

From: Martin Delson

Sent: Sunday, December 1, 2019 7:56 PM

To: The Office of Mayor Sam Liccardo; District1 <district1@sanjoseca.gov>; District2 <District2@sanjoseca.gov>; District3 <district3@sanjoseca.gov>; District4 <District4@sanjoseca.gov>; District5 <District5@sanjoseca.gov>; District 6 <district6@sanjoseca.gov>; District7 <District7@sanjoseca.gov>; District8 <district8@sanjoseca.gov>; District9 <district9@sanjoseca.gov>; District 10 <District10@sanjoseca.gov>

Cc: City Clerk; Ristow, John; Eidlin, Eric; Bill Rankin; Martin Delson

Subject: Item 6.2 (DISC) - A change is needed to the staff recommendation

Subject: Item 6.2 - San José Diridon Station Integrated Concept Plan.
A change is needed to the staff recommendation

Dear Mayor Liccardo and Members of the City Council,

I am pleased that the very first sentence of the staff recommendations highlights a commitment *"to work to develop a design for the southern rail corridor that results in noise, vibration, and visual conditions that are no worse and ideally better than today, even with higher future train volumes."*

Certainly the neighborhoods immediately to the south of Diridon station are impacted now by the noise of train traffic, especially the late-night high-decibel train whistles at the crossings of Auzerais Ave. and W. Virginia St. And these neighborhoods will be very heavily impacted in numerous ways by the construction activities that certainly will extend for many months, if not years. So special attention to the conditions in the neighborhoods on the southern rail corridor is absolutely justified.

In this regard, in two places in the staff's recommendations (namely, on page 3 of the memorandum and on pages 5-6 of Addendum A), staff explicitly mentions five relevant factors:

- Grade separations keeping people and vehicles away from train traffic while maintaining good local connectivity and access;
- Sound and vibration dampening treatments for tracks;
- Aesthetic and functional treatments like sound walls with added landscaping ("green walls") or other attractive, maintainable coverings;
- Optimize design to minimize the need to demolish existing buildings and/or acquire land; and
- Fuller Park as a permanent, city-owned park with high-quality landscaping and other amenities to be determined through a community-based process.

These are indeed essential elements to compensate the neighborhoods on the southern rail corridor for the negative impacts of the construction and to preserve and enhance the quality of life in these neighborhoods.

However, the commitment in the staff recommendation to these factors is somewhat less than overwhelming.

On page 3 the text of the memorandum says

*Pages five and six of the attached joint Partner Agency memorandum include a number of tangible improvements that the Partner Agencies **will pursue** in the next phases of planning to the southern track approach into the station in close consultation with the affected communities*

And on pages 5-6 of Attachment A, the text reads:

*To this end, the Partner Agencies **recommend working on and evaluating** the following strategies, plans and associated measurements, in close consultation with the affected communities, in the next phases of planning:*

These statements are miles from a firm commitment. They leave the door open to modification, weakening, or-- if circumstances are deemed to warrant it -- a complete abandonment of the five aforementioned neighborhood preservation factors.

Because of this lack of commitment, I urge you, Mayor Liccardo and Council Members, to modify the staff recommendation to strengthen the commitment to neighborhoods on the southern corridor, perhaps as suggested below:

(a) On page three of the Memorandum

*Pages five and six of the attached joint Partner Agency memorandum include a number of tangible improvements that the Partner Agencies ~~will pursue~~ **shall provide** in the next phases of planning to the southern track approach into the station in close consultation with the affected communities*

(b) And on page five of Addendum A

*To this end, the Partner Agencies ~~recommend working on and evaluating~~ **shall diligently endeavor to provide** the following strategies, plans and associated measurements, in close consultation with the affected communities, in the next phases of planning:*

The City and the Partner Agencies owe the communities to the south of Diridon Station nothing less.

Sincerely,

Martin Delson

Honorable Mayor Sam Liccardo, and Members of the Council, City of San José
via email, sent December 3, 2019

re: Agenda Item 6.2, "San José Diridon Station Integrated Concept Plan"

Dear Mayor and Councilmembers,

I have been attentively following for years the plans for High Speed Rail (HSR), BART, electrified CalTrain, Google, and the Diridon Station, and I am writing now to express my personal support for the memo by Mayor Liccardo and Councilmembers Peralez and Davis.

I support elevating the Diridon Station, which will improve access across the tracks at Santa Clara, San Fernando, Park, and Auzerais: the city has been cut off from its Downtown for too long, and this is our opportunity to remedy that. Note: the San Carlos Street overcrossing will likely need to be replaced: please make sure its replacement doesn't block the future extension of the Los Gatos Creek Trail.

