



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Councilmember
Raul Peralez

SUBJECT: SEE BELOW

DATE: November 6, 2018

Approved

Date

11/16/18

**SUBJECT: Actions Related to Downtown High Rise Residential Incentive for 171
Post Street**

RECOMMENDATION

Approve staff recommendations for Downtown High Rise Incentives for 171 Post Street and with the following additional direction:

1. Require from the applicant proof of receipt that they received the High Rise Building Best Practices Toolkit.
2. Request from applicant a commitment to not retain the services of any contractor or sub-contractors that have a history of wage theft violations in the past five years, and will provide an affidavit to that effect to the City of San José prior to the start of construction.

BACKGROUND

Similar to our approval of the Downtown High Rise Incentives for MIRO, The Graduate, Park View Towers, San Pedro Tower 3 and Aviato, I ask that the same requirements be approved for this project.

This project will receive \$2,910,324 worth of park in-lieu fees and construction tax suspensions. According to previous staff memos, staff will "...monitor project construction to ensure requirements of the Downtown High-Rise Residential Incentive Program are completed...". While the incentive program can and should go through our city process, I will continue to work alongside our Office of Equality Assurance to ensure that these projects are in compliance with our incentive program and meeting the good faith requirements.

While the incentive program was designed to stimulate construction commencement, I am determined to ensure that what follows are high quality developments. Last year, a council discussion revolving a city audit of Residential High-Rise standards¹ indicated an interest in promoting the city's perspectives on building and construction best practices. While I recognize that our building department's job is to regulate at minimum the building code, we as a city should support a higher expectation for the quality of our high rise buildings. Some examples include insulated windows that provide indoor peace, internal systems such as fire prevention and plumbing with little to no technical issues. I thank the planning department for developing a toolkit of best practices and industry recommendations for quality and expect the applicant to use this toolkit as a resource to build a world-class high rise.

Finally, I encourage that the applicant commit their project to local labor and talent. This past year, the City approved direction for Community Workforce Agreements on public projects and Private Development Workforce Standards on projects receiving public subsidies. Developers can and should work with our local labor organizations to establish labor peace, similar to what has been accomplished with the Museum Place project. I believe that investment into our downtown should not only be for our economy but for our residents as well.

¹ Audit of Residential High-Rises: Considerations for a City with a Growing Number of Tall Buildings. <https://sanjose.legistar.com/View.ashx?M=F&ID=5423311&GUID=176ACD94-F8ED-44F4-A8FA-E6137B714A45>