

From: Marc Mitchell < >

Sent: Monday, February 11, 2019 10:29 AM

To: The Office of Mayor Sam Liccardo; City Clerk

Subject: Protect Coyote Valley with a fully funded Measure T

Dear Mayor and City Councilmembers,

I urge you to allocate the full \$50 million from Measure T for land conservation in Coyote Valley. This incredible landscape can reduce the risk of flooding for San José residents as well as provide irreplaceable wildlife habitat, farmland and regional Ridge Trail connection, as well as increase our region's climate resilience. It's time to protect Coyote Valley! Thank you for your support.

Marc Mitchell

12 year San Jose resident



February 11, 2019

San José City Council
200 E. Santa Clara Street
San José, CA 95113

RE: Coyote Valley Educational Materials Transmittal Cover Sheet

Educational Materials Contents

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Executive Summary

The San José City Council's Coyote Valley study session advanced the Council's understanding of issues affecting the Valley's conservation and development potential. The below summarized and referenced documents serve to provide supporting information for points made in discussion by the Council.

The Coyote Valley is a top priority for focused conservation efforts. It provides a remarkable combination of biodiversity, farmland, and water resources. Protection of this landscape is the key to maintaining long-term ecological connectivity between over one million acres of core habitat in the Santa Cruz and Diablo Range Mountains. This connectivity is vital to sustain the biodiversity of our region.

Coyote Valley was reserved for corporate campus development in the early 1980s. In the almost four decades that have passed since this initial planning was put in place, the market has changed and no longer desires sprawling development at the urban fringe, and our understanding of the benefits of natural, green infrastructure supporting and synergizing with our built environment has deepened considerably. If development had proceeded as planned in the 1980s, it is likely that San José would never have known what it lost. Now, with the benefits of decades of scientific research and conservation planning, the City can make a truly informed decision about the Valley's future and recognize the irreplaceable natural values of Coyote Valley before they are lost forever through development.

Following are key concepts as supported by the accompanying Coyote Valley Educational Materials packet.

1. Measure T Coyote Valley Land Acquisition FAQ

- POST will purchase the properties, and provide assurances to the City through a

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General Manager

Alex Kennett, District 1

Mike Flaughner, District 2

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Kalvin Gill, District 7



binding legal agreement or equivalent instrument such as a Conservation Easement, thus protecting the City from liabilities of ownership and the expense of management and infrastructure investment

- In addition to the City's investment, the conservation organizations have pledged an additional \$80,000,000 campaign that will leverage the City's investment through funding from more than a dozen private, local and state public agencies. After the City's investment, these funds will complete the acquisitions necessary to implement the conservation vision in Coyote Valley
- Conservation groups will provide funds for ongoing management, public access improvements, restoration, floodplain management, and wildlife infrastructure, which, when combined with funding for the pledged acquisition campaign, is estimated at between \$172,000,000 to \$203,000,000.
- Once conserved, a public stakeholder engaged process will take place to create a comprehensive conservation use and management plan for these lands

2. Legal Briefing Paper re Proposed North Coyote Valley Land Acquisition

- The General Plan does not prohibit the City from contributing to the acquisition of North Coyote lands for conservation purposes from a willing seller
- The City does not need to address the General Plan before participating in a conservation sale
- A conservation sale does not affect any general plan or zoning designations for other properties in NCV
- The City faces no exposure to a claim of inverse condemnation from participating in a conservation sale
- The owners of property in North Coyote Valley have no present right to developing anything other than uses consistent with the Agricultural (A) zoning district, all other uses are within the City's sole and absolute discretion to approve
- There are no active entitlements in North Coyote; all past entitlements expired by their own terms in 2012. None of the undeveloped properties in NCV have acquired a vested right to development
- Development in North Coyote would require new planned development permits, and potentially new zoning or general plan designations
- Existing Community Facilities Districts do not create exposure for the City
- The City would not assume liability for flood risk by contributing to the preservation of NCV lands
- The City may use Measure T funds to assist with open space acquisition without taking on responsibility for any future flood control project
- The City may use Measure T bond funds for open space acquisition even in the absence of any flood control project, for the purpose of preventing water quality contamination.

3. Economic Data and Issues Related to Coyote Valley Lands

- The City is adding jobs faster than projected in areas that have high amenities and access to transit, including over 200,000 jobs projected to be added downtown
- The City is on its way to meeting and exceeding the jobs goals as laid out in the previous General Plan without developing Coyote Valley, and Coyote Valley will not

be necessary to achieve the City's jobs goals in the future

- Current and long-term trends favor development in other districts of San José over Coyote Valley
- Industrial development desires to be in infill locations to the north for better access to transportation options and labor markets
- There is enough available development capacity in San José to accommodate the market's desire for Industrial Park development without needing to build in Coyote Valley
- The job potential of Coyote Valley is far less than the 35,000 jobs currently planned for and any development in North Coyote will face substantial infrastructure costs and environmental hurdles
- The City's fiscal balance is improving, with higher jobs and lower population growth than projected in the last General Plan update
- The recent surge in jobs has resulted in a dramatic decline in unemployment in San José for all brackets of educational attainment



Coyote Valley Study Session Briefing Paper

Measure T Coyote Valley Land Acquisition FAQ

What is the City's role in implementing Measure T's provisions for land acquisition in Coyote Valley?

- The City Council will be asked to designate \$50,000,000 of Measure T Bond funds toward a multi-agency funded acquisition of the Brandenburg and Sobrato properties in north Coyote Valley to conserve land and its natural benefits in the public trust in perpetuity. The City's participation will be requested once a transaction has been agreed to between the buyers (the conservation organizations) and the willing sellers (Brandenburg, and Sobrato).
- Why do we need the \$50,000,000 for land acquisition here?
 - The Brandenburg and Sobrato holdings, including the Laguna Seca complex, located around the intersection of Bailey Avenue and Santa Teresa Boulevard are critical to delivering the conservation benefits promised to voters by Measure T.
 - The City's investment is needed for the conservation organizations to secure these critical lands that are absolutely necessary to delivering conservation benefits in Coyote Valley.
- In conjunction with these transactions, the Council will be asked to make decisions to terminate obligations and agreements put in place for development that aren't compatible with conservation (e.g., "Community Facilities Districts" or CFDs 5A and 9). The CFDs were created as financial instruments to help pay for infrastructure in support of development. Current infrastructure buildout is incomplete for development and additional build out would no longer be needed if Coyote Valley is conserved. It is understood that the CFD 9 liens, totaling roughly \$8,000,000, cannot be paid by Measure T funds and would be the responsibility of the conservation organizations.

What are POST and the Authority's roles in land acquisition in Coyote Valley?

The Peninsula Open Space Trust (POST, a private non-profit) and the Santa Clara Valley Open Space Authority (Authority, a public, independent special district) are conservation organizations that work in partnership to conserve land and its natural benefits in the public trust in perpetuity.

- POST provides flexibility and confidentiality in the transaction process. This

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allows conservation transactions to proceed quickly and efficiently. POST and the Authority would partner on the purchase of the properties, with a funding contribution from the City. Ownership of all purchased properties will ultimately be transferred to the Authority. The purchase agreements would accommodate the City's needs to ensure funds are being spent appropriately.

- POST and the Authority will own, manage, and restore properties to improve conservation values; the land will be protected in perpetuity in the public trust. Therefore, the City would not incur maintenance costs over time as they would for infrastructure built to support development.
- POST and the Authority are raising the substantial outside funds needed for additional land acquisition, management, future restoration, and green infrastructure projects in Coyote Valley. The City's funding will be greatly leveraged many times over from outside – local, state, private – funding sources.
 - Conservation partnerships will work to leverage funding from more than a dozen private, local and state public agencies, totaling \$80,000,000 for multiple acquisitions of land in Coyote Valley to implement the Coyote Valley Landscape Linkage vision. This is in addition to the City's \$50,000,000 towards the initial purchase of these key Brandenburg and Sobrato properties. Major funding will be sourced from state Prop 1 and Prop 68 funds.
 - The \$80,000,000 is dependent on the City's participation and the success of this initial acquisition of the Brandenburg and Sobrato properties. These funds are solely for land acquisition, and it does not include future investments that will be needed for restoration projects or ongoing management obligations borne by the conservation partnership.

Generally, how does land acquisition work with conservation organizations?

Conservation organizations look at conservation values and typically develop a conceptual vision for the area (e.g., Coyote Valley Landscape Linkages Report) to identify priority properties for conservation and restoration. They then work with willing landowners to negotiate the purchase of a property. Conservation organizations pay up to appraised value (to ensure no gift of public funds/private benefit); appraised value is based on an independent appraiser's determination of the economic value of the property, which is typically the most probable development use in the current real estate environment.

What happens after the land is acquired?

After the land is acquired, the conservation partners will conduct a science-based,

master planning process to engage stakeholders and the public in the preparation of comprehensive use and management plans for the properties to improve conservation and other public benefits. Plan elements will address habitat restoration, water resources, public recreational access, agriculture and agritourism areas, and environmental education, among other topics.

Briefing Paper re Proposed North Coyote Valley Land Acquisition

1. The General Plan Does Not Prohibit the City from Contributing to the Acquisition of “Industrial Park” Lands for Flood Control and Permanent Open Space.

Pursuant to recently approved Measure T, the City is considering the expenditure of \$50 million in bond funds to acquire certain properties (Brandenburg and Sobrato North and South) in the North Coyote Valley ("NCV") for purposes of flood control and open space preservation.

The City's General Plan, Envision San Jose 2040 designates NCV as “Industrial Park” (“IP”), and identifies NCV as an "employment lands" area, establishing a goal of 35,000 new jobs in the area to increase the City's Jobs/Employed Resident (“J/ER”) ratio. The General Plan contains goals and policies to ensure that employment areas, *if they are developed*, will generate sufficient jobs to positively impact the City's J/ER ratio. To that end, the General Plan protects employment lands from development for non-employment or low-employment uses, such as housing, and from unplanned, piecemeal development. (General Plan Goal IE-1; Policy LU-6.1.)

However, neither the IP designation nor the inclusion of NCV as employment lands in the General Plan precludes the City from supporting the acquisition of properties in NCV for purposes of flood protection or open space conservation. The General Plan in no way compels development of private property, nor could it legally do so. Rather, a General Plan provides a guide for development if and when it occurs. Since at least 1985, industrial park development has been proposed on the remaining undeveloped lands in NCV, but such development has never materialized. The City has now determined that certain of those lands, preserved in their natural state, can provide important flood control and open space benefits to the community. The City need not amend its General Plan for such preservation to proceed. Land conservation can occur anywhere, regardless of the applicable general plan land use designation, and there are countless examples of conservation acquisitions of properties designated for development in the General Plan.

Indeed, the importance of protecting lands for conservation and flood control is specifically called out numerous policies in the City's General Plan. For example:

- **EC-5.3** Preserve designated floodway areas for non-urban uses.
- **EC-5.4** Develop flood control facilities in cooperation with the Santa Clara Valley Water District to protect areas from the occurrence of the “1%” or “100-year” flood or less frequent flood events when required by the State.

- **EC-5.10** Encourage the preservation and restoration of urban creeks and rivers to maintain existing floodplain storage.
- **PR-6.3** Encourage public land agencies to accept dedications of open space lands of regional significance, including watersheds, wildlife habitats, wetlands, historic sites and scenic lands.
- **PR-8.4** Consider open space land dedications when public ownership will preserve the natural and scenic beauty, protect natural and man-made landmarks, or provide a land supply to meet future recreation needs.
- **PR-8.8** Collaborate with the public land agencies and other appropriate jurisdictions to direct the expenditure of their funds to provide parks and other open space lands and recreation resources within, or in close proximity to, the urban population.