I strongly support the Mayor and Councilmembers' point that the southern approach for passenger trains (both HSR and electrified CalTrain) should be via the "freeway alignment" generally within the right-of-ways of Freeway I-280 and SR-87. The benefits of this alignment are numerous:

- Less impact to the well-established communities of Greater Gardner and North Willow Glen;
- Rail noise is generally masked by the freeway and contained within the sound walls;
- Passengers will be able to enjoy a smooth and quick ride as the new tracks can be laid out in smooth arcs, rather than suffering a "jerky" ride from following the current curve-straight-curve-straight-curve-straight alignment that now connects Tamien and Diridon;
- Passengers will be granted a grand entrance into San José with sweeping views of the Downtown skyline (and also of San José's future icon?) set against a backdrop of the Bay and hillsides;
- And San José can have a "signature bridge" as the tracks span I-280.

I am especially intrigued by the suggestion in the memo's Point 4 to shift all train traffic, freight as well as passenger, to the freeway viaduct. This would remove all train traffic from the Greater Gardner/North Willow Glen neighborhoods. The former tracks could then be converted into a bicycle/pedestrian trail, transforming a former "annoyance" into a true "amenity." Just as New York has its "High Line" that utilizes former railroad structures, San José would be able to convert the historic train bridges at Prevost and Delmas into a trail that connects the neighborhood to the nearby transportation nodes. The current train bridge over Willow Street could be used to extend the existing Fwy-87 bike path northward to connect to the Guadalupe River Trail. And the current railroad bridge over I-280, while not scenic in its own right, would give a spectacular view of our new signature bridge and the Downtown skyline.

I also strongly support Point 6: it is critical to have a safe, convenient, and reliable connection from the Diridon Station to San José's International Airport, both for the benefit of getting air travelers to the airport, and also for sharing rental car and long-term parking for rail travelers.

And I fully concur with Point 2. Please, "Defer consideration of a final decision on the track approaches ... until a date in early 2020 when there is a full community- and Council-understanding of the tradeoffs [of the] rail corridor scenarios."

Thank you,

~Larry Ames, longtime trail, park, and community advocate.

cc: City Clerk; City Manager; San José Parks Advocates; Save Our Trails



SPUR

San Francisco | San Jose | Oakland

December 3, 2019

Dear Mayor Liccardo and Members of the San Jose City Council,

On behalf of SPUR, we are writing to support Staff's recommendation for the spatial layout for the San Jose Diridon Station. Today marks an important milestone for both the DISC partners and the community in getting one step closer to realizing the vision for Diridon Station. In summary,

- We support elevated station platforms.
- We support two concourses with four station entrances.
- We support the revised concept for the northern segment that shifts the station platforms south
- We support maintaining the existing corridor to the South and not creating a rail viaduct structure over the I-280/87 interchange

SPUR has been deeply engaged in the local, regional and state-level planning and visioning for Diridon Station. Those early planning efforts were greatly advanced in 2017 when SPUR organized a delegation of South Bay elected officials and transit agency leaders to visit four high-speed rail stations and cities in the Netherlands and France. The key takeaways from the study trip informed local efforts and prompted the City of San Jose, VTA, Caltrain and CHSRA to deepen their level of cooperation and coordinate a joint planning process — the Diridon Integrated Station Concept (DISC) plan— that will yield a shared long-term vision for the Station. Now a year into the process, we are thrilled to see the advancement of a preferred scenario for the rail alignment by the DISC partners.

Today City Council will consider several “Big Moves” that are integral to the success of the overall project. We ask that as you review the proposed layout you keep in mind the following set of principles based on global best practices:

Infrastructure decisions last for a century. This is a door that cannot be re-opened once it is closed, and there is no substitute for good foresight. The decisions we make today are those that will last the next century. We need to ensure that the design and land use decisions are those that can support the future growth and ridership of our community. The success of the station as a regional and statewide mobility hub will determine whether San Jose realizes its potential to significantly grow employment, housing and a commercial center in the transit district. At the same time, Diridon Station needs to function at its highest capacity to support the intensity of jobs that are bound for the district.

Stations define cities, for good or bad. The best stations require bold political leadership.

Throughout the world, cities redevelop their train stations and station areas as a way to grow and shape their economies. The cities that do so successfully make bold commitments to shaping both transit and growth. Already, the DISC partners have taken steps to put forward a unified vision for the station and area. Realizing it will require bold political leadership that keeps the long-view that balances the need of the public and private sectors.

Focus on the customer's needs and experience.

In designing the station, you are designing a product that will have to meet the needs of many people and withstand the test of time. In order for people to embrace transit, the station and the district, the [user experience](#) must be a central focus in the planning process. If we do not lead with the user experience, the multimodal hub's infrastructure will not move as many people as it could and overall ridership will decline in San Jose and across the transit network. As a result, San Jose will not realize its potential to significantly grow employment close to transit.

