



Memorandum

TO: CITY COUNCIL

FROM: Mayor Sam Liccardo
Vice Mayor Magdalena Carrasco
Councilmember Dev Davis
Councilmember Sylvia Arenas

SUBJECT: GOOGLE MOU AND LAND SALE

DATE: November 29, 2018

APPROVED:

[Handwritten signatures in blue ink]

DATE:

RECOMMENDATION

1. Approve Staff Recommendation, including the Memorandum of Understanding, and Land Sale Agreements.
2. Immediately commence discussions with Google regarding the amount and purpose of a Google Community Benefits fund, prioritizing, among other needs:
 - A. Affordable housing, with priority for those residents displaced by rising rents;
 - B. Educational opportunity, with an emphasis on (i) college tuition and fee assistance, (ii) middle and high school career pathways from local schools, focusing on San Jose youth from low-income families in high-risk neighborhoods, and (iii) programs for job-shadowing and internships to develop foundational skills to remove barriers to postsecondary education and employment;
 - C. Job training, with an emphasis on careers in (i) construction trades, and (ii) IT-enabled jobs not requiring a college degree, such as network systems administration, programming, coding, computer-aided design, and software design.
3. Return to Council with the next steps required to generate dollars for such public purposes as affordable housing, transit, parks, and trails funded by property owners and/or developers of commercial (office, R & D, hotel) property such as Google. Vehicles to be explored include: a commercial linkage fee, development impact fee or infrastructure financing district for new construction, and a PBID (Property Business Improvement District.)
4. Return during the next General Plan update to recommend that Council include language in the Envision 2040 General Plan mandating—not merely offering as an aspiration—an area-wide affordable housing requirement of 25% in the aggregate for all housing built in the Diridon Station Area, including a plan for implementation.
5. Return to Council next fall with a plan for residential displacement, and explore strategies and financing tools to mitigate small business displacement.
6. Include a provision for the completion of the Los Gatos Creek Trail through the current Fire Training property, or immediately adjacent property, as part of the Diridon Station Area Plan Update.

BACKGROUND

The actions being considered on December 4th represent a tremendous effort by the community and by staff. A special thank you to the 38-member Station Area Advisory Group (SAAG) who has provided clear priorities to guide the community benefits discussion. The transparency and interactive nature of the process so far is to be commended and celebrated. It should also be mentioned that Google has been a willing and creative partner as we collectively forge a path that brings long needed improvements to the Diridon Station Area, and a stronger pipeline connecting San Jose residents to meaningful STEM jobs.

In an era where cities are upping the ante on public subsidy for private corporations, San Jose has the opportunity to establish a new paradigm – a collaborative model where corporations “give not get.” From the beginning of the City’s discussions with Google, it has been clear that they will pay full freight for land, fees, taxes, and impacts, without any subsidies or fee reductions. Furthermore, the MOU provides the opportunity for community benefits in excess of what Google would be legally required to pay. By setting clear direction, expectations, and priorities for these community benefits, we ensure maximum value to San Jose residents.