These policies – which are not limited to any particular land use designation but apply citywide – reflect the over-arching importance of promoting preservation of floodways, flood plain storage, regionally-significant open space, and watersheds. NCV is uniquely suited for this kind of preservation. At the same time, NCV has not lived up to the general plan’s expectations for high-employment development, and renewed interest in downtown development is expected to generate significant jobs not anticipated in the 2011 General Plan update – far more than was anticipated for NCV. In light of current circumstances, the balance of the general plan’s policies clearly favor preservation over development of NCV.

The zoning for NCV also reflects the importance of maintaining open space. To implement the IP designation in NCV, the City chose to retain the Agricultural (A) base district, with a Planned Development (PD) overlay. The Agricultural district generally limits uses to farming, grazing, and soil and water conservation and trails. (Zoning Code § 20.20.100, Table 20-30.) The PD overlay allows for the possibility of industrial uses allowed under the IP designation, but only with the approval of a PD permit, which is completely discretionary with the City:

“Under no circumstances shall the city ever be required to issue a PD permit. The discretion to grant or deny such permit is untrammelled and nothing contained in this title shall be deemed or construed to limit this discretion in any way whatsoever.”

(Zoning Code § 20.10.070(E).) Absent PD permit, uses must conform to those permitted under the base district. (Zoning Code §§ 20.10.070(E), 20.60.030(D).) Thus, the zoning code contemplates that the only uses allowed of right in NCV are agricultural, conservation and trail uses. Whether any other use is permitted is left to the sole and absolute discretion of the City.

2. City Funding of Open Space Acquisition in NCV Would Not Expose the City to Inverse Condemnation Liability.

The City's proposed use of Measure T funds to assist with the conservation of lands in NCV would not give rise to inverse condemnation claims by the owners of neighboring properties. The mere acquisition of land for open space or flood control is not a regulatory act and does not affect any general plan or zoning designations for other properties in NCV. Absent a change in regulations affecting a property, the City cannot be liable for a regulatory taking.

California does allow a property owner to bring an inverse condemnation claim for "damage" to property caused by a public improvement or other non-regulatory action of government. But to assert such a claim, the damage caused by the action must be more than simply a reduction in property value:

"The recovery of neighboring landowners in an inverse condemnation . . . action . . . requires more than a showing that the value of the property has diminished as a result of the project: Such landowners must establish that the consequences of the project are "not far removed" from a direct physical intrusion or amount to a nuisance."

(*Los Angeles County Metropolitan Transportation Authority v. Continental Development Corp.* (1997) 16 Cal. 4th 694, 713-14.) Here, the City is not proposing any action akin to direct physical intrusion of any properties other than the properties acquired. Even if owners of neighboring properties were to argue that preserving the Brandenburg and Sobrato properties would reduce the value of their own properties by making industrial development in NCV more difficult, such reduction in value is not an actionable interference with property rights.

Indeed, the City could eliminate the PD overlay in NCV without triggering takings liability. The owners of property in NCV have no present right to anything more than agricultural uses – as noted above, issuance of a PD permit is within the City's sole and absolute discretion. But even if the current zoning allowed industrial uses of right, downzoning to agricultural use would not give rise to a taking where agriculture is an economically viable use. (See *County of Alameda v. Superior Court* (2005) 133 Cal.App.4th 558, 569 (agricultural use defeats takings claim); *Gilliland v. County of Los Angeles* (1981) 126 Cal.App.3d 610, 616 (agricultural zoning that permitted residential use did not "take plaintiffs' property without just compensation"); *Helix Land Co. v. City of San Diego* (1978) 82 Cal.App.3d 932, 945 (permanent agricultural zoning not regulatory taking).

A taking can arise where a change in land use regulation interferes with a landowner's vested right to develop. However, a vested right arises only where one is expressly created by law – such as a vesting tentative map under Government Code section 66498.1 or a development agreement under Government Code section 65866 – or where an owner has obtained a building permit and completed substantial work and incurred substantial liabilities in good faith reliance on the permit. (*Avco Community Developers, Inc. v. South Coast Regional Commission* (1976) 17 Cal.3d 785, 793-4 (investment of over \$2 million on street improvements, storm drains, utilities and other facilities prior to building permit does not create vested right).)

The building permit rule is applied “most strictly... regardless of the property owner’s detrimental reliance on local government actions.” (*Toigo v. Town of Ross* (1998) 70 Cal.App.4th 309, 322.) None of the undeveloped properties in NCV have acquired a vested right to development.

Thus, whatever the effects on the value of neighboring property owners, the acquisition of property in NCV for flood control or open space would not create an actionable interference with any property rights of those owners, and thus the City faces no exposure for inverse condemnation.

3. Existing Community Facilities Districts Do Not Create Exposure for the City.

A number of NCV properties are within CFD 5A, a community facilities district established by vote of the property owners for the purpose of assessing special taxes to fund the cost of major flood control improvements and a fire station on the Brandenburg and Sobrato properties. If those properties are acquired for open space, the improvements contemplated in CFD 5A are likely to remain unbuilt, and special taxes collected under the CFD could not be used for the purposes for which they were assessed.

However, the City has not yet collected any special taxes under CFD 5A, and no taxes are due unless an owner within the district is issued a building permit or a tract map. Accordingly, the City has ample opportunity to dissolve CFD 5A before any special taxes have been levied. Because the City has not issued any bonds or other debt payable from CFD 5A proceeds, it may dissolve the CFD by ordinance. (Govt. Code § 53338.5). In the event the City approves a tract map or issues a building permit on a property within the district before its dissolution, the City may place the taxes in an escrow fund to be used to refund the owner following dissolution or to pay any claims for reimbursement.

The two other CFDs established within NCV – CFD 9 and CFD 5B – do not present an issue of collecting taxes that cannot be used for their intended purpose. Taxes collected under CFD 9 are used to pay bond debt for improvements already built; and in any case, CFD 9 includes only the Brandenburg and Sobrato properties, so can be addressed as part of any acquisition of those properties. CFD 5B was formed to fund the cost of maintaining certain improvements, some of which may not be completed if the Brandenburg and Sobrato properties are acquired for open space. But because the amount of CFD 5B taxes is calculated annually based on the actual maintenance costs incurred by the City, no taxes will be collected under CFD 5B for services not actually provided.

4. The City Would Not Assume Liability for Flood Risk by Contributing to the Preservation of NCV Lands.

At the January 22, 2019 public Study Session relating to the City’s proposed contribution to the acquisition of lands in NCV using Measure T funds, a question was raised about the City’s contribution could give rise to potential liability for flood related damages in the event the flood control project for the lands failed. The City Attorney correctly responded that the City would not

assume such liability merely by acquiring the land for the project. A public entity is not liable for the failure of a flood control project unless it substantially participated in the planning, approval, construction or operation of the project (and even then, the public entity is responsible only if it acted unreasonably and thereby causes damage to property not historically subject to flooding). (*Arreola v. County of Monterey* (2002) 99 Cal. App. 4th 722, 761.) The City here is simply proposing to contribute to the acquisition of land for open space purposes. The land is expected to be held by a public or private land conservancy, and the flood control project would be carried out by the ultimate land owner in collaboration with the Santa Clara Valley Water District. The City is not proposing to be involved in the design or operation of the flood control project.

Nor does Measure T require that the City have substantial involvement in the design or operation of the flood control project as a condition for spending the bond funds. Measure T clearly contemplated that the City would preserve open space as the means for furthering the measure's flood prevention purpose, expressly authorizing bond funds for "[p]reventing flooding and water quality contamination, *including the acquisition of open space in Coyote Valley for these purposes.*" Indeed, Measure T would permit the use of the bond funds for open space acquisition even in the absence of any flood control project, for the purpose of preventing "water quality contamination." Thus, the City may use Measure T funds to assist with open space acquisition without taking on responsibility for the proper design and operation of any future flood control project.

CENTER FOR CONTINUING STUDY OF THE CALIFORNIA ECONOMY

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February 2019

Economic Data and Issues Related to North Coyote Valley Lands—What has Changed Since the General Plan Update was Adopted?

Prepared for:

Santa Clara Valley Open Space Authority

Prepared by:

Stephen Levy

Executive Summary

The Santa Clara Valley Open Space Authority asked the Center for Continuing Study of the California Economy (CCSCE) to look at data and issues related to alternative uses of the North Coyote Valley lands. The focus of this briefing paper is on the dramatic changes in the City's economic outlook since the General Plan update was adopted and how these changes affect achieving the three main goals of the update:

--The main goal was to improve the City's fiscal position—the ability to provide services to residents

--A second goal was to improve the ability of residents and particularly lower skilled residents to get jobs

--A third goal was to provide jobs that were more accessible to residents in order to reduce commute times and costs as part of San Jose's climate smart goal.

The major findings include:

- **Downtown and North San Jose have been “Discovered” as Attractive High Amenity, Transit Rich Areas for New Development**

This is a major new development since the General Plan economic analyses were completed. It is part of a regional trend for companies and developers to choose high amenity, transit rich locations.

- **These New Developments Can Support 200,000 + Added Jobs**

In addition, there will be added jobs related to airport expansion, development around new BART stations, the new Diridon station complex and planned urban villages.

The strong economy, the great locations offered in San Jose and the City's welcoming policies for tech and a variety of other jobs have made San Jose a rock star in job attraction.

- **These New Developments will bring Substantial Fiscal Benefits**

The Applied Economic Development (ADE) report prepared for the city estimates a yearly fiscal benefit of \$8 to \$12 million based on analyses of proposed downtown Google developments. These benefits will be increased by a factor of 2 or more from the many other known new developments.

It is important to note that the relationship between jobs and fiscal benefit depends on the location and type of activity. Locations in high value areas like downtown bring increased property tax revenue compared to other locations. Locations in downtown and north San Jose can provide substantial sales taxes as well as expanded visitor spending and taxes.

Not all jobs are the same with regard to fiscal benefits.

- **San Jose Residents have Already Seen a Surge in Jobs and Reduced Unemployment with More to Come in the Future**

San Jose's unemployment rate dropped from 7.2% in 2013 to 2.5% in November 2018. This was accompanied by sharp declines in unemployment rates for residents who only finished high school and even for those who did not attend or finish high school.

At the same time many residents were able to rejoin the workforce and find jobs. And for the past three years wage growth for low skilled workers was higher than for most other residents in the region and county.

The new job growth in the city plus improved access to regional jobs through planned BART and CalTrain expansions will provide continuing job opportunities for residents including residents with lower levels of education consistent with minimizing the need for driving.

- **San Jose is Well on the Way to Meeting the Three Main Goals**

The "discovery" of downtown and north San Jose as attractive locations for high valued, job rich projects is a positive for the goals of improving fiscal health, increasing access to jobs for all San Jose residents and achieving a "climate smart" approach.

- **Other Long-Term Trends Favor Improved Fiscal Balance**

Compared to when the General Plan update was being developed, San Jose can look forward to higher job levels and the strong possibility of lower population growth—with both trends pointing to improved fiscal balance.

The outlook for regional and county job growth has improved even before accounting for the surge in downtown and north San Jose. The Bay Area and county continue to increase their share of national and state jobs. In addition, population growth in the city, county and region has declined significantly as a result of falling birth rates and out migration caused by high housing costs. Recent population growth in San Jose is far below

what was envisioned in the General Plan update even as job growth surges ahead.

- **What is the Job Potential of North Coyote Valley Lands**

The job potential for North Coyote Valley looks to be far less than the tens of thousands of jobs envisioned in the General Plan.

Manufacturing and distribution jobs face stiff competition from sites with much better access to the regional workforce and transportation network.

Manufacturing and distribution jobs are likely to decline regionally as these sectors face some of the largest risks from automation. Distribution activities even if feasible are unlikely to produce many jobs.

Any development in North Coyote Valley will face substantial infrastructure costs and significant planning and environmental hurdles.

- **A Summary About the Choices Before Council**

At the January 22nd study session the council received information on the wildlife, water resources, agriculture, recreation and the climate-resilience benefits for all San Jose residents of preserving North Coyote Valley for conservation/climate smart uses. These benefits become the “opportunity cost” of choosing a development option for these lands.