With these principles in mind, SPUR recommends the following:

Elevated station platforms

SPUR recommends elevated station platforms as a way to avoid greater conflict between trains and people using the road. Elevating the station platforms further allows for the opportunity to reconnect San Fernando Street to the western side of the station opening up better connections for pedestrians and bikes. With elevated platforms, this offers up the opportunity to further activate the space under the tracks with shops and services.

Elevated platforms free up space in the district for real-estate development by stacking of multiple transportation systems together (heavy rail and commuter trains elevated, buses elevated and/or at-grade, BART and light-rail below ground). While we support this decision, it is important that special attention be made for the quality of design when building out the viaduct. Space under these elevated structures is often neglected, closed off by fences or too bleak to invite people to walk or bike through. Getting the design right will be imperative to the vibrancy and usability of the street by pedestrians and cyclists.

Station location and entrances

SPUR supports the Partner Agencies' recommendation to create two main concourses with four station entrance locations. By having the main concourses located on Santa Clara Street and San Fernando Street it will allow for greater connection in and around the district, connect neighborhoods East & West of the station and ease passenger congestion flowing in and out of the station hall.

Additionally, having a second station hall at San Fernando Street could allow for better transfer and connection times between commuter trains and VTA buses, intercity buses, taxis, TNCs and light rail if located close to the San Fernando entrance /s close to each other. This increased visibility will provide greater ease and understanding for people visiting the Station.

Northern alignment

The northern alignment is one of the most important components within the spatial layout. SPUR supports the revised concept for the northern segment that shifts the station platforms south allowing for additional land to be unlocked for future development. This configuration would prompt the relocation of CEMOF - which has caused a serious bottleneck which has slowed down the rail traffic traveling through Diridon Station, moving CEMOF is a requirement for success.

Southern alignment

SPUR supports maintaining the existing corridor to the South and not creating a rail viaduct structure over the I-280/87 interchange. Maintaining the existing corridor has the least amount of neighborhood impact and creates no impact to Tamien Station and the current development that is underway. The creation of a viaduct poses more neighborhood impact and has the potential to further divide communities. We recognize and understand community concerns regarding the increased rail traffic and noise. Therefore, we encourage the Partner Agencies to devise a safe and aesthetic means of integrating the system with the surrounding neighborhoods.

We commend the partner agencies on the extensive amount of work and effort that has gone into Phase I. The proposed recommendations made by the partner agencies support each of their growth goals and successfully balance the need to allow for increased development in the surrounding area.

Thank you for the opportunity to provide comments on this important item. We look forward to working alongside partner agencies to further realize the potential of Diridon Station.

Thank you,

Michelle Huttenhoff

Save Our Trails!



Promoting trails in Santa Clara County for the benefit and enjoyment of all

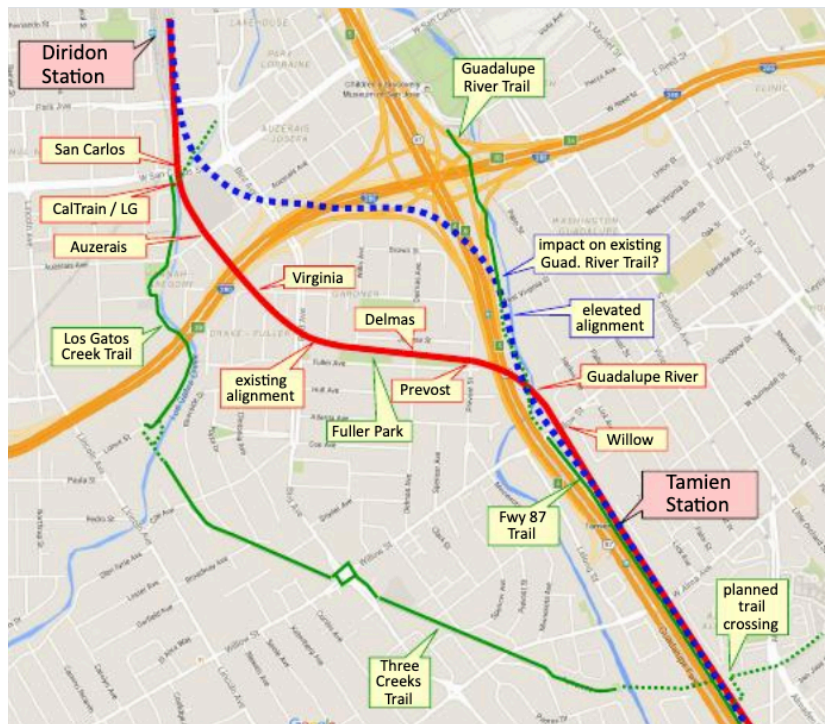
Honorable Mayor Sam Liccardo
and Members of the San José City Council
via email, sent December 3, 2019

re: December 3rd Agenda Item 6.2, "San José Diridon Station Integrated Concept Plan"

