



Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL	FROM: Councilmember Cohen
SUBJECT: SEE BELOW	DATE: 11/17/2025

APPROVED:

SUBJECT: Request for Qualification Selection of Developer and Backup Developer for 159 Acres at the San José-Santa Clara Regional Wastewater Facility.

RECOMMENDATION

1. Accept the recommendations in the memorandums published on 11/14/25 by Mayor Mahan, Vice Mayor Foley, and Councilmembers Cohen, Kamei and Tordillos, and Councilmembers Candelas, Casey, Ortiz, and Campos, with the following addition:
 - a. Direct Prologis to negotiate workforce and community agreements, which include benefits such as access to high-quality construction jobs that pay prevailing wages, utilize apprentices from joint labor-management apprenticeship programs, and set local hire goals for economically underrepresented workers. Such agreements should also include mechanisms for resolving labor disputes that may arise during the course of the project.

BACKGROUND:

Considering the project's significance in scope and objectives, as well as its use of public land, it is in the best interest of the City of San José to ensure efficient, timely, and on-budget project delivery. This includes implementing measures to reduce friction and disputes with both workers and residents, thereby minimizing the risk of project delays.

As the owner of the land considered for lease, the City is acting as a “market participant” and can legally require a developer, such as Prologis, to enter into labor agreements or make other commitments that benefit the broader community. Such benefits could include access to high-quality construction jobs, especially for San José’s economically underrepresented workers.

There is strong precedent for this both within the City of San José and with Prologis itself. For instance, the Development Agreement approved by the City with Google LLC in 2021 includes Community Benefits, and in that case, the developer agreed to a Project Labor Agreement with the Building Trades Council.

Similarly, in 2012, Prologis entered into a significant Community Benefits Agreement as a condition of their Lease Disposition and Development Agreement with the City of Oakland for redeveloping the former Oakland Army Base. That project was also subject to the Port of Oakland’s Maritime Area Project Labor Agreement policy.

The terms of any agreement don't need to be explicitly specified at this point, but a clearly defined process should be outlined today to initiate these critical discussions.