



JP DINAPOLI
COMPANIES INC.

September 27, 2021

Honorable Mayor Liccardo and City Councilmembers
200 East Santa Clara Street, 18th Floor
San Jose, CA 95113

Mayor Liccardo and Councilmembers:

RE: September 28, 2021 Council Agenda Item 5.1
Construction Crane Fee Program Findings and Recommendation

We participated in the numerous stakeholder meetings and have read the staff report and memo from Mayor Liccardo and Councilmembers Carrasco and Davis.

We feel that staff has done an earnest and thorough job in explaining the potential impacts to the air carriers and City if construction cranes exceed the TERPS surfaces. We also understand and support the proposed program in concept for the long-term viability of SJC. We all want our airport to grow, thrive and be considered Best in Class.

Where we differ is in the timing of implementing the fees and deposits. Historically, ordinances and Council policies that establish development fees have been structured to recognize projects that are deemed likely to start construction and would be unfairly penalized with the late assessment of a new fee.

The Mayor and Councilmembers' memo of September 25, 2021, attempts to acknowledge such projects, but doesn't go far enough. We believe that a small number of projects, probably similar to what you have projected but possibly some being different projects, can begin construction within one year. These projects also have "locked in" proformas and are incurring very large expenses in order to begin construction within one year. While some may have not yet applied for building permits, they are as likely as some that have, to get the proverbial shovel in the ground by September 30, 2022.

We believe the most equitable solution would be for the fee structure to be effective on all projects that have not obtained a foundation or building permit and commenced construction within one year.

Respectfully submitted,


John DiNapoli