Dear Mayor and Councilmembers,

Save Our Trails of Santa Clara County has, for over a decade, advocated on behalf of bicycle /pedestrian trails for recreation and transportation throughout Santa Clara County. We submit these comments regarding the San José Diridon Station Integrated Concept (DISC) Plan to point out potential trail impacts and to note potential trail opportunities.

We understand that the Staff recommendation is to elevate the Diridon Station and all approaching train tracks, utilizing the existing track alignment (shown in red in the figure), and we make the following comments:



- We appreciate the raising of the Diridon Station, as this will improve bicycle and pedestrian access in the vicinity of the Station by improving the Julian, Santa Clara, San Fernando, and Park Avenue crossings.
- Raising the station requires raising the tracks, which means replacing the recently reconstructed train bridge over the Los Gatos Creek near San Carlos Street. We expect that this will make it easier for the Los Gatos Creek Trail to be extended from its current northern terminus, and we urge that the trail be constructed as part of the overall project.
- We understand that raising the tracks will mean that the San Carlos Street roadway bridge will need to be removed, vehicle traffic will cross under the tracks, and the street will cross the Los Gatos Creek over a new and lower bridge. We urge the planners to include accommodations for the future Los Gatos Creek Trail in the design of the creek crossing so that the trail can readily be extended northward to Montgomery Street. We urge that the trail extension be included as part of the overall project.

The Mayor has coauthored a memo with Councilmembers Peralez and Davis requesting that Staff evaluate an aerial alignment for passenger trains that generally stays within the right-of-ways of freeways I-280 and CA87 (shown as the dotted blue line in the graphic above). Again, there are a couple trail impacts to consider in the planning:

- Accommodate the existing Guadalupe River Trail. We expect that it will be straightforward to make minor realignments if needed to pass around support columns.
- Accommodate the planned extension of the Los Gatos Creek Trail near Montgomery Street.
- And, if the San Carlos Street bridge is replaced, accommodate the planned extension of the Los Gatos Creek Trail, and include the trail construction as part of the overall project.

The Liccardo/Peralez/Davis memo also asks Staff to evaluate the possibility of having all trains, freight as well as passenger, follow the 280/87 aerial alignment. This presents the City with a fantastic opportunity: the tracks could then be removed and the existing alignment could become a trail.

- This new trail could be similar to New York's High Line, passing over the existing historic bridges over Delmas and Prevost.
- The trail could cross over I-280 on the current bridge, affording a wonderful view of Downtown San José and the new aerial-alignment train bridge over I280.
- The existing train bridge over Willow Street could be used to connect the existing Fwy-87 trail to the planned extension of the Guadalupe River Trail, avoiding the need of planning and constructing a trail overcrossing of Willow.
- The existing crossing over the Guadalupe River could eliminate the need of building a new trail crossing of the river.
- The newly reconstructed train bridge over the Los Gatos by San Carlos would no longer be carrying any train traffic, and so there would be no need for an undercrossing of the extended Los Gatos Creek Trail.
- And, depending on the elevation and grade, perhaps the new train tracks would remain elevated even south of Alma Avenue, which would allow for the Three Creeks Trail to cross both the Freeway87 and the existing train tracks at-grade, and would allow the trail to reach Almaden Road and the Alma/Almaden neighborhood without the expense of a flyover trail bridge.

Trails provide an excellent means for people to access the Diridon Station in a manner compatible with the General Plan goals of reducing greenhouse gases, vehicle-miles-travelled, rain runoff from parking lots, and traffic congestion. With a little advanced planning, the trail network can be enhanced rather than impeded, and we have the opportunity even of giving an existing but impacted community a wonderful and attractive new amenity.

We look forward to remaining involved, and offer our assistance in community outreach.

Sincerely,

A black rectangular redaction box covering the signature of Bill Rankin.

Bill Rankin
President, Save Our Trails; Web: www.saveourtrails-scc.org

December 2, 2019

Hon. Sam Liccardo, Mayor
& City Councilmembers
200 E. Santa Clara Street, 18th Floor
San Jose, CA 95113

RE: December 3rd Council Mtg., Item 6.2 – San Jose Diridon Integrated Station Concept (DISC) Plan

Dear Mayor Liccardo and City Councilmembers,

On behalf of Sharks Sports & Entertainment (SSE) I am providing our comments on the DISC layout plan (the Concept Layout) that staff is asking the City Council to approve.

