From: <u>Jonathan Becher</u>

To: The Office of Mayor Sam Liccardo; Liccardo, Sam; District1; Jimenez, Sergio; Peralez, Raul; Davis, Dev; District4;

<u>District5</u>; <u>District7</u>; <u>District8</u>; <u>District9</u>; <u>District 10</u>; <u>david.sykes@sanjoseca.gov</u>

Cc: <u>City Clerk</u>

Subject: Sharks Sports & Entertainment - November 16th City Council Study Session on Diridon Station Area Plan &

Downtown West Project

Date: Monday, April 26, 2021 5:21:29 PM

[External Email]

Dear Mayor Liccardo and Councilmembers,

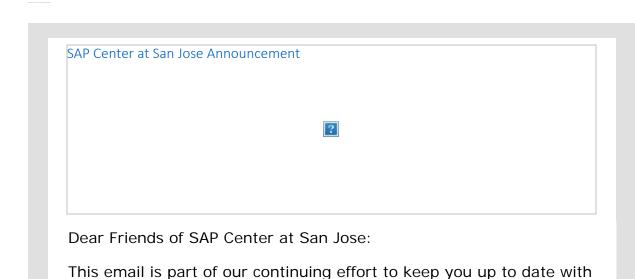
I am forwarding an email Sharks Sports & Entertainment (SSE) sent last night to thousands of our fans and patrons of SAP Center, many of whom previously expressed concern about the future of the arena amid the historic changes being planned for the Diridon Station area.

Given our years-long effort to work collaboratively with the City toward a transformative renewal of the Diridon Station area, we are disappointed that we cannot support the Downtown West project as currently planned. We still believe that the Downtown West project can co-exist with a successful, thriving arena. 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.

The email below contains five of the critical project revisions requested by SSE to protect the future of the arena. If you have an interest in discussing these concerns and how they can be reasonably addressed to properly protect SAP Center, I would be happy to meet with you.

Sincerely,

Jonathan Becher President, Sharks Sports & Entertainment



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 <u>development agreement between</u> <u>Google and the City of San Jose</u>, 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, <u>SSE and the City signed a letter of intent</u> 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 <u>SAP Center's main parking lots A, B & C</u>, 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.
- 2. 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.
- 3. Provide 4,800 shared parking spaces as a minimum (not maximum) requirement and build the long-promised parking facilities just north of the arena.
- 4. Establish a construction impact management plan, with performance standards, in coordination with SSE to protect the arena and its patrons.
- 5. 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.

The Downtown West project is scheduled for review by the City of San Jose's Planning Commission on Wed., April 28 at 6:30 p.m. To voice your concerns about the future of SAP Center and the Sharks with the Planning Commission, please click here no later than Noon on April 28.

You can also share your concerns with elected members of the San Jose City Council by clicking here.

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.

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