Council can now identify the realistic job and fiscal potential for development in North Coyote Valley. These potential benefits are then the “opportunity cost” of not choosing a development option.

In evaluating these choices the council can factor in the substantial changes in the outlook for job growth and fiscal benefits created by the “discovery” of downtown and north San Jose as high demand growth locations since the General Plan update was developed.

In this process the council can also consider the significant improvement in the job outlook for San Jose residents outlined in this briefing paper, an improvement that will increase with the large number and wide variety of jobs planned in downtown and North San Jose. Virtually every week while this briefing paper was being prepared brought another announcement of new job creating developments in downtown and north San Jose.

Introduction

The Santa Clara Valley Open Space Authority asked the Center for Continuing Study of the California Economy (CCSCE) to look at data and issues related to alternative uses of the north Coyote Valley lands. I prepared job projections for San Jose in 2007-08 and 2014-15 as part of General Plan updates.

The council faces three main questions in reviewing different proposed uses for the North Coyote Valley lands:

- 1) What role does Coyote Valley still play in meeting the **job, fiscal, climate smart and environmental goals** of San Jose as laid out in the General Plan? Is development there still needed to meet these goals?
- 2) What are the realistic options for North Coyote Valley lands in terms of jobs and fiscal impact and contribution to a climate smart city?
- 3) Given the answers to the first two questions, what is the best choice regarding future use of North Coyote Valley lands?

This briefing paper looks at five sets of data and issues

- 1) Recent and planned job growth that has occurred since the General Plan update
- 2) The fiscal impacts of this job growth
- 3) The impact of recent and planned job growth on job opportunities for San Jose residents
- 4) Changes in the long-term regional outlook with regard to job and population trends
- 5) The prospects for job growth in North Coyote Valley

Background

During 2015 and early 2016 the City conducted analyses and a series of community task force meetings to review job projections for the General Plan update. Based on staff and task force recommendations, the City adopted a 2040 job target that was substantially higher than projections prepared by CCSCE and by the Association of Bay Area Governments (ABAG).

San Jose City Job Growth
2013-2040 (Thousands)

	Jobs	Growth
2013	413.5	2013-2040
2040 ABAG	524.5	111.0
2040 CCSCE Middle	571.5	158.0
2040 CCSCE High	597.5	184.0
2040 Adopted	731.8	318.3

The higher job target for 2040 was described as aspirational and was adopted to meet three primary goals of the General Plan:

--The main goal was to improve the City's fiscal position—the ability to provide services to residents

--A second goal was to improve the ability of residents and particularly lower skilled residents to get jobs

--A third goal was to provide jobs that were more accessible to residents in order to reduce commute times and costs as part of San Jose's climate smart goal.

The Coyote Valley lands were identified as one component of meeting these goals. At the same time, the City set out a course to become a leader in dealing with climate change and environmental responsibility and choices about Coyote Valley can be viewed as to how they meet the City's environmental goals.

Achieving the first two goals was translated into a goal of achieving a ratio of jobs (TJ) to employed residents (residents who had jobs or ER) of 1.1 to 1. To do this the goal was to increase jobs in the city faster than employed residents.

In the community discussion there was no analysis of how or whether this ratio would achieve the fiscal and job goals. And it is certainly true that not all jobs have the same fiscal impact. **Some jobs are located on land with a high assessed value while others are not. And some jobs bring sales and hotel taxes in addition to property taxes.** The ratio has taken on a life of its own and may not be helpful in analyzing choices before the council.

But the fiscal and job goals in the General Plan are sensible goals and this analysis will focus on progress in achieving the General Plan goals and where the Coyote Valley decision fits into meeting the General Plan goals.

1) Recent and planned job growth that has occurred since the General Plan update

The Bottom Line

Downtown and North San Jose have been “Discovered” as Attractive High Amenity, Transit Rich Areas for New Development that Will Lead to Substantial Job Growth

Since the General Plan update was developed, the outlook for San Jose workers and the City’s job and fiscal health has significantly improved. This is the result of growth that has already occurred plus clear signs that the outlook for residents and the city’s economic competitiveness will become even better in future years.

The recent “discovery” of downtown and north San Jose is seen in recent announcements, in media coverage and in plans before the city council.

San Jose is poised for substantial future job growth (200,000 +) as a result of announced plans, a surge in land purchases, expansions in air travel and related jobs, and the development of a new high amenity Diridon station complex. Raising height limits would allow even more jobs.

The growing attractiveness of downtown and north San Jose will be enhanced by expansions in BART and CalTrain service that will make the area more accessible (without driving) to workers on both sides of the Bay. At the same time these public transportation expansions will make job opportunities more accessible (without driving) to thousands of San Jose residents.

Here is what we know about activity that is already planned or likely to occur in downtown and north San Jose.

--Downtown and north San Jose have been discovered as coveted lower cost centers for tech and other job growth. This includes but goes far beyond Google.

--The Mineta San Jose airport has hit record traveler levels and is expanding gates, carriers and flights. This activity is already spreading to new hotel planning and will support increases in the transient occupancy (hotel) tax and sales taxes from visitor spending.

--Planning is underway for a Diridon Station complex that will provide jobs and tax revenues in addition to being an anchor in making San Jose more accessible to workers.

--CalTrain and BART are in the midst of expansions that will support downtown and north San Jose as attractive job sites as well as broaden the no car

commute options for residents. The Berryessa station is planned for opening within the year.

--New BART stations in San Jose, first at Berryessa and, later, throughout the core area, will bring jobs, housing and retail growth.

--And when it occurs, the connection of High Speed Rail to San Jose will be an added competitive attraction.

--The urban village planning will add to job potential and provide housing in walkable high amenity areas.

It is noteworthy that all of these future developments build on the current environmental trend of locating jobs and housing near each other and in high amenity areas where driving can be minimized. This point is supported by the strong demand for locations in downtown and north San Jose but also fits with development preferences up and down the BART and CalTrain corridors.

These trends are confirmed by recent press reports, by the planning underway already and by a compilation of recent property transactions that go far beyond the plans announced by Google.

The Silicon Valley Business Journal writes about Google and the acquisition of CityView Plaza by Jay Paul with plans for redevelopment and then focuses on the “discovery” of north San Jose as a coveted site for growth saying “San Jose's North side saw renewed investor interest after many years of being passed over as a low-slung, industrial section of town. ... As space fills up along the Peninsula, companies have started to look at San Jose as a haven with space for them and their employees with room to grow. Multiple major companies have signed leases in the area, while investors' and developers' confidence has been buoyed by the attention, evident by the number of development projects that got off the ground and office buildings that traded hands.”

https://www.bizjournals.com/sanjose/news/2018/12/24/san-jose-has-breakout-2018-in-commercial-real.html?ana=e_mc_prem&s=newsletter&ed=2018-12-24&u=pkqD6eLFAYrDn%2Bg0IGnW8zY7FUP&t=1545772258&j=85702351.

This article from the San Jose Mercury News talks about a new Marriott hotel near the airport and other activity in the Coleman Avenue area as well as Roku moving to San Jose with up to 2,850 jobs.

<https://www.mercurynews.com/2018/12/13/marriott-hotel-slated-to-sprout-near-san-jose-airport/>.

What are the Job Impacts of These Developments?

An analysis by ADE dated 11-21-18 provides information on the job impacts of properties that will be developed by Google. Table 4 from the ADE report summarizes the added jobs expected under two scenarios. Scenario 1 uses existing building height limits and scenario 2 considers the increase in activity if height limits are raised as recently suggested by SPUR San Jose.

Table 4: Job Creation from Development Operations

Development Component	Direct Effect	Indirect Effect	Induced Effect	Total Effect
Scenario 1				
Office	19,194	25,264	35,163	79,621
Retail	564	42	129	735
Hotel	67	11	19	97
Cultural	133	46	20	199
Residential	0	0	2,731	2,731
Total	19,958	25,363	38,062	83,383
Scenario 2				
Office Uses	24,409	32,128	44,717	101,254
Retail Uses	760	57	174	990
Hotel Uses	137	23	39	198
Cultural Uses	133	46	20	199
Residential	0	0	4,642	4,642
Total	25,439	32,253	49,592	107,285

Source: ADE, Inc. Totals may not add due to rounding.

The direct jobs are primarily the result of office uses with some increase in retail and other jobs. The indirect jobs are those created from business to business activities and the induced jobs are the result of spending by the new employees and residents.

Direct job increases range from approximately 20,000 to 25,000 at full development, which is assumed to occur not later than 2035. Indirect and induced jobs add between 63,000 and 82,000 jobs at full development with smaller increases as development occurs.

These are, of course, preliminary estimates. But even if they are a bit high, this is a substantial number of new jobs from this one part of downtown, north San Jose development growth.

Silicon Valley Synergy, Inc. compiled a list of new office developments in San Jose that are in addition to the Google properties studied in the ADE report.

Office Development Table 1: Non-Google related office development in San Jose that will make this development cycle

Development	Est. SF
Park Center Plaza - Jay Paul	3,000,000
Coleman Highline - Hunter Storm	1,500,000
Museum Place - Dillabough	850,000
1 North First Street - Jay Paul	101,000
Adobe Tower 4 - Adobe	700,000
River Corporate Center Phase III	194,178
Market Street Tower - Sobrato	500,000
Santana Row - Splunk	550,000
Santana Row West	850,000
Boston Properties - Guadalupe River lot	1,800,000
Platform 16 - TMG	1,100,000
Total	11,145,178

The Synergy report used the ADE methodology to create an estimate of the job potential of these projects and concluded they could add well over 100,000 additional jobs.

"The roughly 11.1 million square feet of office development is on par with what Google is planning on development over the next ten years. This office development is in various stages of development, but all should be completed in the next 3-4 years. This information will become stale in the next 90 days as rumors of more deals on the horizon emerge. This shows the positive and upward momentum of San Jose as a leading destination for future large office development. ...this office development will in turn create a large amount of jobs in San Jose. As we can see in Table 2 below, if we take the same methodology used by ADE in the City of San Jose report dated November 21, 2018 it creates a substantial amount of jobs."

Office Development Table 2: Non-Google related office development job creation using ADE's methodology.

Direct Effect	Indirect Effect	Induced Effect	Total
31,843	41,913	58,336	132,091

Together the ADE and Synergy analyses point to a likely 200,000 + job addition in San Jose. On the one hand these estimates are just estimates and could end up being high. On the other hand, the Synergy report and this paper point to multiple other developments around BART stations, Diridon station, urban villages and other downtown/north San Jose developments.

The Synergy report also noted that “The City of San Jose has undertaken a study to determine the feasibility and any drawbacks from changing the OEI policy for Norman Y. Mineta San Jose International Airport... If the City changes the OEI policy to Scenario No. 4 it will have the potential to create over 100,000 additional jobs.”

Direct Effect	Indirect Effect	Induced Effect	Total
24,571	32,342	45,014	101,926

The bottom line is that San Jose now is poised for very substantial job growth. Moreover, these jobs offer opportunities at all skill levels and, as shown below, bring positive fiscal benefits.

The Synergy report, which accompanies this briefing paper, has additional detail.

