

San Jose Downtown Association  
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January 24, 2022

The Honorable Mayor Sam Liccardo and City Council  
City of San José  
200 East Santa Clara Street  
San José, CA 95113

RE: Approval of a Downtown High-Rise Residential Tax and Fee Waiver for the Carlyle - Item 8.1

Dear Mayor Liccardo and City Councilmembers,

The San Jose Downtown Association (SJDA) is a proponent of encouraging investment and strategically incentivizing development in our downtown. We believe the Carlyle is a project that warrants a tax and fee waiver by eligibility.

In 2019, city council [received feedback](#) from consultant Strategic Economics that indicated without tax and fee waivers a “typical high-rise development” in downtown would not be financially feasible - hence the extension of the Downtown High-Rise Incentive program. Our downtown is clamoring for new projects to begin construction that will increase both our office and housing densities. The Carlyle is a unique mixed-use project – a 557,749 square foot, 21-story development that will contain 290 market-rate rental units, 7,603 sq. ft. of retail space and 123,479 sq. ft. of office space that meet the requirements for the Downtown Core and Downtown Planned Growth Area plan. SJDA views this project as a catalyst to further investment downtown and an important link between the San Pedro Square and Little Italy districts.

This is the vitality needed to sustain growth and meet the housing demand in downtown while creating jobs and urban activity on the ground level. Such fee waivers have been reapproved by council numerous times and have resulted in 2,400 residential units to be built downtown since the program’s inception. We appreciate the council's ability to understand the nuances of development and to encourage the focused use of this incentive.

We look forward to more high-rise projects to transpire in the near future - onwards and upwards!

Sincerely,



Scott Knies  
Executive Director