SSE has been following the integrated station planning process closely. We are particularly concerned that the proposed project would take large portions of SAP Center parking lots, which would severely impact arena operations, harm our fan experience, and lead to substantial business losses. **(See attached letter to the Diridon Station Joint Policy Advisory Board dated May 15, 2019.)** We are also greatly concerned that the planned integrated station would dramatically increase the demand for parking in the Diridon area without providing any solution for parking. The cumulative effect of these actions would pose a major risk to the viability and success of SAP Center.

Prior Comments to DISC Plan/Process

Over the past year, SSE has urged the City and Partner Agencies to conduct an unconstrained parking demand analysis for the project, and to identify the space needed (i.e., to “space-proof”) for parking facilities to meet that demand – which could be as high as 7,000 spaces. **(See attached letter to the City Council dated January 30, 2019).** We were assured that the next phase of the planning process will include a proper parking analysis, and that parking solutions will be included in the plan to fulfill project parking needs. It is critical for these matters to be addressed in the next phase in order for the integrated station to meet the parking demand it generates and be successful.

Comments to New Concept Layout

We have closely examined the information available about the Concept Layout now being presented to the City Council, and have the following comments.

Parking. We are disappointed that the Concept Layout fails to show parking on any diagrams, and fails to mention parking whatsoever, either as part of the project description or as part of the scope of work for future design development and analysis. This omission appears to ignore prior commitments, as well as reality. As described in the October 2019 General Plan Annual Performance Review, there has been no meaningful change in commute mode shares. It is estimated that 75.9% of San Jose workers still commute by driving alone. For downtown workers, the drive-alone mode share

actually went up in the last reported year, from 63.1% to 63.7%. In fact, as a result of increased transit ridership, there has been an increased demand for daytime parking at the arena's on-site parking lots.

Given the fact that automobiles will remain the primary mode of travel for decades to come (including, as we have seen, for persons trying to get to public transit stations), we cannot understand why the DISC team failed to include parking in the plan. Such omission is particularly surprising since the scope of work and direction provided by the Partner Agencies at the outset of the planning process required that parking needs be analyzed and that parking solutions be addressed. **We ask the City Council to direct staff to include parking as an element of the Concept Layout, and designate specific locations for parking facilities needed to adequately service the station and replace arena parking spaces that will be taken as part of the project.**

Station Location and Supporting Functions. We have previously expressed concern about a station location and supporting station functions focused along Santa Clara Street. Although the Concept Layout now includes a second portal on San Fernando Street, we continue to be concerned about the congestion along Santa Clara Street that the station would cause, especially since the primary commuter entrances will be on Santa Clara Street. Congestion will be significantly exacerbated if pick up and drop off areas for taxis, TNC's, AVs, company shuttles and private vehicles are located north of Santa Clara Street. We believe it would be much better to locate these functions south of Santa Clara Street and North of Park Avenue, as described in prior concept layouts.

Northern Track Alignment. The proposed alignment of the Concept Layout appears to limit intrusion into the arena's on-site parking lots compared to some other alternatives. However, the drawings provided are not precise, and we will need specific information about the land proposed to be taken before we can assess the potential impacts on the SAP Center's operations. As we have previously commented, the taking of any land from SSE's leasehold estate will have significant economic impacts.

Future Discussions with Partner Agencies

The City, the Partner Agencies, and Google (as the master developer for the Diridon area) will be making many decisions over the next year that will set the course for the area's development and determine whether SAP Center can remain viable. Because of the arena's central location and its importance to the entire Diridon area (as well as downtown), **we ask that SSE be included as a direct participant in discussions with the Partner Agencies.** We look forward to working cooperatively with the City and the other major stakeholders towards a plan that can achieve the DISC goals, without threatening the future viability of SAP Center.

Sincerely,

SHARKS SPORTS & ENTERTAINMENT LLC



Jim Goddard

Executive Vice President, Government Affairs

Attachments

June 19, 2019

Norman E. Matteoni

Peggy M. O'Laughlin

Bradley M. Matteoni

Barton G. Hechtman

Gerry Houlihan

Via Email to Board.Secretary@vta.org

Chairperson Teresa O'Neill and Members of the Board of Directors
Santa Clara Valley Transportation Authority
3331 North First Street, Building B-1
San Jose, CA 95134-1927

**Re: Diridon Integrated Station Update;
6/21/19 Board Agenda (Item 7.2)**

Dear Chair and Members of the Board:

The Sharks organization (the Sharks) has closely followed the Diridon Integrated Station Concept Plan (DISC) for which you are receiving a progress report this Friday. As one of the lawyers for the Sharks, I have been asked to write this letter to your Board.

