



Memorandum

TO: RULES AND OPEN
GOVERNMENT COMMITTEE

FROM: Kim Walesh

SUBJECT: SEE BELOW

DATE: March 11, 2020

Approved

Date

3/12/2020

**SUBJECT: STUDY SESSION ON DIRIDON STATION AREA PLAN/
GOOGLE MIXED-USE DEVELOPMENT**

RECOMMENDATION

Set a City Council Study Session entitled *Diridon Station Area Plan/Google Mixed-Use Development* for Friday, April 24, 2020 from 1:00 p.m. – 5:00 p.m. in the City Council Chambers and approve a draft Study Session agenda.

PURPOSE OF STUDY SESSION

To provide an update on progress of three inter-related work efforts related to future development of the Diridon Station Area: Amending the Diridon Station Area Plan, Conducting Development Review of the Proposed Google “Downtown West” Mixed-Use Project, and Negotiating a Development Agreement with Google.

OUTCOME

The Mayor and Councilmembers will understand progress to date of various staff analysis, consultant studies, and community input in anticipation of Planning Commission and City Council consideration of recommendations later this year.

BACKGROUND

On December 4, 2018, City Council approved a Memorandum of Understanding (MOU) with Google to guide collaboration on a mixed-use development project moving forward. The MOU outlined guiding principles and shared goals for a mixed-use, transit-oriented development to be

proposed by Google. The MOU also affirmed the intent to negotiate a Development Agreement, and the process for negotiating a Community Benefits Plan as part of the Development Agreement. City Council also approved Purchase and Sales Agreements with Google for properties formerly owned by the Successor Agency to the Redevelopment Agency and for the City-owned Fire Training property, and an Option/Negotiation Rights Agreement for the property next to SAP Center known as Lots A/B/C. The December 2018 Council action completed staff's work efforts from "Phase I: Concept Development and Land Sale" (2017/2018) and launched "Phase II: Project Design and Review" (2019/2020).

Reviewing Google's Project Proposal

On October 10, 2019, Google submitted its application for a mixed-use development project (Downtown West Mixed-Use Plan) to the Planning Division. The project site is approximately 80 acres, largely within the Diridon Station Area Plan (DSAP) boundaries of 250 acres. The Google proposal includes a General Plan amendment (including amending the DSAP), Planned Development Rezoning, Planned Development Permit, and other related permits and approvals. On December 31, 2019, the State of California approved Google's application to participate in the AB 900 program that encourages large development projects that create jobs and meet a high standard of public benefits by streamlining the judicial review process under the California Environmental Quality Act (see Info Memo dated August 19, 2019).

The City's review process involves staff from multiple department's reviewing the proposal for consistency with City policies, objectives and regulations and preparation of an Environmental Impact Report (EIR) to analyze the potential impacts of the project. The Memorandum of Understanding (MOU) approved by City Council on December 4, 2018 provides a foundation for this review process. The full application and associated information about the project are available at: www.sanjoseca.gov/GoogleProject.

Negotiating a Development Agreement, including Community Benefits

As part of the entitlement process, the City and Google will negotiate a Development Agreement which, as directed by Council, will include a Community Benefits Plan. A Development Agreement will provide Google with vested rights to develop its project over a specific period of time, in exchange for provision of community benefits above baseline city requirements. The Memorandum of Understanding (MOU) approved by City Council on December 4, 2018 provides a foundation for negotiating the Development Agreement, including guidance on community benefits priorities and approach. The Council action directed three priorities to be prioritized for community benefits, among other needs: affordable housing, educational opportunity, and job training.

Amending the Diridon Station Area Plan

Concurrent with reviewing Google's proposal, staff has initiated a process to amend the DSAP, adopted by Council in 2014. The purpose is to adapt the DSAP to current circumstances, align

- **Amending the Diridon Station Area Plan:** City staff will review the reasons for amending the 2014 Station Area Plan, present the changes to the plan under consideration, describe studies underway to inform the update (CEQA, affordable housing, parking, incentive zoning), and preview additional work anticipated in 2021 and beyond.
- **Conducting Development Review of the Proposed Google Project:** Staff will provide an overview of Google's Project Description, timeline for the EIR process, and the recommended Building Design Review and Approval Process, including the importance of the Design Standards and Guidelines document to be prepared for the project.
- **Negotiating the Development Agreement, including Community Benefits:** Staff will share the topic outline of the Development Agreement, the high-level City priorities, a public benefits framework, the legislative actions that create value for the project, a summary of community preference input to date, and insights about development feasibility.

Given the significant amount of material proposed to be covered, and the expected community interest, the Administration recommends extending the hours of the study session to 1:00 p.m. – 5:00 p.m.

COORDINATION

This memo was coordinated with the Department of Planning, Building and Code Enforcement and the City Attorney's Office.

/s/

KIM WALES

Deputy City Manager

Director of Economic Development

For questions please contact Kim Wales, Deputy City Manager and Director of Economic Development, at (408) 535-8177.

Attachment:
Study Session Agenda

CITY COUNCIL STUDY SESSION AGENDA

DIRIDON STATION AREA/ GOOGLE MIXED-USE DEVELOPMENT

**April 24, 2020
1:00 P.M. to 5:00 P.M.
COUNCIL CHAMBERS**

- Purpose:** To provide an update on progress of three inter-related work efforts shaping future development of the Diridon Station Area: Amending the Diridon Station Area Plan, Conducting Development Review of the Proposed Google “Downtown West” Mixed-Use Project, Negotiating a Development Agreement with Google
- Outcome:** Understanding about progress of various staff analysis, consultant studies, and community input in anticipation of Planning Commission and City Council consideration of staff recommendations later this year.

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DISTRICT 10

Welcome to the San José City Council meeting!

The San José City Council meets every Tuesday at 1:30 p.m. and Tuesday at 6 p.m. as needed, unless otherwise noted. If you have any questions, please direct them to the City Clerk's staff seated at the tables just below the dais. Thank you for taking the time to attend today's meeting. We look forward to seeing you at future meetings.

Agendas, Staff Reports and some associated documents for City Council items may be viewed on the Internet at <http://www.sanjoseca.gov/index.aspx?NID=5322>. Council Meetings are televised live and rebroadcast on Channel 26.

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the Office of the City Clerk at San José City Hall, 200 E. Santa Clara Street, Tower 14th Floor, San José, CA 95113 at the same time that the public records are distributed or made available to the legislative body. Any draft contracts, ordinances and resolutions posted on the Internet site or distributed in advance of the Council meeting may not be the final documents approved by the City Council. Contact the Office of the City Clerk at (408) 535-1260 or City.Clerk@sanjoseca.gov for the final document.

To request an accommodation or alternative format under the Americans with Disabilities Act for City-sponsored meetings, events or printed materials, please call (408) 535-1260 or (408) 294-9337 as soon as possible, but at least three business days before the meeting.

- Call to Order and Roll Call

CITY COUNCIL STUDY SESSION

1:00 p.m. – 5:00 p.m., Council Chambers, City Hall

1. Introduction, Review Agenda
2. Overview of Process: Looking Back, Looking Forward
3. Amending the Diridon Station Area Plan

CITY COUNCIL STUDY SESSION

- 4. Conducting Development Review of the Proposed Google Mixed-Use Project**
- 5. Negotiating a Development Agreement with Google, including Community Benefits**
- 6. Council Questions and Feedback**
 - Public Comments**
 - Adjourn**