

March 11, 2019

Mayor and City Council
City of San Jose

Re: Greenbelt Alliance Supports Staff Recommendations on Item 6.2, changing the height limits for San Jose

Dear Mayor and City Council:

Greenbelt Alliance urges the Council to pass the City Staff recommendations for Item 6.2 regarding height limits for San Jose.

Greenbelt Alliance addresses a single challenge: how the Bay Area handles growth. We are the only San Francisco Bay Area organization that holistically addresses land-use issues across our region—from land conservation to smart growth development. Around the Bay Area, our staff and board have worked locally with communities large and small to establish voter-approved urban limit lines and protections for natural and working lands, and to advocate for homes that are affordable across the income spectrum.

We have long been supportive of compact, walkable neighborhoods, and, in San Jose given its low Jobs to Employed Residents ratio, the addition of new job opportunities in the city's developed footprint. Greenbelt Alliance supports the staff recommendations in Item 6.2 that can lead to higher height limits in San Jose. The staff recommendations act as a step to bringing more commercial and residential development to the heart of San Jose. This also supports the growing consensus that San Jose's undeveloped natural and working lands on the city's periphery, like Coyote Valley, are places best retained for green infrastructure value instead of being lost to sprawl.

We look forward to General Plan proposals regarding height limits and will comment on them as they become available.

Sincerely,



Brian Schmidt
Program Director
Greenbelt Alliance
415.994.7403

To: City Clerk, Mayor, Council

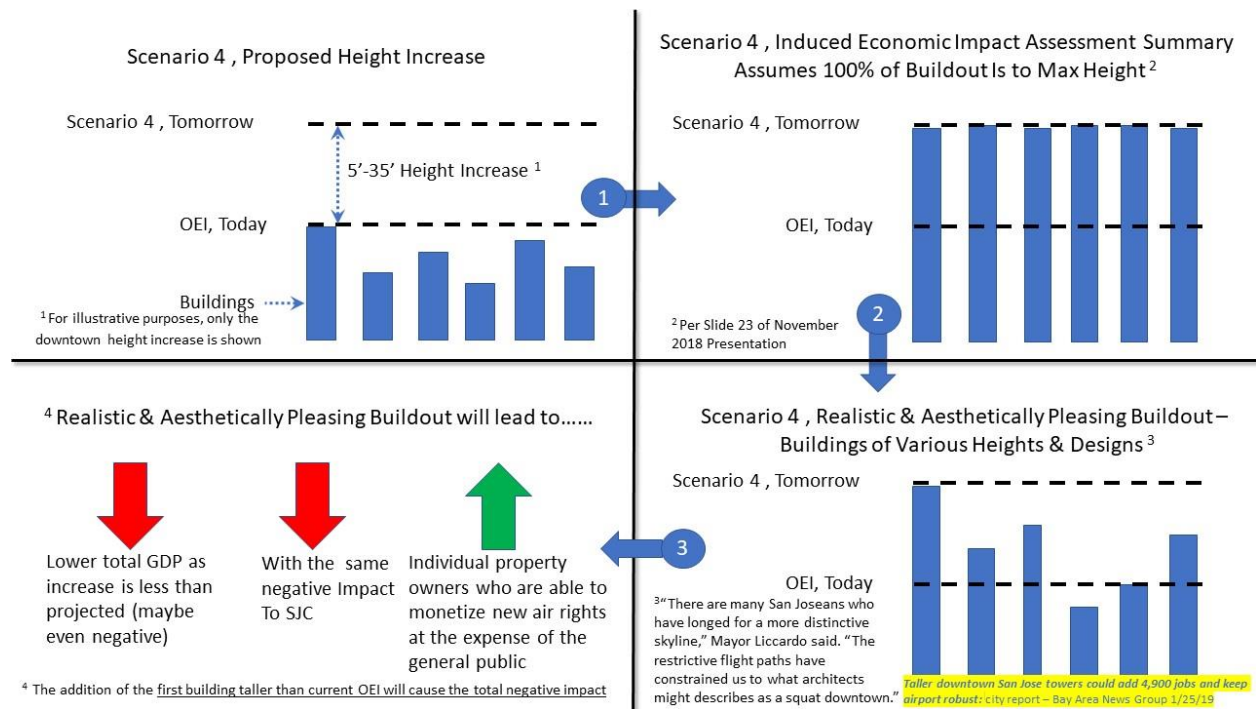
Subject: 3/12 Council Meeting, Agenda Item 6.2, *Actions Related to the Downtown Airspace and Development Capacity Study*

In a high school debate, when a team fails to respond to an argument it is considered dropped and the one making the argument wins the point. Airport Staff has ignored several points that have been brought up by the public and Airport Commissioners in the recent debate about changing the current buffer to allow for One Engine Inoperative over downtown and the Diridon Station Area.