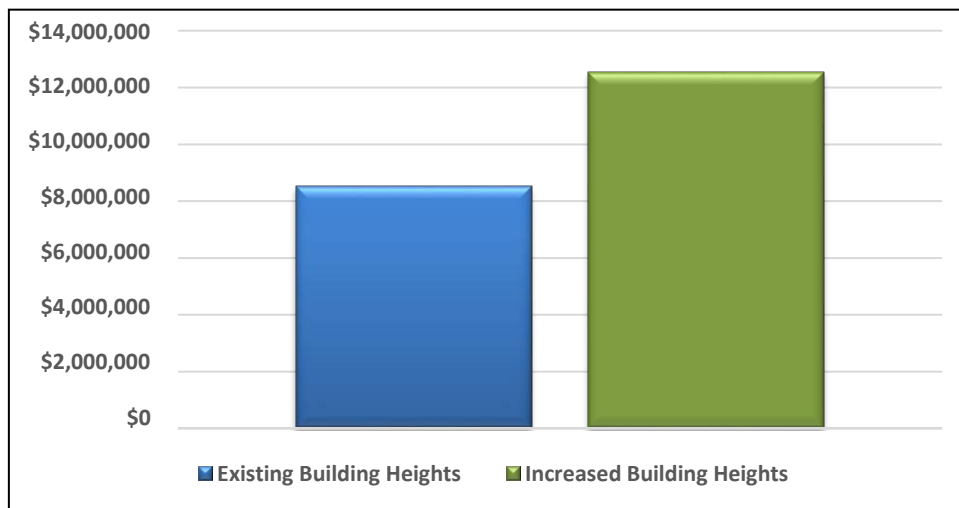
2) The Fiscal Impacts of Planned New Developments

Trying to get a better balance of jobs and population/housing was a central theme of the General Plan aspirational job targets. How do the new developments in downtown and north San Jose affect the fiscal picture?

Before we look at the data, it is important to make one point. **In terms of fiscal benefit not all jobs have the same impact. For some jobs the primary benefit is increased property tax revenue. But other jobs depending on type and location can bring higher property revenue plus new sales and hotel tax revenue.**

The ADE report provides an analysis of the fiscal impacts of the Google owned lands in San Jose. Their summary chart below shows a net gain to the city at full buildout of between \$8 and \$12 million. This based on a revenue increase of between \$28 and \$40 million a year minus added expenses. The primary revenue increases are from property and sales taxes.

Figure 2: Annual Net Revenue to San Jose General Fund



Other findings from the ADE report include:

Over the construction period, the Scenario 1 development is estimated to generate \$76.5 million in construction taxes, while the Scenario 2 development would generate \$116.2 million.

In addition to the City of San Jose General Fund, there are a number of other taxing agencies with jurisdiction over the development sites, including the County General Fund, local school and college districts, and other service agencies. The property tax increment allocated to these agencies would total \$45.2 million per year under Scenario 1 and \$68.6 million annually under Scenario 2, at full buildout of the development. The San Jose Unified School District is the largest beneficiary with \$28.5 to \$43.3 million in property taxes per year. However, the Santa Clara County General Fund would receive an estimated \$9.1 million to \$13.8 million per year (see Table B-4 for estimates of property tax for all taxing agencies). The methodology used to make these estimates is described further below, followed by a discussion of the

sales tax projected to be generated by the mixed-use development and its employees and residents

These positive fiscal benefits could be multiplied 2 to 3 times based on all the additional square feet beyond the Google downtown properties and all of the other developments likely to occur around transit stations, the airport and urban villages.

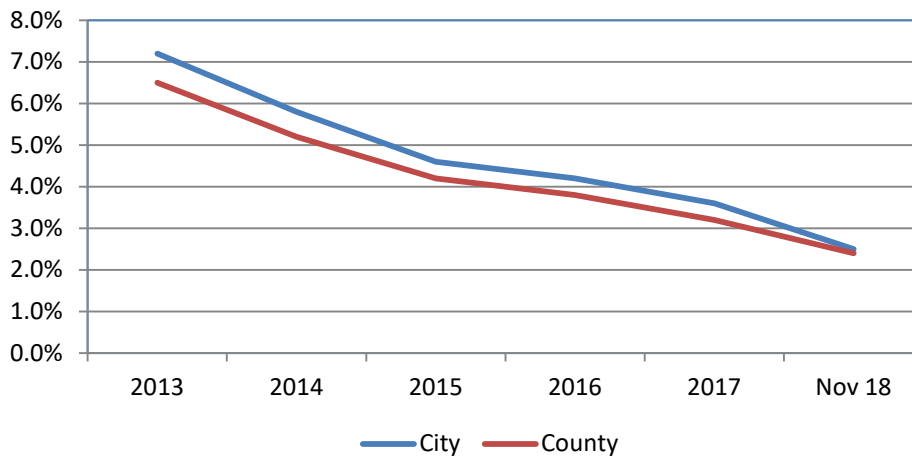
3) The impact of recent and planned job growth on job opportunities for San Jose residents

In the past five years many residents have been able to rejoin the workforce and find jobs. At the same time unemployment rates for San Jose residents including those with just a high school education or less have reached record low levels. And, after two decades of slow wage growth, wage gains for low-wage workers rebounded in the past three years. This has been made possible by strong job growth in the region, county and city.

The unemployment rate for San Jose and county residents has dropped from near 7% in 2013 (it was even higher in 2010) to near 2.5% in November 2018 according to estimates from the California Employment Development Department (EDD) and the gap between the city and county rate has been closed.

The good unemployment news included gains for residents with a high school education or less. Between 2013 and 2017 unemployment rates for San Jose residents without a high school diploma dropped from 11.5% to 5.0% and for those with just a high school diploma from 10.3% to 3.8%. **The 2018 numbers will show a continued improvement in unemployment rates for workers with lower levels of education.**

Unemployment Rate

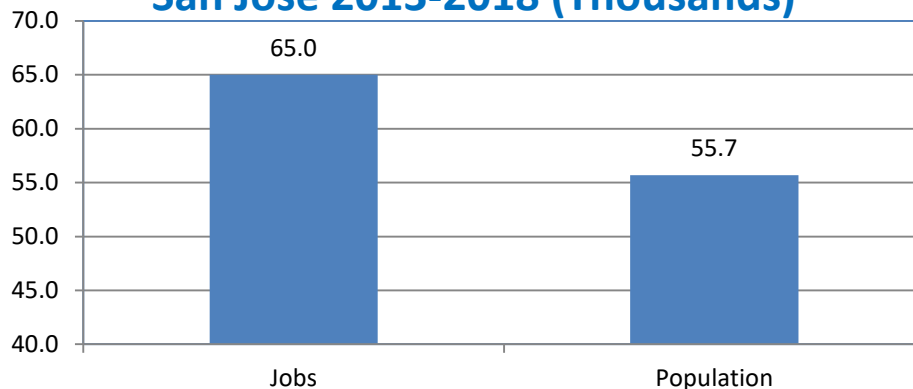


	Unemployment Rate			
	Not HS grad	HS Grad	Some College	BA +
2017	5.0%	3.8%	3.5%	3.9%
2016	5.1%	7.8%	4.7%	4.1%
2015	8.1%	7.1%	5.8%	3.5%
2014	11.0%	8.1%	6.2%	3.7%
2013	11.5%	10.3%	9.1%	5.6%

Source: American Community Survey

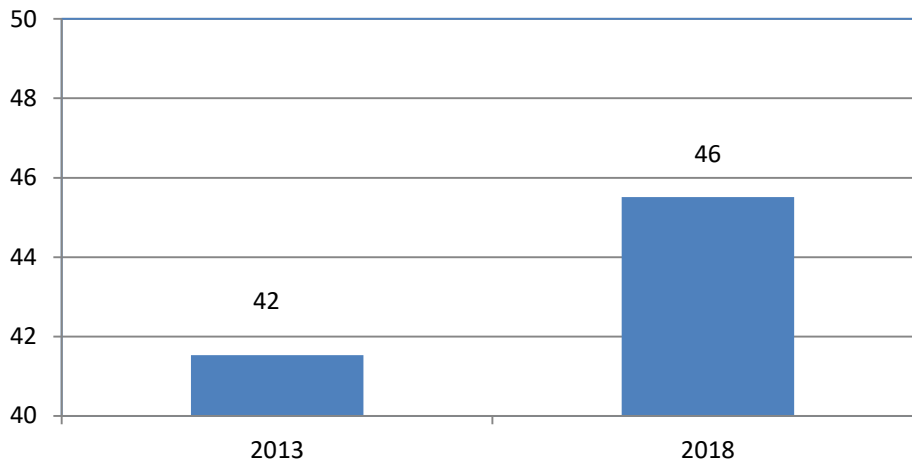
Between 2013 and 2018 San Jose added approximately 65,000 jobs, which outpaced the City's population growth during this period.

Job Versus Population Growth City of San Jose 2013-2018 (Thousands)



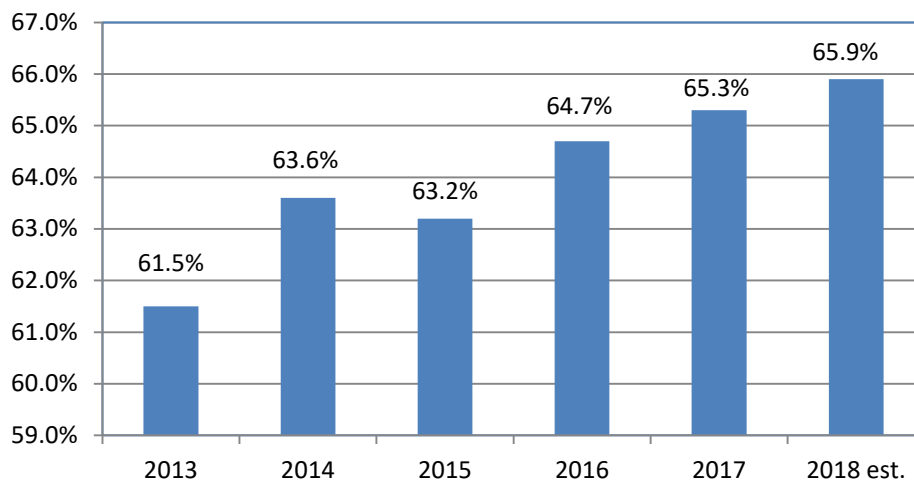
As a result the ratio of jobs to population improved, which is one measure of fiscal capacity to serve residents. In 2018 there were 46 jobs for each 100 residents up from 42 in 2013.

Jobs per 100 Residents in San Jose



All of this occurred as many San Jose residents were able to return to the workforce and find jobs. In 2013 61.5% of city residents had jobs. That share rose to 65.3% in 2017 according to American Community Survey data and CCSCE estimates the share rose to 65.9% in 2018.

Share of Residents 16+ With Jobs



In the General Plan discussion, the community group assumed that when more residents were employed, population and fiscal pressures would increase.

But for the past five years the number of employed residents (ER) has grown from reduced unemployment and more residents joining the

workforce, which reduces fiscal pressures facing the city, rather than increasing them. This is another reason why a mechanical TJ/ER ratio is not the best guide to policy about land use.

Moreover, the fiscal goal relates to providing services to residents, not just the ones who are employed. In further analyses, if the city chooses to pursue a ratio, it should consider a ratio linked to population (all residents) who need city services.

The idea that residents are best served only by jobs located in the city is also not the best guide to helping residents get good jobs.

Residents have seen job opportunities improved by access to good jobs around the region. More than half of San Jose residents have found jobs outside the city and that share has been increasing. Now with the planned job growth in downtown and north San Jose, residents have the best of both worlds.

And the increased access being planned by BART and CalTrain means that more residents will not need cars to get to work. Having job opportunities both in San Jose and nearby is not an either/or, it is a both/and.

San Jose is a major center for commuting both into and out of the city and the increased access from BART and CalTrain expansions benefits the city's competitiveness and the residents' job opportunities.

Where Do People Live and Work 2015

Jobs in San Jose	
Commuters	225251
Residents	183589
San Jose Residents	
Work in City	183589
Commute Out	287877

Source: ABAG

There are now three major areas to help low wage workers in a period when job opportunities are plentiful. One is attacking the major cause of economic hardship for low wage workers—high housing costs and lack of subsidized housing. San Jose is already on a path to be a leader in this area. The second focus is on programs that help low wage workers move up to better jobs. The San Jose workforce board and the one I serve on (NOVA) are working separately

and jointly on this goal. The third effort is around improving the safety net and protecting workers against abuse in the labor market.

4) Changes in the long-term regional outlook with regard to job and population trends

Long Term Trends Make it Easier to Achieve Fiscal Balance

The new developments poised to occur in San Jose will make a substantial contribution to job growth and fiscal balance. In addition changing long-term trends improve the fiscal outlook.

