



Memorandum

TO: RULES AND OPEN
GOVERNMENT COMMITTEE

FROM: Kim Walesh

SUBJECT: SEE BELOW

DATE: July 30, 2020

Approved

Date

7/31/20

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

RECOMMENDATION

Set a City Council Study Session entitled *Diridon Station Area Plan/Google Downtown West Mixed-Use Development* for Thursday, September 24 from 9:00 a.m. – 1:00 p.m. and approve a draft Study Session agenda.

PURPOSE OF STUDY SESSION

To provide an update on progress of three inter-related work efforts for future development of the Diridon Station Area including: 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 the Planning Commission and City Council consideration of recommendations by April 2021.

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 Downtown West 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), a Planned Development Rezoning, a 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 (Jobs and Economic Improvement Through Environmental Leadership Act). The program 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 departments 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 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 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 provided direction on the top priorities for the Community Benefits Plan, among other needs: affordable housing, anti-displacement, 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 the DSAP with other adopted and ongoing plans, including the Diridon Integrated Station Concept Plan, as well as support DSAP implementation (private development and public investments). The guiding principles of the DSAP will remain the same; however, anticipated changes include adding development capacity and updating the sections on land use, design, transportation, and public spaces. In addition, the City will prepare area-wide studies or implementation plans on affordable housing, parking, and shared infrastructure financing. The Affordable Housing Implementation Plan will address City Council’s direction from December 4, 2018 to achieve an area-wide affordable housing requirement of 25% in the aggregate for all housing built in the Diridon Station Area.

Timeline Delays Due to COVID Pandemic

The goal is for City Council to consider these items together by April 2021. The original date for Council consideration was November 2020.

Due to the need for City staff to perform emergency response services, the original project timeline was revised in April 2020. The revised schedule brings the staff recommendations to Planning Commission on March 10, 2021 and to City Council on March 30, 2021.

Project/Topic	Event/Milestone	Current Schedule	Original Pre-COVID Schedule
Downtown West	City Publishes DEIR & Draft DWDSG	September 8, 2020	May 15, 2020
Downtown West + DSAP	Council Study Session	September 24, 2020 (TBD)	April 24, 2020
Downtown West + DSAP	Planning Commission Study Session	October 2020 (TBD)	July 22, 2020
DSAP	City-hosted Community Meeting	Sept - Oct 2020 (TBD)	Spring 2020
Downtown West	City-hosted Community Meeting	October 15 + 19 2020 (TBD)	Spring 2020
Downtown West	End of 45-day DEIR Public Comment Period	October 23, 2020 (TBD)	June 29, 2020
DSAP	Draft Public DSAP	October 2020 (TBD)	Summer 2020
Downtown West	City Finalizes EIR Resolution, Staff Report	February 2021	October 14, 2020
Downtown West + DSAP	Planning Commission	March 2021	October 28, 2020
Downtown West + DSAP	Council 1st Reading	March 2021	November 10, 2020
Downtown West	Council 2nd Reading	April 2021	November 17, 2020

The State's AB 900 program currently expires on January 1, 2021. Because the COVID emergency will cause projects approved for the AB 900 program to miss the deadline and because the program is a proven economic recovery tool to accelerate investment, the State Legislature is considering extending and expanding the program. SB 995 (Atkins) passed the Senate in late June and will be heard in Assembly Committee on August 6th.

Ongoing Community Engagement

Central to all this work, staff is considering previous and ongoing community input. This includes input documented in the [Diridon Station Area Civic Engagement Report](#) (October 2018). Staff also completed additional public outreach and community engagement before and since Google submitted its development application. The main objectives of outreach and engagement during Phase II have been to increase understanding of the planning and development review processes and secure feedback on initial concepts under consideration. While the advent of the COVID pandemic curtailed in-person outreach, staff updated and enhanced the content on www.diridonsj.org (including adding videos), implemented an online survey, and completed grant agreements with seven community-based organizations to conduct unique outreach to under-represented populations. These organizations were: African American Community Services Agency, Catalyze SV, Friends of Caltrain, Latino Business Foundation, San Jose Jazz, SOMOS Mayfair, and Trinity Episcopal Cathedral. Two more rounds of outreach are planned prior to Planning Commission and Council consideration of the recommendation package in 2021.

Staff will continue to convene the Station Area Advisory Group (SAAG) virtually, which was established in early 2018 to advise the City on issues affecting the Diridon Station Area, including the Google project. The website www.diridonsj.org includes the upcoming engagement opportunities, project updates, background information, and the ability to sign up for email updates and submit comments.