As an example, it was reported at the 2/26/19 City Council meeting that only a small fraction of flights would be impacted by changes to OEI. That may be the case, but **how does that reconcile with the data from the OEI Study suggesting a cumulative impact of between -\$26 million to -\$203 million with the implementation of Scenario 4?**

As admitted by Airport staff several times, this negative economic impact begins, when the first building penetrates the existing OEI protection. That the study did not do a sensitivity analysis to understand the impact of build-out versus overall economic impact is a major shortcoming. As noted, in earlier correspondence, the post at this link uses the Study's numbers to demonstrate how lower build out rates can lead to negative economic impact from a Scenario 4 implementation:

<https://winchesterurbanvillage.wordpress.com/2019/02/19/who-will-benefit-the-most-from-raising-oei-limits/>



This is just one of many questions that have been raised and I encourage the Council to examine the 30+ questions put together by Commissioner Hendrix that have not been addressed.

Process

The Airport Commission and City Council were not given enough time to examine the information, the information that was provided was inadequate and we were often misled in response to our queries. Below is a timeline that explains this provocative statement that I don't make lightly.

Let's start with the January 14th Airport Commission meeting, when we were slated to vote on the Airport's recommendation for Scenario 4. Based on the materials provided to the Commission, we probably would have voted for the Airport Staff's recommendation, but there was a technicality and the vote had to be postponed for a special meeting.

That gave four Commissioners time to dig into the material and compare it to the 2007 *San Jose International Obstruction Clearance Study*. Other than the lower temperatures assumed in 2018 compared to the 2007 study (81.3°F vs. 88°F, 85% versus 95% reliability factor), we couldn't see why the conclusion would be any different today versus then.

<https://www.flysanjose.com/sites/default/files/commission/2009%20Fact%20Sheet%20on%20OEI.pdf>

Our conclusion, which the majority of the Airport Commission agreed with when we reconvened on 1/24/19, is that if the Council adopts Scenario 4, it **will render SJC as a regional airport, putting flights to Asia, European and some transcontinental flights in financial jeopardy**. This may be OK, but we aren't having that discussion, which is amazing, considering we are reviewing the Airport Master Plan right now. See this link for some thoughts on what is missing from the Airport Master Plan process:

<https://winchesterurbanvillage.wordpress.com/2019/01/14/comments-on-sjc-eir-2037-master-plan/>

The Commission voted for Scenario 10B and the reasons why are detailed in this document found at this link:

https://drive.google.com/open?id=0Bx53_RYEFZifWm5DXzEyZmlUSzJiaFhnTnp0RXJIQnRQeWtr

Several commissioners argued these and other points about the study and the study process before the Community Economic Development Committee on January 28th and, as a result, CED delayed bringing it to Council until February 26th.

<https://winchesterurbanvillage.wordpress.com/2019/01/29/why-the-rush-to-adopt-scenario-4/>

Subsequent to the 1/28 meeting, we requested additional documentation to fill in the blanks and found another 30+ documents. Additionally, there have been several Freedom of Information Requests. As we have studied these documents, the process has become as much a concern as the actual result of the impending decision. Some of the concerns include:

- Google was briefed on 11/2/18, a full 60+ days before the Airport Commissioners received materials to prepare for its 1/14/19 vote.
- Who is the group called Project Spartan, which seems to be directing some portion of the study? According to the 2/26/19 Council meeting Project Spartan seems to have some affiliation with Google, and according to the according to the Landrum Brown Agreement SO4 2/26/19, "Additional impacts that shall be calculated include employment/jobs, City of San Jose tax revenue and other economic impacts that may be directed by the Project Spartan Team."

- The Airport Commission Chair was assured that the airlines and pilots would be directly represented on the committee; they weren't. Hence, the Air Line Pilots Association letter on Feb. 27th stating that they had just become aware of the study and requesting documentation so they could "evaluate the impacts on safety from the proposals and are prepared to do so for the SJC proposals expeditiously once we have all pertinent documentation."
- Repeated requests for information from the Airlines, only to be denied suggesting it was protected under trade secrets. In fact, Hawaiian Air and ANA provided information that seemingly contradicts what was provided as summary information.
- At the 1/14/19 meeting, I specifically asked Director Aitken if the study looked at not only expanding up, but expanding horizontally (e.g. over 87), reducing parking requirements and creating car-free superblocs (dedicating open space to people, instead of cars). Director Aitken reassured us that Google had some creative building designs. While I agree with his assessment about Google's creativity in building design, the reality is that SO4 states that "The City's General Plan including the Diridon Station Area Plan shall be used as a basis of land use and floor area ratio."