Since the analytical work for the San Jose General Plan update and the 2017 Plan Bay Area was completed there have been two major new trends:

- 1) Regional job growth has surged ahead of the earlier projected growth trends
- 2) Regional population growth has slowed dramatically

These trends are likely to result in higher job and lower population projections when ABAG and the city complete their projection updates. This is in addition to the job impacts from the new San Jose projects discussed above and indicate that the job-population balance will continue to improve.

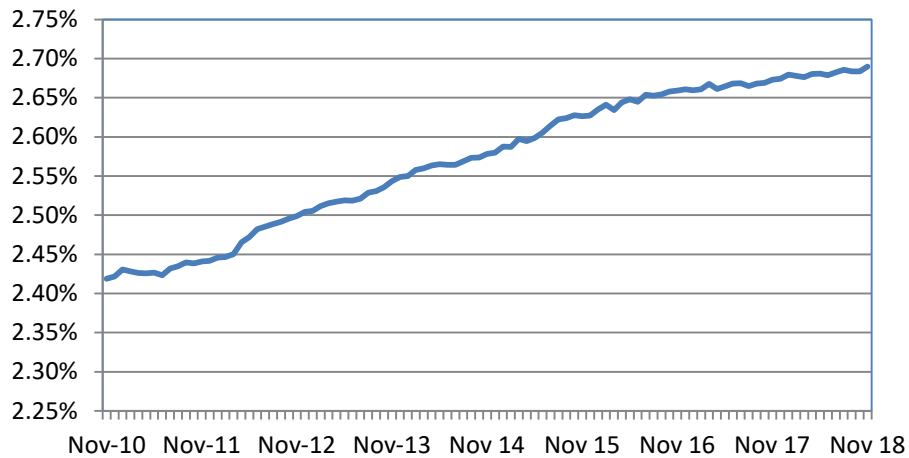
How is it possible to have more jobs without adding as many people? As the past few years have shown, there are three major reasons:

- 1) More residents have found jobs and rejoined the workforce. That was shown above for San Jose with the rising labor force participation rates driven in part by growing job opportunities and in part by the need to meet rising housing costs. **So more jobs with the same number of residents.**
- 2) Unemployment rates are near historic lows so there are more jobs with the same number of people.
- 3) An increasing number of jobs in the region, county and San Jose are filled by people who live elsewhere—again more jobs needing fewer residents

Regional Job Growth Surge

The region has added jobs and increased the region's share of U.S. jobs at a pace faster than expected in existing projections. As a result the Bay Area had as many jobs in 2018 as Plan Bay Area expected in 2025 and by the end of 2019 will likely match the Plan Bay Area forecast for 2030. The same is true for Santa Clara County. San Jose job growth is also running ahead of the pace forecast in Plan Bay Area. San Jose's job growth pace will also be increased by the expansions cited earlier in this paper.

Bay Area Share of U.S. Jobs

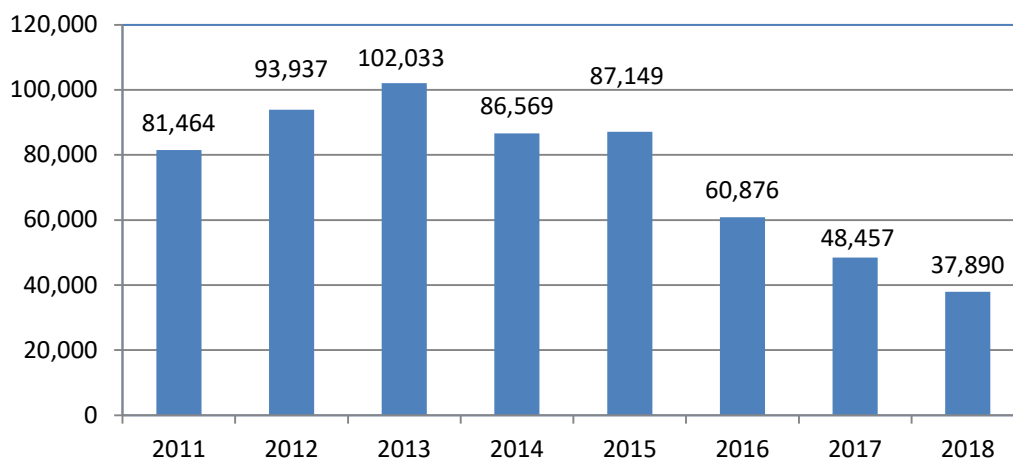


The Plan Bay Area job forecast to 2040 projected a decline in manufacturing, wholesale trade and transportation jobs of 65,000 or approximately 15% between 2015 and 2040. Projected job growth was concentrated in construction, professional, business and health services.

In addition recent reports by McKinsey and others anticipate that automation will reduce jobs in manufacturing and many warehouse activities.

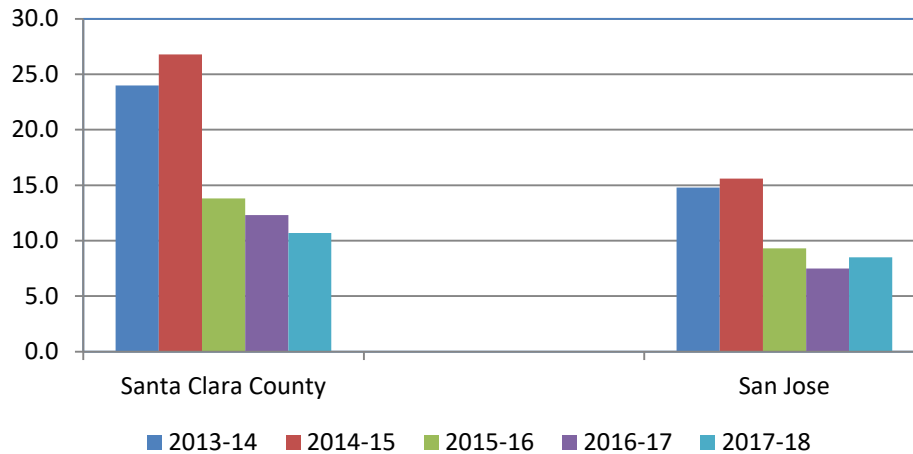
At the same time that the job outlook has brightened, population growth in the region, county and city has slowed dramatically. Regional population growth fell from over 100,000 in 2013 to just fewer than 40,000 in 2018. The principal causes were lower birth rates and growing outmigration from high housing costs.

Population Growth in the Bay Area



Slowing population growth was especially present in Santa Clara County and San Jose.

Population Growth (Thousands)

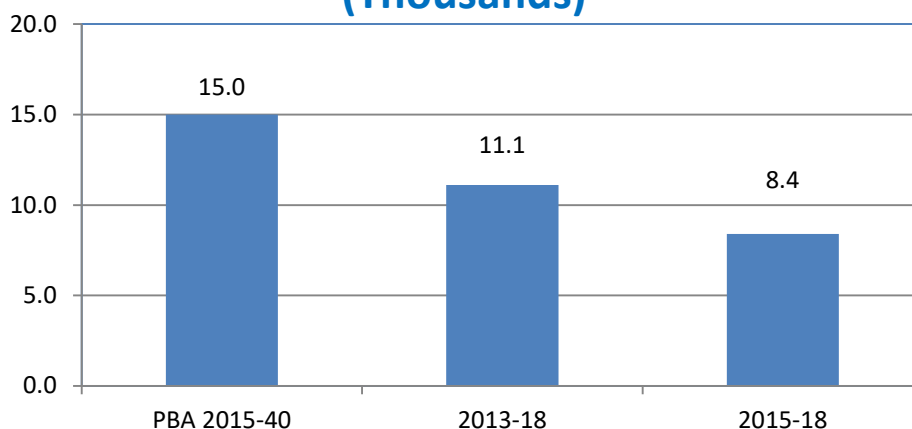


Looking ahead it is a challenge to project the number of residents in San Jose needed to match the job growth and promote fiscal balance. Falling birth rates are a factor. Rising workforce participation of existing residents is a factor. Increasing in commuting into the city is a factor. **But two points are clear:**

- 1) All of these factors point to needing fewer residents to fill the projected job growth and**
- 2) Recent San Jose population growth levels are far below what was anticipated in Plan Bay Area and the San Jose General Plan update.**

The Plan Bay Area forecast was for 15,000 added residents per year in San Jose. For the past five years population growth averaged 11,100 and that fell to 8,400 over the past three years—all while job growth continued in the city.

San Jose Annual Population Growth (Thousands)



What is the Job Potential for North Coyote Valley Lands?

Silicon Valley Synergy prepared a report for the Santa Clara Valley Open Space Authority analyzing the prospects for and challenges for developing a significant number of jobs in Coyote Valley as envisioned in the General Plan update. That report accompanies this briefing paper and the findings are summarized below.

- 1) Synergy concludes that there is substantial competition for manufacturing and warehouse/distribution space in the Bay Area and that most recent developments have better access to labor force and transportation compared to Coyote Valley.

A very recent example is the acquisition of 600,000 square feet of industrial space by Facebook in Newark, which has great labor force access and an easy connection to Facebook headquarters.

As noted earlier in this briefing paper, manufacturing jobs are projected to decline in the Bay Area and both manufacturing and distribution jobs have been identified as having above average risk from automation.

If San Jose is interested in helping residents get better paying jobs in these sectors, one good approach is to train residents to fill existing jobs that will have openings as workers soon reach retirement age.

- 2) Synergy concludes "If a market exists for development in the NCV it is for distribution-type warehouse. A data center is unlikely because of the risk of losing the asset due to flooding and lack of infrastructure. Small scale manufacturing, R&D, industrial campus type uses clearly desire transit-oriented development sites with existing infrastructure largely in place."

Even if a distribution center was possible and there is intense competition from other sites, Synergy concludes the number of jobs might be as low as 1,000 not the tens of thousands envisioned in the General Plan.

- 3) The Synergy report then lists a wide array of infrastructure costs and planning hurdles that would likely impact the financial viability of development in North Coyote Valley

Additional detail is in the full Synergy report.

Data Sources

The city and county unemployment rate data, the city labor force participation rate data and Bay Area job data are from the California Employment Development Department. The U.S. job data are from the Bureau of Labor Statistics in the U.S. Department of Labor. The unemployment rate data by education level are from the American Community Survey in the Census Bureau. All of the population data are from the California Department of Finance.



San Jose Coyote Valley job creation potential

[REDACTED]

[REDACTED]

Memorandum

To: Andrea Mackenzie, Santa Clara Valley Open Space Authority
From: Bob Staedler, Silicon Valley Synergy
Subject: San Jose Coyote Valley job creation potential
Date: February 3, 2019

Silicon Valley Synergy has been requested to provide a short analysis of the job creation potential for Coyote Valley. The Envision San Jose 2040 land use designation for North Coyote Valley is "Industrial Park". The General Plan states repeatedly that North Coyote Valley acts as a land reserve for future employment opportunities. A central issue to the present choice to acquire the North Coyote Valley for green infrastructure and conservation purposes is whether it is realistic to hold this land in reserve for future employment uses, or if this aspirational goal is improbable given emerging market trends and demands.

The purpose of this analysis is to examine the various factors influencing the amount of potential jobs that might be developed in North Coyote Valley given current market, policy and fiscal conditions.

Greater Bay Area Outlook

In the Bay Area, there is consensus that Fairfield, Vacaville, and Livermore are the primary warehouse/distribution growth areas. Factors for this include, but are not limited to the following:

- Favorable East/West and North/South transportation options maximizing distribution coverage.
- Lower land cost due to residual redevelopment investments in blighted areas.
- Existing or cost effectively extended capacity of infrastructure, including power, water, sanitary sewer, etc.
- Availability of land including finished pads in industrial parks for relatively fast expansion of existing facilities.
- Access to water -- For example, the industry has seen Fairfield expanding into the Food processing due to good access to water.
- Rent increases in the Bay Area, for example in industrial parks in Hayward and Union City, have seen rents increased by 40% in the last 5 years, making more eastern locations competitive. For these reasons, the larger commodity warehouse complexes have been pushed further east to San Joaquin County.