As stated in Ms. Gonat's report to the Board, the planning goal is to work toward a "balanced relationship between the Station and surrounding neighborhoods". The SAP Center is a major sports/entertainment center serving the San Jose metropolitan area and is the closest neighbor to the Diridon Station. It has been an active participant in the process.

Based on the impacts that the Sharks have analyzed (see the enclosed letter of May 15, 2019 to the Diridon Station Joint Policy Advisory Board), the most appropriate planned location is Layout 1; San Fernando Street.

While the decision of location is not the matter before you on this day, the Sharks desire to provide a consistent position to all Partner Agencies and let your Board know that it will remain active in the process.

Very truly yours,


NORMAN E. MATTEONI

NEM:cab

Attachment

cc (via Email):

Bill Ekern, City of San Jose (bill.ekern@sanjoseca.gov)

Nanci Klein, City of San Jose (nanci.klein@sanjoseca.gov)

John Ristow, City of San Jose (john.ristow@sanjoseca.gov)

Jim Goddard, Sharks Sports & Entertainment

(jgoddard@sapcenter.com)



May 15, 2019

Norman E. Matteoni
Peggy M. O'Laughlin
Bradley M. Matteoni
Barton G. Hechtman
Cerry Houlihan

Via Email to Board.Secretary@vta.org

Diridon Station Joint Policy Advisory Board
c/o VTA Office of the Board Secretary
Santa Clara Valley Transportation Authority
3331 North First Street, Building B-1
San Jose, CA 95134-1927

Re: Station Location Preferred Option

Dear Chair and Members of the Board:

Our firm has been retained by the Sharks organization (the Sharks) to assess, from a condemnation standpoint, the impact of the Diridon Integrated Station Concept Plan (DISC) in the event that the Partner Agencies, or any of them, decide to pursue the northern location (the Santa Clara Position) as the preferred location for the transit center entrance hall and/or the rail platforms, or select any other station or track alignment alternatives that would take land used by SAP Center north of Santa Clara Street.

As pictured in the DISC update presentation report dated January 31, 2019, the Santa Clara Position would require the condemnation of a large portion of the on-site parking lots (Lots A, B and C) leased by the City of San Jose (City) to the Sharks under the Arena Management Agreement (AMA). The Santa Clara Position could also lead to traffic gridlock along Santa Clara Street.

The resulting losses to the business and goodwill of the Sharks could require payment of tens of millions of dollars in condemnation damages to the Sharks, and could jeopardize the long-term operational success of the SAP Center. Therefore, we urge you not to select the Santa Clara Position, or any other station or track configuration that would require condemnation of any material portion of the Arena parking lots or materially interfere with circulation along Santa Clara Street. Instead, we believe that the Partner Agencies should consider other less impactful alternatives, such as a station location at San Fernando Street or further south.



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Background

Over 25 years ago, when the Diridon area was still considered blighted, the Sharks contributed tens of millions of dollars and took huge economic risks to locate their home arena on the outskirts of Downtown San Jose, promising to protect the City against financial losses. The Sharks kept their word, turning SAP Center into one of the most successful sports and entertainment venues in the country, generating billions of dollars in economic impact benefits to the City and the local economy. It is clear that the Sharks have become a key neighbor in the Diridon community, a key driver in the success of Downtown San Jose, and a key player in the spirit of the community.

To induce the Sharks to come to San Jose, the City agreed to provide a certain number of on-site parking spaces and to ensure that a minimum number of off-site parking spaces would be provided near the Arena. The City also agreed to work with the Sharks to ensure that traffic and circulation for safe and efficient ingress and egress to and from the Arena would be preserved. Those commitments were reaffirmed by the City a year ago when they signed the new AMA, extending the term to 2040.

Under the AMA, the on-site parking lots (Lots A, B and C) are an integral part of the "Arena Facilities" (the Premises) that are leased by the Sharks. The Sharks have the exclusive right to control, use and operate Lots A, B and C as part of the Premises, and are entitled to all net operating revenues from the parking lots. In addition to parking fees paid by Arena customers and transit riders, the lots support the operation of SAP Center by providing areas for employee parking, staging for equipment, fan activation, advertising opportunities, media events, and so forth.

More importantly, good parking for Arena customers is critical to SAP Center's business goodwill. Although ridership on public transit may be increasing for daily commuters, it does not work well for Arena patrons who attend evening or weekend events only occasionally, especially if they are traveling with children or live in neighborhoods not convenient to public transit. In fact, arenas and stadiums across the country report that adequate parking is a major factor in maintaining customer satisfaction (and therefore bookings and revenues), even when public transit is nearby. Likewise, surveys of SAP Center customers indicate that convenient parking with good ingress and egress continues to be a top concern.