Sincerely,

Ken Pyle

Airport Commissioner, District 1 – Views my own

March 9, 2019

To: San José Mayor & City Council Members

Cc: Office of the City Clerk

From: Bill Souders

Re: **Considerations for COMPROMISE on the OEI and Building Heights decision in the Station Area**

I greatly appreciate the openness of most of the Council to consider more carefully what will be a decision with very long term implications. Thank you very much, **Councilmember Jones**, for hitting pause on the process to answer important questions for your constituents.

I don't need to tell you that this decision impacts some of our most valuable community assets, for the entire region. I would like to share some observations for your consideration, as you conduct your final deliberations. There is never perfect information for large, complex, long time-horizon decisions, therefore it is most critical that robust and transparent comparative analysis be applied, even something as simple as weighted pros and cons.

- We ALL agree that SAFETY is not a factor in the decision, therefore no need to discuss this any further.
- The so-called “**what if, what if, what if**” approach by the Steering Committee appears somewhat lacking as several aspects of the report and recommendation seem to ignore viable alternatives for some reason.
 - The “precision” with which advocates for Scenario 4 calculate probabilities: historical load factors **X** existing plane models and configurations **X** historical temperatures (lowered by 7°F) **X** historical pricing **X** the number of historical occurrences of South Flow (<13%) = 0.46% of seats on one airline in the winter, etc., etc., etc.

This honestly just sounds like someone is trying to make the data fit a predetermined recommendation, especially dangerous in a time of such future uncertainty.

- **WHAT IF** any of those historical VARIABLES (these are not fixed coefficients!) change significantly in the next 10 years? *The likelihood that they won't change is probably near zero over that timeframe, especially weather!*
- **WHAT IF** future aircraft designs optimize for fuel efficiency rather than performance? *Per the report, the aircraft most affected by OEI issues at the Airport include the newest aircrafts in the market such as the Boeing 787 and Airbus 320 and 330. Thus, this issue is anticipated to remain with the City for the long term.*
- **WHAT IF** the historical data do not adequately predict the WORST CASE SCENARIOS in the future (**Councilmember Peralez's** estimate of 0.06% business risk)? *Per Aitken's comment, he used the 85th percentile on temperature because “that's what our airline partners would prefer that we use, so we did”. Why would the airlines PREFER that we soften our calculation of risk? Aiken said earlier that they would always choose to minimize obstacles. This makes no sense!*

- How has the 8.6M sq ft new building potential derived?
 - **WHAT IF** we approve the maximum height but very few buildings actually get built that high for some reason? *The airport would still be negatively impacted with just one tall building, but the economic benefit would not be achieved! Councilmember Jimenez raised this specter of increasing risk to the airport since this situation is rather unique; Aiken's answer indicated that we are basically trailblazing the OEI relaxations given the location of our airport to downtown.*
 - **WHAT IF** we instead built up to the heights under Scenario 10C, for example, which seems to come with virtually all of the real estate benefit (\$700,000,000 GDP gain by 2038) with little or no projected disruption to airline services, even at a 95% load factor (see below, the comparison of annual offload cost projections between Scenario 4 and 10C in the FIRST YEAR)?

SUMMARY OF 2024 ANNUAL DIRECT IMPACTS
LOAD FACTOR SENSITIVITY TEST

Summary of Losses		Baseline Load Factor	90% Load Factor	95% Load Factor
Scenario 1	Existing airspace protection	\$0	\$0	\$0
Scenario 4	TERPS Only	\$1,517,000	\$2,716,000	\$4,306,000
Scenario 7	Straight-Out ICAO OEI surface protection without West OEI Corridor	\$0	\$79,000	\$1,439,000
Scenario 10	Existing Conditions: 85' - 166' AGL	\$0	\$0	\$0
	Opt 10A: 100' - 195' AGL	\$0	\$0	\$0
	Opt 10B: 115' - 224' AGL	\$0	\$0	\$0
	Opt 10C: 129' - 240' AGL	\$0	\$0	\$67,000
	Opt 10D: 146' - 260' AGL	\$0	\$663,000	\$2,308,000
Scenario 9	TERPS only with increased TERPS departure climb gradients and approach procedure minima	\$9,812,000	\$7,510,000	\$10,164,000