The growth of internet sales has caused Amazon, Wayfair and others to evaluate options for decreasing their costs for the "Last Mile Delivery." They are using Regional

Service Providers that contract with companies like OnTrac. Amazon has taken it a step further by using the “gig economy” approach by having non-traditional transportation people deliver their packages. For example, a teacher can sign up to deliver packages and receive \$25/hour for their time when they leave their school. To cut the last mile delivery costs and logistics, increasingly “distribution” is occurring in in-fill locations.

Market Outlook:

Manufacturing in the Bay Area

Per the SFMade 2016 Report, “San Jose’s manufacturing sector is a regional driver of business- to-business (B2B) products and contract manufacturing. Important sectors identified by the survey include aerospace, industrial and laboratory equipment manufacturing, medical devices, and computers and electronic equipment. While 60% of survey respondents produce some type of electronics, other industries such as building and construction materials as well as food and beverage are well represented within the city’s manufacturing landscape. Of the four cities, San Jose has the most established manufacturing sector, and their companies often have extensive supply chain connections across the region as well as more secondary manufacturing facilities of their own. San Jose manufacturers also manufacture in Fremont, San Francisco, or Oakland. They also more frequently reported “big company” challenges, such as dealing with government requirements, tax burdens, and international competition. These challenges reflect both the size and maturity of the companies, which have more interaction with state and federal governments.”

In addition to the challenges listed above, high rents, employee and housing costs, are driving expansion of these industries in other cities around the Bay. The B2B manufacturing market is decreasing in San Jose and there are not any signs that a dramatic shift will occur in the next several years since the root causes for the shifting industrial market are likely to persist.

Google chose to expand not in North Coyote Valley, but in North San Jose. Google acquired five parcels in North San Jose in 2018, they have submitted tenant improvement permit applications to improve the Industrial/R&D buildings for their NEST product line. Their North San Jose Campus operations of office/R&D functions will total approximately 939,875 square feet. This example illustrates the placement of equitable jobs in an infill location with room to expand. The details of this is shown in Attachment A.

If a market exists for development in the NCV it is for distribution-type warehouse. A data center is unlikely because of the risk of losing the asset due to flooding and lack of infrastructure. Small scale manufacturing, R&D, industrial campus type uses clearly desire transit-oriented development sites with existing infrastructure largely in place. Even distribution warehouse uses are showing a preference for locations with existing

N/S and E/W transportation routes, close proximity to transit and lower cost labor markets. For example, San Joaquin County and cities such as Stockton has been identified as desirable locations due to lower land prices, lower fees, presence of affordable housing and more favorable labor rates. In addition to increasing construction costs, labor shortages present additional market challenges in the Bay Area.

Policy/Process: The policy gauntlet has expanded to include additional hurdles such as VMT mitigation and community benefits considerations. For a Warehouse Project, the partial list of process and policy hurdles includes:

- Re-Zoning
- Full Environmental Impact Report, including for essential infrastructure (bullet #4 below)
- Likelihood of a General Plan Amendment required for a Warehouse use, adding 5 plus years of process and multi-millions of dollars
- Re-evaluation and re-engineering of flood and other essential infrastructure necessary to serve major new development in North Coyote Valley.

Costs: The following is a partial summary of the costs associated with any new development project in NCV:

- CFD 9 being paid, at plus or minus \$10M
- Fire Station #32 being built on land donated before new development can begin
- City coverage of plus or minus \$3.7M per year to staff and operate Fire Station #32
- Re-engineered and costly infrastructure improvements such as major flood control infrastructure, sanitary sewer, storm drains, power, roads and low impact development standard related items
- VMT fee fully paid
- Likely override for noncompliance with Climate Smart San Jose Plan (approved February 2018) by increasing carbon emission and increasing water-use paradigm and ignoring calls for creating local, transit accessible jobs that reduce the need for car journeys.
- High construction costs (labor and materials)
- Mitigation-related fees, Habitat Conservation Fee and range of additional community benefits fees also likely to add costs

Likely Use Type and Job Profile: Given the above market and process/policy considerations, the likely development that would consider a North Coyote Valley location is distribution warehouse. This is also supported by the fact that the last submission for development in the North Coyote Valley general area was for the development of an approximately 517,000 square foot warehouse/distribution center on a 29.92 gross acre site proposed by Panattoni Development Company. After it met with significant public opposition, the City called for a full Environmental Impact Report and analysis of options to address CFD considerations. The application was ultimately withdrawn after it met with heavy public dissent and lack of City Council support. This Project application preceded the City's policy change from Level of Service analysis to Vehicle Miles Traveled and associated mitigation fees, which adds significantly to the cost of locating any development in the Coyote Valley.

Any project, warehouse included, would have to address the process and policy considerations and costs summarized above. The most logical scenario would be a 500,000 square foot up to a 1.6 million square foot warehouse development that would be implemented in phases over the next 15-20 years. According to the US Energy Information Administration's Commercial Building Survey's 2016 data, permanent jobs associated with a 1.6 million square foot warehouse would total as low as 1,066 jobs (1 job per 1,500 square feet).

¹ See Separate Memo from Shute, Mihaly & Weinberger concerning General Plan consistency considerations.

Attachment A: Office/Research & Development Table: Google North San Jose Campus

Address	APN	Acres	Total Sq.Ft.
4300 N 1st St	1539044	10.50	188,332
4400 N 1st St	1539045	11.45	188,332
5079 DISK Dr	1544023	11.49	232,960
5087 DISK Dr	1544022	11.49	162,240
5093 DISK Dr	1544021	11.49	168,011
		56.43	939,875



#	APN	Address	Owner(s)
5	01544021	5093 Disk Dr San Jose, CA 95134	Google Lic
4	01544022	5087 Disk Dr San Jose, CA 95134	Google Lic
3	01544023	5079 Disk Dr San Jose, CA 95134	Google Lic
2	01539045	4400 N 1st St San Jose, CA 95134	Google Lic
1	01539044	4300 N 1st St San Jose, CA 95134	Google Lic

Memorandum

To: Andrea Mackenzie, Santa Clara Valley Open Space Authority
From: Bob Staedler, Silicon Valley Synergy
Subject: San Jose infill job creation analysis
Date: February 3, 2019

Silicon Valley Synergy (Synergy) has been requested to provide emerging market information related to the influx of infill office development in San Jose. The surge in office development will create much-needed jobs for the City of San Jose. While the Google development in San Jose will transform the Diridon Station Area into a bustling and vibrant area of San Jose, that is not the whole story in terms of development. As reported in the Silicon Valley Business Journal in January, there is a new generation of developers building in downtown San Jose, such as exemplified by Chris Friese and Gary Dillabough. Alongside this new generation of developers are the long-standing Bay Area development firms of Sobrato, TMG, Hunter Storm, Boston Properties and Jay Paul, firms also making large investments in San Jose. One of the early pioneers in downtown development, Adobe Systems, is adding a fourth tower downtown. Not missing out on this economic expansion is the Santana Row area led by Federal Realty. There are other developments in the pipeline, but this analysis focuses on the development that is considered very likely to happen in this development cycle.ⁱ

Office Development Table 1: Non-Google Diridon Station Area related office development in San Jose that will make this development cycle

Development	Est. SF
Park Center Plaza - Jay Paul	3,000,000
Coleman Highline - Hunter Storm	1,500,000
Museum Place - Dillabough	850,000
1 North First Street - Jay Paul	101,000
Adobe Tower 4 - Adobe	700,000
River Corporate Center Phase III	194,178
Market Street Tower - Sobrato	500,000
Santana Row - Splunk	550,000
Santana Row West	850,000
Boston Properties - Guadalupe River lot	1,800,000
Platform 16 - TMG	1,100,000
Total	11,145,178

The roughly 11.1 million plus square feet of office development exceeds what Google is planning on developing over the next ten years. This office development is in various stages of development, but all should be completed in the next 3-4 years. This information will become stale in the next 90 days as rumors of more deals on the horizon emerge. This shows the positive and upward momentum of San Jose as a leading destination for future large office development. The City's Office of Economic Development published a memo dated January 14, 2019 about the accomplishments in the last 18 months, listed in Appendix B.

As stated above, this office development will in turn create significant new jobs over those anticipated in the Downtown 2040 Plan. As we can see in Table 2 below, if we take the same methodology used by ADE in the City of San Jose report dated November 21, 2018 it creates a substantial amount of jobs.

Office Development Table 2: Non-Google Diridon Station Area related office development job creation using ADE's methodology.

Direct Effect	Indirect Effect	Induced Effect	Total
31,843	41,913	58,336	132,091

The ADE report shows Scenario 1 office development will have a total effect of 79,621 jobs. In Scenario 2, the office development will have a total effect of 101,254 jobs. Table 2 shows that the more immediate effect of these development projects will be seen and felt in greater effect by the Non-Google projects in improving the City of San Jose Jobs Housing Ratio.

The numbers above do not take into account the existing Class A & B office remodels that have been taken place over the last five years. For example, Adobe has been performing major tenant improvement remodeling of their existing buildings. This has created the flexibility to fit more employees within their current buildings. Per the Mercury News story dated January 31, 2019, Adobe was quoted, "The tower accommodates the capacity for 4,000 employees," when speaking of their planned 700,000 sf tower. This comes to one employee per 175 sf of space, which is an emerging trend in new office development, dramatically lower sf per employee than previously used in calculations. This could increase the actual number of jobs being created in the new office development planned. As can be seen by the information above, San Jose is experiencing a breathtaking level of office development, advancing the City's key goals.

Downtown Airspace and Development:

The City of San Jose has undertaken a study to determine the feasibility and any drawbacks from changing the OEI policy for Norman Y. Mineta San Jose International Airport. Below is a summary of what the impacts would be to development.

Different Options Table 3: Potential Net New Square Feet from change in OEI policy

Scenario	Net New Square Feet
4. No OEI	8,600,000
7. Straight-Out OEI	8,500,000
9. No OEI, incr. height limits	10,000,000
10A: Straigh-Out OEI w/West OEI Alts.	1,100,000
10B: Straigh-Out OEI w/West OEI Alts.	3,100,000
10C: Straigh-Out OEI w/West OEI Alts.	4,900,000
10D: Straigh-Out OEI w/West OEI Alts.	6,800,000

If the City changes the OEI policy to Scenario No. 4 it will have the potential to create over 100,000 additional jobs.

Direct Effect	Indirect Effect	Induced Effect	Total
24,571	32,342	45,014	101,926

Appendix A: Highlighted Accomplishments from OED report January 14, 2019

- Corporate relocations and expansions have included the following.
 - **Roku** announced it would move from Los Gatos to the Coleman Highline development in North San Jose
 - **8x8** consolidating into Coleman Highline near the airport
 - **Google** acquired various properties in North San Jose and Diridon Station
 - **Adobe** purchased a site for a future fourth office tower
 - **Alta Devices** expanded from Sunnyvale into North San Jose
 - **Micron** leased a major office complex in North San Jose
 - **Nio**, the electric automaker, grew with a new lease in North San Jose
 - **Velodyne** LiDAR Inc. moved into its factory and testing center in Edenvale
 - **Hewlett-Packard** Enterprise announced a relocation from Palo Alto to North San Jose
 - **Nutanix** continued to expand in North San Jose
 - **Zoom Communications** grew in Downtown
 - **Splunk** signed for another building at Santana Row
 - **Bloom Energy** leased a new headquarters building in North San Jose
 - **Spaces**, the hip coworking brand, leased a large facility in North San Jose
 - **WeWork** announced a second major location Downtown
 - **Jabil**, the contract manufacturer, expanded into a new industrial building in Edenvale
- Eastridge Center welcomed a \$15 million renovation to better position the mall for the future.
- Several large downtown office properties were sold to new investors with plans to redevelop or renovate them, including CityView Plaza, Bank of Italy tower, Hank Coca's Downtown Furniture, and 1 W. Santa Clara St.
- Topgolf readied to pull building permits for a new entertainment facility in Alviso, providing a marquee amenity in North San Jose.
- More than 500 students participated in 2018 Manufacturing Week tours at seven facilities in San Jose.
- Westfield Valley Fair continued its expansion of the mall by some 650,000 square feet slated to open in 2019.
- Several key office/R&D properties were renovated, such as Assembly in North San Jose, creating modern workplaces for new tenants.

