> <li>\$889 million of project infrastructure costs to allow for development, Diridon Infrastructure Fee is not required and substituted by in-kind construction of infrastructure. In the event a new fee was passed, reimbursement would go towards district infrastructure projects constructed by Google</li> </ul>		<p><b>Enhanced infrastructure prioritizing sustainability and multimodal goals</b></p> <ul style="list-style-type: none"> <li>District systems offering increased environmental performance with the provision of sustainable thermal energy, electricity, waste and recycled water</li> <li>Enhanced right of way improvements</li> <li>Utility upgrades and relocation</li> <li>Undergrounded overhead power and communication lines</li> <li>San Fernando Bridge replacement to increase flow in Los Gatos Creek thus reducing flood risk and restoration of an aging asset</li> <li>Expedited phasing and funding of district infrastructure without the need for public financing</li> </ul>
Historic Preservation			<p><b>Bringing historic resources to life for a new generation</b></p> <ul style="list-style-type: none"> <li>Retention and reuse of the San Jose Water Company Building (374 W. Santa Clara Street) for community use</li> <li>Revitalization of Hellwig Iron Works (150 South Montgomery Street) with iconic design concept and a future arts and cultural use</li> <li>On-site relocation of the historical portion of the Kearny Pattern Works building (40 South Montgomery), including a hopper retained within or adjacent to the relocated Kearney structure</li> <li>On-site installation of the beloved Stephen's Meat ("dancing pig") sign within 100' of the existing location</li> <li>On-site relocation Julian Street bungalows (559, 563, and 567 W. Julian Street), a candidate city landmark grouping</li> </ul>

			<ul style="list-style-type: none"> <li>● On-site relocation of 35 S. Autumn Street, an eligible Structure of Merit, to the land parcel along the east side of Autumn Street that is directly south of the VTA light rail tracks</li> <li>● Retention and reuse of both entryway and arched opening portions of the front facade at the Sunlite Bakery Building (145 South Montgomery)</li> <li>● Contribution toward relocation for historic resources, including eligible Structures of Merit, if property owners elect to receive them</li> </ul>
Additional Community and Public Benefits		<ul style="list-style-type: none"> <li>● Additional Community Benefits Commitment of \$3.17/gsf office paid at Certificate of Occupancy</li> <li>● Contribution of \$18.70/nsf of Limited Term Corporate Accommodations paid at Certificate of Occupancy, which funds shall be used to fund affordable housing production in the DSAP</li> </ul>	<ul style="list-style-type: none"> <li>● Promote opportunities for Google employees to volunteer their time with, and to serve as mentors on behalf of community-based organizations that serve San José youth from underrepresented backgrounds</li> <li>● Provide career exploration and skills development opportunities, such as onsite field trips, career days, and computer science workshops to students who have an interest in technology and technology based careers</li> <li>● 500,000 of active uses including commercial retail/restaurant, arts, cultural, live entertainment, community spaces, institutional uses, childcare and education, maker spaces, non-profit spaces and small format space aimed at providing opportunity for local businesses, supporting service organizations and creating a regional draw</li> </ul>

1 Assumes 4,000 units of residential and 7.3M gsf of Office in the Project

2 Assumes adoption of new IHO for establishing baseline requirements

## **Exhibit C2**

### **Community Benefits Schedule**

<b>Community Benefits Items</b>		<b>Timing</b>
Community Stabilization and Opportunity Fund	\$21.20/gsf Office	Pay at COO of each office building, except for first office building
Community Benefits Prepayment for Job Readiness and Stabilization	\$0.92/gsf Office	Prepayment of Community Benefits Fee of \$6,727,000M (Pay 120 days after Final Approval)
Moderate Inclusionary Units	0.88% of Market Rate Units Representing 0.96/gsf Office	Provided pro-rata with the residential building base obligation of 5% of units at 100% AMI, through building permit application process with deed-restrictions. Subject to clustering, per Affordable Housing Plan Exhibit
Additional Community Benefit Commitment	\$3.17/gsf Office	Pay at COO of each office building.
Autumn Street Parcels (Contiguous parcels: 255 Autumn St., 260 & 240 N Montgomery St. San Jose, 95110)	In-kind (\$1.15/gsf Office)	Fee simple transfer to the City 6 months after Final Approvals
<b>Total Community Benefits</b> assuming 7.3M gsf of Office	<b>\$27.40/gsf</b> <b>\$200M</b>	