- **Councilmember Foley** appropriately asked how confident the Steering Committee was that existing airlines would not reduce service, or that future airlines might have issues. She emphasized her concern that the Airport Commission was not given access to the airlines' responses. The answer from Aiken was that, due to trade secrets, the information could not be shared. He then said that even though most airlines had some concerns, they "seemed to indicate" that they are still INTENDING to sign the next 10-year lease. Staff also added that it really wasn't a major issue since there won't be any buildings completed for five years!
 - **WHAT IF** the airlines are taking a cautious, wait-and-see approach for now, but their real reservations will surface during the NEXT 10 year lease renewal cycle? *It's a safe bet that they will be doing their own robust probability analysis and will adjust their long range plans accordingly in five years!*
 - **WHAT IF** we can't secure adequate private sector funding for the as-yet-to-be-defined Air Service Support Fund? *No one can seem to describe how it would work; it's the first of its kind.*
 - **WHAT IF** airlines begin demanding those assurances as part of the next 10-year lease negotiations? *It seems that this could significantly diminish our potential Value Capture through increased building heights if we encounter annual obligations of greater than \$4M (see above).*

- **Councilmember Khamis**, in both his 1/28/19 Committee Meeting Hearing and again in the 2/26/19 Council Meeting, astutely cautioned about the potential risk our international airport, that we invested so heavily to establish. His question was a good one, **“Why do we have so much undue pressure to go straight to the MAX height?”**
 - **WHAT IF** we were just a bit more cautious with this strategically located 50 acres? *This only represents 0.04% of the total 115,000 acres of San José land area! And, unfortunately, this development alone will not make much of dent in our housing shortage.*
 - **WHAT IF** we accelerate the Urban Villages strategy instead of trying to absolutely MAXIMIZE heights in this potentially iconic, transit-centric showpiece? *That would be a true transit innovation versus risking the viability of our most successful transit decision to date.*
 - **WHAT IF** we instead do an urban design assuming futuristic transit (including to the airport, finally), with riverside open space, an iconic, central landmark, an even more vibrant Sports & Entertainment venue, all in a very walkable/bikeable core? *Or have we already given away too much of our control over land use in the station area?*
- **Councilmember Arenas** boldly challenged the make-up and predisposition of the Steering Committee as appearing to be a Stacked Deck. I agree, and also question the instructions to the committee:

Council Direction to Staff
(June 2017)

- Re-evaluate the 2007 Obstruction Study, with a goal of determining if changes can be made to maximize potential development densities Downtown

Clearly this team was assembled to MAXIMIZE development density, rather than to OPTIMIZE Economic Development. Those are not just semantics, it is a very specific PRIORITY, for some reason.

- **WHAT IF** this Steering Committee actually came back with real scenario-based planning alternatives balancing risk and reward, while accounting for significant unknowns? *We certainly wouldn't be arguing about 0.46% of one airline's seating capacity based on historical trends only! We would hopefully be taking a much more realistic but future-looking approach.*
- **WHAT IF** we pause long enough to reflect on the weightiness of this decision and try to visualize the next 20, 40, and 60 years? *For some reason, it seems that certain folks feel like we have the GOOGLE GUN TO OUR HEAD, so they are rushing to appease them. Surely, taking just a bit more time for additional analysis wouldn't impact Google's planning timeline. **We only get to make this decision once!***
- **WHAT IF** we let history be our guide, appropriately? *Some have expressed that “we suffered the casualty of a war between RDA and OED 12 years ago” and now it is time for retribution.*

- **WHAT IF** we were able to get a few do-overs? (we won't!)
 - *It seemed like a good idea, in the 1950s & 60s, to duplicate LA sprawl with 1377 annexations...*
 - *It seemed like a good idea, in the late 1950s, for Santa Clara County to opt out of BART in order to build expressways...*
 - *It seemed like a good idea, in the early 1980s, to implement a light rail line...*
 - *It seemed like a good idea, in 2000, to build another mecca for the automobile at Santana Row, with "free" parking but necessitating two major, taxpayer-funded freeway interchange overhauls...*
 - **WHAT IF** there is greater business risk than the projected 0.06% to airlines in the future that could make SJC less desirable for international and long-haul destinations?
Again, **Councilmember Khamis** asks: "Why can't we choose a compromise on heights (Scenarios 10C or D) which are slightly below those in Scenario 4, so we don't slide backwards with the airport?"
 - *It seemed like a good idea, in 2019, to _____...*
- And finally,
 - **WHAT IF** "collaboration" with the **SPARTA Project** actually resulted in some form of complicity within a **TROJAN HORSE Project**, with non-disclosed objectives, that will never be discussed in the public forum of a Council Meeting or Committee Meeting?

Thank you for considering alternatives and not just making a motion for a Yea or Nay vote on the most risky recommendation (Scenario 4). Other scenarios (10 B, C, or D) will ALSO increase building height dramatically so let's OPTIMIZE opportunities while MINIMIZING risks. The goal should have never been to MAXIMIZE heights without first doing side by side comparisons of the ASSUMPTIONS and ALTERNATIVES!

Respectfully,

Bill Souders

Downtown Homeowner, SJC Frequent Flier, and "Density Pioneer"