Threatened Loss of Off-Site Parking

Until recently, the supply of available off-site parking near SAP Center, combined with the supply of on-site parking, has been sufficient to meet the parking demands of Arena patrons and employees. However, new transit projects and surrounding developments in the Diridon area are threatening to severely impact the supply of available off-site parking, by eliminating hundreds of existing parking spaces and substantially increasing parking demand by new transit riders and occupants.

The loss of an adequate supply of parking for Arena customers would be devastating for the Sharks and the City-owned Arena. That is why the Sharks have been relentlessly advocating for the DISC Phase 1 to reserve space for 4,000 to 6,000 parking spaces, and for DISC Phase 2 to include an unconstrained parking demand analysis. I have reviewed numerous letters on this topic from the Sharks to various officials at the Partner Agencies. I assume that you are well aware of the issues, so I will not reiterate the Sharks' position here except to note that legally it makes a lot of sense.¹

Threatened Taking of On-Site Parking

Given the numerous letters from the Sharks over the past year regarding the critical importance of parking to their success in San Jose, I was surprised to see that the DISC presentation materials, dated January 31, 2019, include an option (the Santa Clara Position) that would essentially wipe out a large part of the on-site parking lots that are leased by the Sharks under the AMA. The graphic on page 61 of the slide deck (see attached copy) shows four pairs of tracks, but our understanding is that there could be as many as five pairs of tracks spread horizontally across Lots A, B and C.

It should not be difficult to draw the conclusion that if the loss of off-site parking would be devastating to the Sharks, then selecting the Santa Clara Position (with the inevitable taking of a large portion of on-site parking) would be even more disastrous. To be clear, the City-owned Arena – and by extension the Sharks – cannot continue to thrive if any significant portion of the on-site parking is taken.

I am told there is no plan to construct a parking garage that the Sharks could use in place of the on-site surface parking that would be eliminated. Therefore, if the Partner Agencies, or any of them, proceed with a public project that implements the Santa Clara Position, or any other preferred alternative that would take any significant portion of the Premises leased by the Sharks (including Lots A, B and C), the Sharks would likely suffer major damages caused by such project.

Realistically, based on today's market and the pending Google development plan, there does not appear to be any clear path to mitigate such damages, because (i) there does not appear to be any land immediately available for replacement parking, and (ii) if such land were available, the price would be prohibitive. Thus, there is the immediate prospect that the Sharks would incur substantial losses, including loss of parking revenues, loss of use of outside areas, and loss of goodwill (for example, financial impact on the operation of SAP Center in terms of increased costs to maintain customers, or the loss of customers).

¹ As a land use and condemnation litigation attorney, it is difficult for me to understand why the Partner Agencies would not agree to study all relevant facts associated with such an important matter, so that their ultimate decision is not adjudged to be "pre-determined" or lacking in evidentiary support.

Impacts to Traffic Circulation

In addition to large economic losses caused by taking on-site parking spaces, the decisions regarding the station/entrance hall orientation and the location of other project elements will be critical to ensuring adequate traffic circulation for Diridon and Downtown into the future.

Orienting the station to Santa Clara Street, one of only a few major corridors to Downtown, will create traffic impediments that negatively impact SAP Center. Currently for major events there is a traffic management plan to safely and efficiently move vehicular traffic and pedestrians to and from the Arena. Autumn Street, north of Santa Clara Street and along the east side of the Arena, is used as a staging area for equipment and large vehicles serving the events at the Arena. There are times when this area also serves to coordinate with outdoor activities at the Arena Green.

Any significant impairment of the circulation to and from the Arena can lead to a major impact on the operations of the Sharks and the Arena, including loss of customers and event bookings due to long and difficult ingress and egress (poor customer experience), with resulting loss of goodwill and revenues.

Summary of Damages

To summarize the impacts from my perspective as an eminent domain lawyer:

- Loss of on-site parking, resulting in:
 - Loss of event customers due to lack of convenient parking
 - Loss of event bookings due to lack of convenient parking
 - Loss of revenues from event parking as well as transit rider parking (monthly and daily)
 - Loss of signage/branding opportunities, such as the banner signs on the light poles
 - Loss of areas that can be used for event staging, fan activation, press events, storage, etc.
- Impairment of circulation/access routes to and from Arena, resulting in:
 - Loss of event customers due to long and difficult ingress/egress (poor customer experience)
 - Loss of event bookings for same reasons
 - Increased operating costs

Conclusion

The potential damages resulting from loss of revenues and goodwill as a result of selecting the Santa Clara Position could easily be tens of millions of dollars and could jeopardize the long-term operational success of the SAP Center. We urge the Partner Agencies to avoid such damages and potential losses by selecting locations for the station, rail platform and track alignments that do not have such a serious impact on the operations of the Sharks or the Arena.