Staff will continue to coordinate with the Diridon Integrated Station Concept Plan and other separate but related projects.

ANALYSIS

As directed by the City Council, the Administration recommends scheduling a study session on planning projects underway for the Diridon Station Area on Thursday, September 24, 2020. A draft study session agenda is attached. The Administration proposes that the meeting include the following elements:

- **Planning Process: Looking Back, Looking Forward:** City staff will provide a high-level overview of the various project elements, milestones to date, milestones upcoming this year, and community outreach completed and planned.

July 30, 2020

Subject: Study Session on Diridon Station Area Plan/Google Downtown West Mixed-Use Development

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- **Amending the Diridon Station Area Plan:** City staff will review the reasons for amending the 2014 DSAP, 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.
- **Conducting Development Review of the Proposed Google Project:** Staff will provide an overview of Google's Project Description, timeline for the EIR process, the recommended Building Design Review and Approval Process, and a high-level summary of the Draft EIR and Draft Design Standards and Guidelines document. Both documents will be available for public review in early September.
- **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 and community benefits.

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 9:00 a.m. – 1:00 p.m.

COORDINATION

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

/s/

KIM WALESH
Deputy City Manager

For questions please contact Kim Welsh, Deputy City Manager, at (408) 535-8177.

Attachment:
Draft Study Session Agenda

CITY COUNCIL STUDY SESSION AGENDA

DIRIDON STATION AREA PLAN/GOOGLE DOWNTOWN WEST MIXED-USE DEVELOPMENT

September 24, 2020
9:00 A.M. to 1:00 P.M.

- Purpose:** To provide an update on progress of three inter-related work efforts shaping future development of the Diridon Station Area: Amending the 2014 Diridon Station Area Plan; Conducting Development Review of the Google Downtown West Mixed-Use Project; and Negotiating the Development Agreement, including Community Benefits
- Outcome:** Understand about progress of various staff analysis, consultant studies, and community input in anticipation of Planning Commission and City Council consideration of recommendations in 2021.

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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 <https://www.sanjoseca.gov/your-government/departments/city-clerk/council-agendas-information/council-agendas>. 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.

* COVID-19 NOTICE *

Consistent with the California Governor's Executive Order No. N-29-20, Resolution No. 79485 from the City of San José and the Santa Clara County Health Officer's March 16, 2020 Shelter in Place Order, the City Council meeting will not be physically open to the public and the City Council will be teleconferencing from remote locations.

How to observe the Meeting (no public comment):

- 1) Cable Channel 26,
- 2) <https://www.sanjoseca.gov/news-stories/watch-a-meeting>, or
- 3) <https://www.youtube.com/CityofSanJoseCalifornia>

How to submit written Public Comment before the City Council Meeting:

- 1) Use the eComment tab located on the City Council Agenda page. eComments are also directly sent to the ilegislare application used by City Council and staff.
- 2) By email to city.clerk@sanjoseca.gov by 8:00 a.m. the day of the meeting. Those emails will be attached to the Council Item under “Letters from the Public.” Please identify the Agenda Item Number in the subject line of your email.

How to submit written Public Comment during the City Council Meeting:

Email during the meeting to councilmeeting@sanjoseca.gov, identifying the Agenda Item Number in the email subject line. Comments received will be included as a part of the meeting record but will not be read aloud during the meeting.

How to provide spoken Public Comment during the City Council Meeting:

- 1) By phone (888) 475-4499. Webinar ID: 951 9388 9763. Click *9 to raise a hand to speak.
- 2) By online [https://sanjoseca.zoom.us/j/951 9388 9763](https://sanjoseca.zoom.us/j/95193889763).
 - a. Use a current, up-to-date browser: Chrome 30+, Firefox 27+, Microsoft Edge 12+, Safari 7+. Certain functionality may be disabled in older browsers including Internet Explorer. Mute all other audio before speaking. Using multiple devices can cause an audio feedback.
 - b. Enter an email address and name. The name will be visible online and will be used to notify you that it is your turn to speak.
 - c. When the Mayor calls for the item on which you wish to speak, click on “raise hand.” Speakers will be notified shortly before they are called to speak.
 - d. When called, please limit your remarks to the time limit allotted.

Call to Order and Roll Call

CITY COUNCIL STUDY SESSION

9:00 a.m. – 1:00 p.m.

Introduction

Overview of Process: Looking Back, Looking Forward

Amending the Diridon Station Area Plan

Conducting Development Review of the Proposed Google Mixed-Use Project

Negotiating the Development Agreement, Including Community Benefits

Council Questions and Feedback

- **Public Comments**
- **Adjourn**