From: Wessling, Cheryl

To: Tu, John; Han, James; Borrelli, Juan; Carrillo, Oscar; Chima, Vicrim; Dahi, Maysoon; Do, Sylvia; Dwivedi, Shilpi; Garcia,

Marc; Ha, Xuan; Hart, Jared; Keyon, David; Mayne, Bill; Rood, Timothy; Tabaldo, Rita; Brilliot, Michael; Chang, Chu; de

Kay, Kenneth; Hughey, Rosalynn; Joiner, Lisa; Manford, Robert; Powell, Alexander; Roberts, Rachel

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

Subject: SVBJ article on Sharks issue with Google Project

Date: Monday, April 26, 2021 2:24:31 PM

FYI – Just sharing this article, mentioned this morning. No need to reply.

Silicon Valley Business Journal: https://www.bizjournals.com/sanjose/news/2021/04/26/sap-center-google-san-jose-parking.html

Sharks oppose Google's Downtown West plan days before major hearing

AP Center at San Jose hosted nearly 100 sporting events annually including more than 40 San Jose Sharks regular season

By <u>J. Jennings Moss</u> – Editor-in-Chief and General Manager, Silicon Valley Business Journal Apr 26, 2021 **Updated** an hour ago

As Google's Downtown West project gets ready to go before the San Jose City Council, the San Jose Sharks sent out an email Sunday that said it was opposing the proposal and would not consent to the sale of key parking lots to Google.

"We are still analyzing the project documents, but believe the City and Google are headed down a path that will be even more devastating for the future of the arena than we originally projected," the email, addressed to the "Friends of SAP Center" at San Jose said. "Therefore, notwithstanding SSE's (Sharks Sports & Entertainment) longstanding support for the City's development of the Diridon Station Area, SSE opposes the Google project as currently designed."

The issue that's causing the opposition is not new for SSE, the company that manages the San Jose Sharks professional hockey team as well as events held at the SAP Center. It's all about parking and access to the arena, which can accommodate more than 17,000 people. The largest venue in Silicon Valley is located right in the middle of Google's sprawling

plans for a mixed-use campus designed to bring around 7 million square feet of office space and thousands of residential units to the area.

In November, the Sharks sent out a similar email to its network. The message contained a warning that the NHL team may be forced to go elsewhere. Sharks president Jonathan Becher followed that email up with an interview with the Business Journal in which he said: "We were born here, we grew up here, we'd love to stay here and this is our preferred home. But if it's not a viable arena because people can't get in and they can't access it, then we're going to be forced to leave."

According to the email sent Sunday, SSE said it was not willing to consent to the sale of three parking lots to Google. A 2018 letter of intent between SSE and the city of San Jose laid out the terms for such a transfer "with the understanding that the City would protect access and parking for SAP Center as required by the Arena Management Agreement between the City and SSE."

SSE said it had worked "diligently" with Google and the city of San Jose to preserve parking and access to SAP Center during the multi-year construction process. "Unfortunately, to date we have not been able to come to an agreement with the City and Google about these important matters, and therefore at this time, SSE is not willing to consent to the sale of parking lots A, B & C to Google." the email said. The Business Journal reached out to San Jose Mayor Sam Liccardo's office as well as to Google for comment, but had not heard back by the time of publication.

The timing of the SSE email comes days before public hearings are scheduled before the San Jose Planning Commission, which is taking up the overall Google plan. The City Council is expected to take up the proposal May 25, nearly four years after the project was first formally proposed.

Read the SSE email in its entirety here:

Dear Friends of SAP Center at San Jose:

This email is part of our continuing effort to keep you up to date with information related to the massive Downtown West (Google) project and how it may impact the future viability of SAP Center at San Jose.

Thank you to everyone who spoke up and asked that San Jose City Hall and Google address the needs of the arena. The highest-ranked response to the City's public survey reflected the community's concern that the arena should be protected by maintaining adequate access and parking, and mitigating construction impacts.

Despite this strong feedback from the community, and despite continued requests by Sharks Sports & Entertainment (SSE) to modify the project in a way that would not jeopardize the future of SAP Center, none of our requested modifications have been incorporated into the project documents.

With the recent release of the development agreement between Google and the City of San Jose, Google's Downtown West project will now enter its final approval phase with public hearings scheduled for April 28 before the San Jose Planning Commission, and May 25 before City Council.

We are still analyzing the project documents, but believe the City and Google are headed down a path that will be even more devastating for the future of the arena than we originally projected. Therefore, notwithstanding SSE's longstanding support for the City's development of the Diridon Station Area, SSE opposes the Google project as currently designed.

In 2018, SSE and the City signed a letter of intent to work together on the City's development goals for the area, with the understanding that the City would protect access and parking for SAP Center as required by the Arena Management Agreement between the City and SSE. We also agreed to allow the City to grant Google an option to purchase SAPCenter's main parking lots A, B & C, subject to our future consent, with the understanding that SSE's rights under the Arena Management Agreement would not be diminished.

Over the past several years, we have worked diligently to provide the City and Google with numerous specific comments about how development in the Diridon area could succeed while preserving adequate access and parking for SAP Center and protecting our customers from construction impacts. Unfortunately, to date we have not been able to come to an agreement with the City and Google about these important matters, and therefore at this time, SSE is not willing to consent to the sale of parking lots A, B & C to Google.

This decision is based on the enormous impacts the project will have on the operation of SAP Center and its patrons.

For example:

- Google's environmental report acknowledges that the project will likely increase daily automobile trips to and from the Diridon area by at least seven times (from 19,200 to 136,600 daily trips). Yet, the proposed project would significantly reduce the capacity of the street network to accommodate automobiles. We believe this will lead to gridlock.
- The cumulative effect of multiple large construction projects (including Google, BART, Caltrain, and potentially, high-speed rail) will result in decades of construction surrounding SAP Center, with no cohesive plan to mitigate these direct impacts on arena guests.
- Through their development agreement, the City will give Google broad and guaranteed long-term development rights, eliminating the City's authority to fix or alleviate future, unexpected problems that may arise.

The following are some of the project revisions requested by SSE to protect the future of the arena:

- Respect all City commitments in the Arena Management Agreement, and remove parking lots A, B & C from the Downtown West project until Google and the City propose a comprehensive plan to protect the arena .
- Maintain current street lanes and capacity in the Diridon area to avoid traffic gridlock during ingress and egress for arena events and require Google to pay for all new traffic operation expenses that the Google project creates.
- Provide 4,800 shared parking spaces as a minimum (not maximum) requirement and build the long-promised parking facilities just north of the arena.
- Establish a construction impact management plan, with performance standards, in coordination with SSE to protect the arena and its patrons.
- Ensure the City retains the authority to properly protect arena operations as a condition of future permits for the buildout of the Google project or for events that draw large crowds to the Diridon area.

Given our years-long effort to work collaboratively with the City and Google toward a transformative renewal of the Diridon Station area, we are disappointed that we cannot support the Downtown West project as currently planned. However, the City should not allow this project to proceed at the cost of the arena's future or the success of the Sharks franchise in San Jose...

We still believe that the Downtown West project can co-exist with a successful, thriving arena, and we are committed to continuing discussions with Google and City

leaders to find reasonable solutions to protect SAP Center while also maximizing the development potential of the Diridon Station area.

Thank you for your support in helping protect the future of SAP Center.

nager

3, Building and Code Enforcement sling@sanjoseca.govnjose | www.sanjoseca.gov/pbce