Appendix B: San Jose Development Pipeline including all Google

Name/Developer	Est. SF
Google	8,543,000
Google North San Jose Office	376,664
Google North San Jose R&D	563,211
Park Center Plaza - Jay Paul	3,000,000
Boston Properties - Guadalupe River lot	1,800,000
Museum Place - Dillabough	850,000
200 Park Ave - DiNapoli	740,000
1 North First Street - Jay Paul	101,000
152 North 3rd (Rehab) - Dillabough	149,000
Adobe Tower 4 - Adobe	700,000
Santana Row - Splunk - Federal Realty	550,000
Santana Row West - Federal Realty	850,000
River Corporate Center Ph III - Sobrato	194,178
Market Street Tower - Sobrato	500,000
Coleman Highline - Hunter Storm	1,500,000
Railyard Place - TBD	250,000
Platform 16 - TMG	1,000,000
Total	21,667,053

Criteria: Financial capacity, location, past performance, infrastructure. etc.

[Sue Dileanis < >](#)

Today, 4:05 PM

Letter to Mayor and Council members:

Re: Measure T Funds and Coyote Valley

Dear Mayor and Councilmembers:

In the recent November election over 70% of voters overwhelmingly approved Measure T to protect Coyote Valley. Last month I read that a court decision finally freed up Measure B funds that had been stalled due to a court case. I'm sure you were frustrated during the court case and happy when the funds were finally made available. Well I believe your constituents, including myself, are frustrated that the \$50 million that we voted for to preserve Coyote Valley is being delayed.

Coyote Valley is a natural sponge that should not be paved over. Measure T funds would enhance Coyote Valley's ability to prevent flooding downstream. Part of this measure is for improvements to the land to enhance flood control and water supply. Coyote Valley contains half of Silicon Valley's undeveloped aquifer recharge area. The sounds like a pretty important function to me. Would you build a warehouse in the middle of a reservoir? Of course not, but building in Coyote Valley seems like the equivalent to me. I believe you have a responsibility to protect your voters, and developing Coyote Valley could lead to flooding and water shortages in the future. Climate change will only increase these events, which brings up the fact that keeping it undeveloped will help reduce climate change.

I read recently the Santa Clara County supervisors unanimously agreed to spend \$20 million to prevent farmland from being sold to developers. Did you know that 30% of the crops in Santa Clara County are in Coyote Valley? This provides local food and jobs, and preserving these croplands would help the County supervisors meet their goals, which include preserving agricultural land, strengthening the regional food supply, protecting open space and reducing greenhouse gases.

Coyote Valley has been under threat for a long time. I recall, around 10 years ago, when Cisco was planning a massive campus and thousands of homes were to be built. Those plans were abandoned due to the 2008 economic downturn. Imagine if all those structures had been half built, and then abandoned. Many office buildings became empty all over the valley during that time as companies downsized, including Cisco. My understanding is that most companies recently expressing interest in the area are warehousing operations. All one has to do is look at the business pages to see less and less manpower is required to run a warehouse, and as automation and robots become more advanced soon almost no workers will be needed to operate a massive warehousing operation. These types of businesses would certainly not provide the 30,000 jobs that some are hoping for in the area. Even if other businesses were built, what would happen in another economic downturn which will inevitably happen? I don't believe that with all the benefits that Coyote Valley provides it's worth the risk of this happening.

Remember, once Coyote Valley is developed it's forever. Last but not least, preserving this area would keep open a valuable wildlife corridor between our two mountain ranges. If you

look at a map you see this is the last large undeveloped area in our county. Let's not replace this undeveloped important land with sprawl. Please do the right thing and vote for the full \$50 million Measure T funds to protect Coyote Valley forever.

Thank you,

Sue Dileanis

Be climate smart: project Coyote Valley now!

[Linda Hutchins-Knowles](#) <

Today, 4:13 PM

Agendadesk;City Clerk;

The Office of Mayor Sam Liccardo;District2;District4;District 6;District8;District 10

As a mother and resident, I urge you to follow the will of the voters and allocate the full \$50 million from Measure T for land conservation in Coyote Valley. This invaluable landscape is necessary to protect San Jose residents and neighbors from flooding, increase our region's climate resilience, and preserve irreplaceable wildlife habitat and farmland. Be climate smart: project Coyote Valley now! Thank you for your support.

Yours sincerely,

Linda Hutchins-Knowles

San Jose, California, 95118, United States

This email was sent by Linda Hutchins-Knowles via Do Gooder, a website that allows people to contact you regarding issues they consider important. In accordance with web protocol FC 3834 we have set the FROM field of this email to our generic no-reply address at , however Linda provided an email address () which we included in the REPLY-TO field.

From: Diana Keith < >

Sent: Monday, February 11, 2019 3:32 PM

To: City Clerk

Subject: Save Coyote Valley

Dear Mayor and City Councilmembers,

I urge you to allocate the full \$50 million from Measure T for land conservation in Coyote Valley. This incredible landscape can reduce the risk of flooding for San José residents as well as provide irreplaceable wildlife habitat, farmland and regional Ridge Trail connection, as well as increase our region's climate resilience. It's time to protect Coyote Valley! Thank you for your support.

Sincerely,

Diana & John Keith

Be climate smart: project Coyote Valley now!

[Deb Conant](#) < >

Yesterday, 6:46 PM

Agendadesk;City Clerk;The Office of Mayor Sam Liccardo;District2;District4;District 6;District8;District 10

I urge you to allocate the full \$50 million from voter-approved Measure T for land conservation in Coyote Valley. This invaluable landscape can help protect San Jose residents and neighbors from flooding, increase our region's climate resilience, and preserve irreplaceable wildlife habitat and farmland. Be climate smart: project Coyote Valley now! Thank you for your support.

Yours sincerely,
Deb Conant

Be climate smart: project Coyote Valley now!

[Amanda Senior](#) < >

Yesterday, 6:51 PM

Agendadesk;City Clerk;The Office of Mayor Sam Liccardo;District2;District4;District 6;District8;District 10

As a mother and climate activist, I urge you to allocate the full \$50 million from voter-approved Measure T for land conservation in Coyote Valley. This invaluable landscape can help protect San Jose residents and neighbors from flooding, increase our region's climate resilience, and preserve irreplaceable wildlife habitat and farmland. Be climate smart: project Coyote Valley now! Thank you for your support.

Yours sincerely,
Amanda Senior

Be climate smart: project Coyote Valley now!

Jeanette Micko <[REDACTED]>

Yesterday, 6:57 PM

Agendadesk;City Clerk;

The Office of Mayor Sam Liccardo;District2;District4;District 6;District8;District 10

Coyote Valley is a precious resource and can still be saved for wildlife passage and habitat restoration. Besides, it is a very beautiful area which I love. The rain has created the seasonal wetlands, currently enjoyed by birds. Coyote Valley is a prime habitat for numerous birds. I urge you to allocate the full \$50 million from voter-approved Measure T for land conservation in Coyote Valley. This invaluable landscape can help protect San Jose residents and neighbors from flooding, increase our region's climate resilience, and preserve irreplaceable wildlife habitat and farmland. Be climate smart: project Coyote Valley now! Thank you for your support.

Yours sincerely,
Jeanette Micko

Be climate smart: project Coyote Valley now!

[L Nelson](#) < >

Yesterday, 7:06 PM

Agendadesk;City Clerk;The Office of Mayor Sam Liccardo;District2;District4;District 6;District8;District 10

I urge you to allocate the full \$50 million from voter-approved Measure T for land conservation in Coyote Valley. This invaluable landscape can help protect San Jose residents and neighbors from flooding, increase our region's climate resilience, and preserve irreplaceable wildlife habitat and farmland. Be climate smart: project Coyote Valley now! Thank you for your support.

Yours sincerely,
L Nelson

Be climate smart: project Coyote Valley now!

Katherine Kleinstein < >

Yesterday, 7:15 PM

Agendadesk;City Clerk;The Office of Mayor Sam Liccardo;District2;District4;District 6;District8;District 10

As a San Jose resident and concerned citizen, I urge you to allocate the full \$50 million from voter-approved Measure T for land conservation in Coyote Valley. This invaluable landscape can help protect San Jose residents and neighbors from flooding, increase our region's climate resilience, and preserve irreplaceable wildlife habitat and farmland.

I went to the City Council Study Session on January 22 and am convinced that we should NOT be trading prime open space for industrial development in Coyote Valley. It is the wrong place to for this kind of development.

Be climate smart: project Coyote Valley now! Thank you for your support.

Be climate smart: project Coyote Valley now!

[William M. Musser IV](#) < >

Yesterday, 7:19 PM

Agendadesk;City Clerk;The Office of Mayor Sam Liccardo;District2;District4;District 6;District8;District 10

I urge you to allocate the full \$50 million from voter-approved Measure T for land conservation in Coyote Valley. This invaluable landscape can help protect San Jose residents and neighbors from flooding, increase our region's climate resilience, and preserve irreplaceable wildlife habitat and farmland. Be climate smart: project Coyote Valley now! Thank you for your support.

Yours sincerely,
William M. Musser IV, PhD

Be climate smart: project Coyote Valley now!

[Stacy Levy](#) < >

Yesterday, 7:35 PM

Agendadesk;City Clerk;The Office of Mayor Sam Liccardo;District2;District4;District 6;District8;District 10

As a resident of San Jose, as a mother working to protect my children's future, and as a person who understands the value of this land, I urge you to allocate the full \$50 million from voter-approved Measure T for land conservation in Coyote Valley. This invaluable landscape can help protect San Jose residents and neighbors from flooding, increase our region's climate resilience, and preserve irreplaceable wildlife habitat and farmland. Be climate smart: project Coyote Valley now! Thank you for your support.

Yours sincerely,
Stacy Levy

Be climate smart: project Coyote Valley now!

[Agnes Torteli](#) < >

Yesterday, 7:38 PM

Agendadesk;City Clerk;The Office of Mayor Sam Liccardo;District2;District4;District 6;District8;District 10

I urge you to allocate the full \$50 million from voter-approved Measure T for land conservation in Coyote Valley. This invaluable landscape can help protect San Jose residents and neighbors from flooding, increase our region's climate resilience, and preserve irreplaceable wildlife habitat and farmland. Be climate smart: project Coyote Valley now! Thank you for your support.

Yours sincerely,
Agnes Torteli
San Jose, California, 95124, United States

Be climate smart: project Coyote Valley now!

[Naya Verdier](#) < >

Yesterday, 7:38 PM

Agendadesk;City Clerk;The Office of Mayor Sam Liccardo;District2;District4;District 6;District8;District 10

I urge you to allocate the full \$50 million from voter-approved Measure T for land conservation in Coyote Valley. This invaluable landscape can help protect San Jose residents and neighbors from flooding, increase our region's climate resilience, and preserve irreplaceable wildlife habitat and farmland. Be climate smart: project Coyote Valley now! Thank you for your support.

Yours sincerely,
Naya Verdier

Be climate smart: project Coyote Valley now!