Very truly yours,

A black rectangular redaction box covers the signature of Norman E. Matteoni.

Norman E. Matteoni

NEM:cab

Attachment

cc (via Email): Bill Ekern, City of San Jose
Nanci Klein, City of San Jose
Jim Goddard, Sharks Sports & Entertainment

January 30, 2019

TO: Mayor Sam Liccardo and Members of San Jose City Council
Diridon Station Joint Policy Advisory Board
Board of Directors, Santa Clara Valley Transportation Authority

RE: Diridon Station Integrated Concept Plan (the Concept Plan)

Dear Mayor Liccardo, Councilmembers and Board Members:

Over 25 years ago, the Sharks took huge economic risks by committing to an arena located in what was then a blighted area outside of San Jose's downtown core. The Sharks invested tens of millions of dollars in the City-owned arena, created a world class sports and entertainment venue, and became the biggest economic driver for the successful revitalization of downtown.

Now the Sharks are facing what may be the biggest challenge to their existence in San Jose. New transit projects and surrounding developments are threatening to substantially increase demand for parking, eliminate many parking areas serving SAP Center, and reduce available travel routes to and from the arena. Although some may quip that the Sharks simply "love parking," the fact is that our business will suffer tremendous losses unless we can maintain readily accessible parking for our customers.

This is why we have been advocating for the Concept Plan to include, at the earliest stage possible, a realistic plan for incorporating the parking spaces needed to meet the demands created by each of the transit projects. This request is consistent with the commitment made by VTA in its Final SEIS/SEIR for BART Phase II (see Exhibit A), and with the commitment made by the City of San Jose in the Arena Management Agreement (see Exhibit B).

In our letter to Bill Ekern dated January 24, 2019 (attached as Exhibit D), we specifically asked that this request be fulfilled substantially as follows:

In Phase 1: The space-proofing module described in the Concept Plan scope of work must reserve space needed to build parking garages containing at least 4,000 to 6,000 spaces, to accommodate preliminary estimates of transit parking demand (see Exhibit C).

In Phase 2: An unconstrained parking demand analysis must be completed for Caltrain, BART and high speed rail (which will modify the preliminary estimates), and a specific parking plan (with specific locations) must be developed to meet such transit parking demand.

Our belief is that if the Concept Plan does not realistically analyze the parking demand generated by each of the transit projects, and does not provide for the footprint needed to satisfy that parking demand, then the Concept Plan will not be realistic. Moreover, it could lead to the same type of chaotic situation that currently plagues so many BART stations, with scores of would-be transit riders circling

around the neighborhoods looking for parking spaces that don't exist, or taking parking spaces that are needed by nearby businesses or residents (see news articles attached to [Exhibit D](#)).

This is not to say that parking demand must be met by single-purpose parking facilities. The Sharks have long advocated for a regulatory framework that requires shared use parking, and the parking lots at SAP Center are always open for transit parkers when not needed for arena events. Alternative parking arrangements such as shared use parking can be an important part of the parking solution.


We remain fully supportive of San Jose's vision for the development of the Diridon Station Area, but the Concept Plan must address the critical needs of SAP Center regarding access and parking, consistent with one of the primary objectives in the City's approved Diridon Station Area Plan, which is:

"to ensure the continued vitality of the San Jose Arena, recognizing that the Arena is a major anchor for both Downtown and the Diridon Station area, and that sufficient parking and efficient access for Arena customers, consistent with the provisions of the Arena Management Agreement, are critical for the Arena's ongoing success."

We also recognize that the Diridon area transportation and parking ecosystem will evolve over time, and we look forward to a day when our customers will have more transportation and parking alternatives. However, for the foreseeable future, the success of the SAP Center, the Sharks franchise, transit projects and surrounding development will depend on a robust parking supply with thousands of shared use spaces near the Diridon Station to support employees, residents, transit riders and arena customers.

We ask that the partner transit agencies and other stakeholders keep the above requirements and principles at the forefront throughout the development of the Concept Plan.

Sincerely,
SHARKS SPORTS & ENTERTAINMENT LLC


Jim Goddard
Executive Vice President, Government Affairs

Attachments

Cc: Bill Ekern, Diridon Project Manager, City of San Jose
Nanci Klein, City of San Jose
Eric Eidlin, City of San Jose
Jim Unites, VTA
Melissa Reggiardo, Caltrain
Kelly Doyle, California High Speed Rail Authority
Liz Scanlon, Kimley-Horn
Martin Brinkhuis, Arcadis/Bentham Crouwel