### **Other Items**

Limited Term Corporate Accommodations (“LTCA”)	\$18.70/nsf of LTCA units	Pay at COO of building that includes LTCA
Prepayment of IHO	\$773,000	Prepayment of IHO Fee of \$773,000 to fund affordable housing in the DSAP (Pay 120 days after Final Approval)



## **Exhibit H**

### **Community Stabilization and Opportunity Pathways Fund**

1. Establishment of Fund; Initial Funding. The City would establish a fund to provide financial support to community stabilization efforts and education/jobs training opportunities within the City (the "Fund"). Google would provide the initial funding and thereafter make regular contributions to the fund during the term of the Development Agreement. The City would also seek funds from other sources, such as other large businesses with a presence in the City. The City would establish the Fund prior to Google's first payment. [The City would secure the commitment (in addition to Google) of private, public, or philanthropic investor(s) to the Fund to contribute not less than \$\_\_\_\_\_ collectively on or before \_\_\_\_\_.]

2. Contributions by Google LLC. Google would make payments in the amount of ~~\$22.12~~\$21.20 per gross square foot of office development, ~~excluding any related or similar prepayment amounts identified in Exhibit C2~~ (subject to CPI escalation not to exceed three percent (3%) per year), with payment to be made at Certificate of Occupancy. The amount of the payment would be established at the time the building permit for construction of the office building is issued.

3. Allocation of Funds. The Fund would be established in such manner as to authorize the allocation of Fund monies to the following categories in the following percentages:

- a. Community Stabilization (\_\_\_% allocation of total funds)
  - i. Affordable Housing Preservation
  - ii. Housing innovation research
  - iii. Homelessness prevention
  - iv. Homelessness services
  - v. Small business stabilization
- b. Opportunity Pathways Fund (\_\_\_ % allocation of total funds)
  - i. Early childhood education
  - ii. Career Exploration
  - iii. College/post-secondary scholarships
  - iv. Adult upskilling
  - v. Small business and entrepreneurship

The Fund would provide for the review and adjustment every five (5) years of the percentage allocations following a financial and performance audit that evaluates how the recipients used the monies. Adjustments could be made within the categories but monies could not be directed to programs outside the categories or for other uses. In addition to making monetary contributions to the Fund, Google may explore with the City opportunities to work together in ways that are aligned with the Fund's objectives and Google's corporate social responsibility objectives.

4. Fund Administration. In addition to periodic reporting to the City and the [annual] financial and performance audits, the key aspects of the Fund's administration would be a third party fund manager and a community advisory board.

a. Third Party Fund Manager. A third party fund manager would manage the Fund. Through an RFP/RFQ process, the City would select a qualified third party fund manager with experience managing funds that are both similar in amount of money under management and purpose as the Fund. The City would complete the selection process prior to the date on which Google must make its first payment to the Fund..] The fund manager would receive compensation in the form of a market-rate fund management fee that would also cover its overhead costs (e.g., staff and administrative costs) related to its management duties.

b. Community Advisory Board. The Fund's charter would include the establishment of a community advisory board consisting of [nine (9)] members "Board"). The City Council would appoint a third of the members; the remaining members would be selected through a transparent process run by the third party Fund manager. A third of the members would be residents of the City of San Jose or have recent prior experience (such as working, teaching, running local non-profit organizations or as a former resident) within the City of San José ; and a third of members would have recent prior experience and subject matter expertise in the Fund's priority areas (e.g., affordable housing, education, workforce development). The purpose of the Board would be to make recommendations on (i) grantees/recipients of Fund monies and (ii) use of fund monies for costs related to community engagement and consultant and technical assistance, in all cases consistent with the purpose of the Fund and its funding priorities. The details regarding selection and replacement of Board members, the Board's governance and duties, and stipends, if any, for Board members and reimbursement of Board expenses would be consistent with similar citizen advisory boards or technical advisory committees in San José and other Bay Area Cities.