Isabelle Chappuis <[REDACTED]>

Yesterday, 9:44 PM

Agendadesk;City Clerk;The Office of Mayor Sam Liccardo;District2;District4;District 6;District8;District 10

As a childcare provider and parent, I have taught more than 100 preschool children to become advocates for their living environment. Coyote valley is vital in keeping these children's families protected from natural disasters and increased pollution if you let it get industrialized. I urge you to allocate the full \$50 million from voter-approved Measure T for land conservation in Coyote Valley. This invaluable landscape can help protect San Jose residents and neighbors from flooding, increase our region's climate resilience, and preserve irreplaceable wildlife habitat and farmland. Be climate smart: project Coyote Valley now! Thank you for your support.

Yours sincerely,
Isabelle Chappuis
Licensed Childcare Provider
San Jose, California, 95131, United States

Be climate smart: protect Coyote Valley now!

[Janet Burchinal](#) < >

Yesterday, 11:01 PM

Agendadesk;City Clerk;The Office of Mayor Sam Liccardo;District2;District4;District 6;District8;District 10

I urge you to allocate the full \$50 million from voter-approved Measure T for land conservation in Coyote Valley. This invaluable landscape can help protect San Jose residents and neighbors from flooding, increase our region's climate resilience, and preserve irreplaceable wildlife habitat and farmland. Be climate smart: protect Coyote Valley now!

Thank you for your support.

Yours sincerely,

Janet Burchinal

Be climate smart: project Coyote Valley now!

[Charmon Ashby](#) < >

Today, 2:22 AM

Agendadesk;City Clerk;The Office of Mayor Sam Liccardo;District2;District4;District 6;District8;District 10

As a mother, resident and teacher, I urge you to allocate the full \$50 million from voter-approved Measure T for land conservation in Coyote Valley. This invaluable landscape can help protect San Jose residents and neighbors from flooding, increase our region's climate resilience, and preserve irreplaceable wildlife habitat and farmland. Be climate smart: project Coyote Valley now! Thank you for your support.

Yours sincerely,
Charmon Ashby
San Jose, California, 95148, United States

Be climate smart: project Coyote Valley now!

[Lotina Nishijima](#) < >

Today, 6:36 AM

Agendadesk;City Clerk;The Office of Mayor Sam Liccardo;District2;District4;District 6;District8;District 10

I urge you to allocate the full \$50 million from voter-approved Measure T for land conservation in Coyote Valley. This invaluable landscape can help protect San Jose residents and neighbors from flooding, increase our region's climate resilience, and preserve irreplaceable wildlife habitat and farmland. Be climate smart: project Coyote Valley now! Thank you for your support.

Yours sincerely,
Lotina Nishijima
San Jose, California, 95129, United States

Be climate smart: project Coyote Valley now!

[Jean Farrell](#) < >

Today, 7:21 AM

Agendadesk;City Clerk;The Office of Mayor Sam Liccardo;District2;District4;District 6;District8;District 10

I urge you to allocate the full \$50 million from voter-approved Measure T for land conservation in Coyote Valley. This invaluable landscape can help protect San Jose residents and neighbors from flooding, increase our region's climate resilience, and preserve irreplaceable wildlife habitat and farmland. Be climate smart: project Coyote Valley now! Thank you for your support.

Yours sincerely,

Jean Farrell

San Jose, California, 95126, United States

Be climate smart: project Coyote Valley now!

[Heidi Boverman](#) < >

Today, 7:40 AM

Agendadesk;City Clerk;The Office of Mayor Sam Liccardo;District2;District4;District 6;District8;District 10

I urge you to allocate the full \$50 million from voter-approved Measure T for land conservation in Coyote Valley. This invaluable landscape can help protect San Jose residents and neighbors from flooding, increase our region's climate resilience, and preserve irreplaceable wildlife habitat and farmland. Be climate smart: project Coyote Valley now! Thank you for your support.

Yours sincerely,
Heidi Boverman
San Jose, California, 95124, United States

Be climate smart: project Coyote Valley now!

[Amy Antczak](#) < >

Today, 7:47 AM

Agendadesk;City Clerk;The Office of Mayor Sam Liccardo;District2;District4;District 6;District8;District 10

I urge you to allocate the full \$50 million from voter-approved Measure T for land conservation in Coyote Valley. This invaluable landscape can help protect San Jose residents and neighbors from flooding, increase our region's climate resilience, and preserve irreplaceable wildlife habitat and farmland. Be climate smart: project Coyote Valley now! Thank you for your support.

I may not live in San Jose but I have family in the area and visit often. This area of the country is near and dear to my heart!

Yours sincerely,

Amy Antczak

Arlington, Massachusetts, 02474, United States

Be climate smart: project Coyote Valley now!

Jean Farrell < >

Today, 7:21 AM

Agendadesk;City Clerk;The Office of Mayor Sam Liccardo;District2;District4;District 6;District8;District 10

I urge you to allocate the full \$50 million from voter-approved Measure T for land conservation in Coyote Valley. This invaluable landscape can help protect San Jose residents and neighbors from flooding, increase our region's climate resilience, and preserve irreplaceable wildlife habitat and farmland. Be climate smart: project Coyote Valley now! Thank you for your support.

Yours sincerely,

Jean Farrell

San Jose, California, 95126, United States

protect Coyote Valley now!

Ann Hepenstal < >

Today, 7:54 AM

Agendadesk;City Clerk;The Office of Mayor Sam Liccardo;District2;District4;District 6;District8;District 10

I urge you to allocate the full \$50 million from voter-approved Measure T for land conservation in Coyote Valley. This invaluable landscape can help protect San Jose residents and neighbors from flooding, increase our region's climate resilience, and preserve irreplaceable wildlife habitat and farmland.

The Coyote Valley is a precious resource for our area. I especially value it for birdwatching, connecting to nature, and appreciating the agricultural traditions of the valley.

Please, Protect Coyote Valley now! Thank you for your support.

Yours sincerely,

Ann Hepenstal

Los Altos, California, 94024, United States

Be climate smart: project Coyote Valley now!

[David Poeschel](#) < >

Today, 8:14 AM

Agendadesk;City Clerk;The Office of Mayor Sam Liccardo;District2;District4;District 6;District8;District 10

I stand with Mother's Out Front to urge you to allocate the full \$50 million from voter-approved Measure T for land conservation in Coyote Valley. This invaluable landscape can help protect San Jose residents and neighbors from flooding, increase our region's climate resilience, and preserve irreplaceable wildlife habitat and farmland. Be climate smart: project Coyote Valley now! Thank you for your support.

Yours sincerely,
David Poeschel

Be climate smart: project Coyote Valley now!

[Nancy Yegge](#) < >

Today, 8:20 AM

Agendadesk;City Clerk;The Office of Mayor Sam Liccardo;District2;District4;District 6;District8;District 10

I urge you to allocate the full \$50 million from voter-approved Measure T for land conservation in Coyote Valley. This invaluable landscape can help protect San Jose residents and neighbors from flooding, increase our region's climate resilience, and preserve irreplaceable wildlife habitat and farmland. Be climate smart: project Coyote Valley now! Thank you for your support.

Yours sincerely,
Nancy Yegge
San Jose, California, 95148, United States

Be climate smart: project Coyote Valley now!

[Sharon Davlin](#) < >

Today, 8:43 AM

Agendadesk;City Clerk;The Office of Mayor Sam Liccardo;District2;District4;District 6;District8;District 10

I urge you to allocate the full \$50 million from voter-approved Measure T for land conservation in Coyote Valley. This invaluable landscape can help protect San Jose residents and neighbors from flooding, increase our region's climate resilience, and preserve irreplaceable wildlife habitat and farmland. Be climate smart: project Coyote Valley now! Thank you for your support.

Yours sincerely,
Sharon Davlin
San Pablo, California, 94806, United States

Be climate smart: project Coyote Valley now!

[Philippe Levy](#) < >

Today, 8:53 AM

Agendadesk;City Clerk;The Office of Mayor Sam Liccardo;District2;District4;District 6;District8;District 10

I urge you to allocate the full \$50 million from voter-approved Measure T for land conservation in Coyote Valley. This invaluable landscape can help protect San Jose residents and neighbors from flooding, increase our region's climate resilience, and preserve irreplaceable wildlife habitat and farmland. Be climate smart: project Coyote Valley now! Thank you for your support.

Yours sincerely,
Philippe Levy

Be climate smart: project Coyote Valley now!

[Amanda Ryan](#) < >

Today, 9:12 AM

Agendadesk;City Clerk;The Office of Mayor Sam Liccardo;District2;District4;District 6;District8;District 10

I urge you to allocate the full \$50 million from voter-approved Measure T for land conservation in Coyote Valley. This invaluable landscape can help protect San Jose residents and neighbors from flooding, increase our region's climate resilience, and preserve irreplaceable wildlife habitat and farmland. Be climate smart: project Coyote Valley now! Thank you for your support.

Yours sincerely,
Amanda Ryan

Be climate smart: project Coyote Valley now!

[Kara Mandujano](#) < >

Today, 9:44 AM

Agendadesk;City Clerk;The Office of Mayor Sam Liccardo;District2;District4;District 6;District8;District 10

I urge you to allocate the full \$50 million from voter-approved Measure T for land conservation in Coyote Valley. This invaluable landscape can help protect San Jose residents and neighbors from flooding, increase our region's climate resilience, and preserve irreplaceable wildlife habitat and farmland. Be climate smart: project Coyote Valley now! Thank you for your support.

Yours sincerely,
Kara Mandujano



February 12, 2019

Dear Mayor Liccardo and Councilmembers Jones, Jimenez, Peralez, Diep, Carrasco, Davis, Esparza, Arenas, Foley and Khamis,

Thank you for your leadership in becoming a Climate Smart city. We mothers and grandmothers couldn't be more thrilled that San Jose Clean Energy launched last week for residential customers, and we've been delighted to partner with you to implement and strengthen the visionary Climate Smart San Jose plan.

Today, as you discuss how to allocate the Measure T funds, we mothers and others hope you will continue to be climate smart and allocate the full \$50 million for land acquisition in Coyote Valley, so that we can protect this crucial land in perpetuity.

By doing so, you will protect our children and our communities from **climate-fueled flooding**. During the extreme rains of 2017, San Jose suffered major flooding that displaced over 14,000 residents and caused \$100 million in property damage. The destruction might have been even more severe without the ground-water absorption capacity of Coyote Valley, where porous land like a giant sponge.

Second, protecting Coyote Valley will preserve the ability of these 7400 acres to draw down carbon from the atmosphere, essential to mitigating climate change. It will also avoid added greenhouse gas emissions from urban sprawl and concrete.

Unfortunately, Coyote Valley was zoned for industry before planners understood the vital role it plays in climate mitigation and adaptation. Now that we know better, we need to adapt our land use to fit the science and the urgency of our times.

Yes, San Jose needs more jobs. A climate-smart city concentrates those jobs in the urban core, near public transit and existing infrastructure, doing all it can to avoid urban sprawl. Open space and farm lands are NOT the place to build warehouses.

Fortunately, you have a **historic opportunity--the biggest chance in decades**--to protect this irreplaceable land and our most flood-prone communities, thanks to the wisdom of San Jose voters who approved Measure T last November.

Please follow the will of the voters and direct the full \$50 million from Measure T towards land acquisition in Coyote Valley, to protect our children, our communities and our climate.

Thank you!

Amanda, Anne, Cynthia, Erin, Jane, Kate, Kirsten, Laura, Linda, Lotina, Martina, Rebecca, Shruti, Stacy, Stephanie, and Susan and the rest of the Mothers Out Front South Bay team

Be climate smart: project Coyote Valley now!

[Susan Butler-Graham](#) < >

Tue 2/12/2019 10:06 AM

To:

Agendadesk;City Clerk;The Office of Mayor Sam Liccardo

Cc:District2;District4;District 6;District8;District 10

As a mother, grandmother, and former teacher, I urge you to allocate the full \$50 million from voter-approved Measure T for land conservation in Coyote Valley. This invaluable landscape can help protect San Jose residents and neighbors from flooding, increase our region's climate resilience, and preserve irreplaceable wildlife habitat and farmland. Be climate smart: project Coyote Valley now! Thank you for your support.

Yours sincerely,

Susan Butler-Graham