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9/18/2020

Mayor Sam Liccardo & Council Members City of San Jose 200 East Santa Clara Street, San Jose, CA 95110 Ph 408-535-4800 Fax 408-297-6422

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Dear Council Members & Mayor,

Reference: Council Agenda 9/22/20 Item 2.2 Item Commercial Linkage Fees

Subject: There Must Be A Mistake In Resolution RES79705

We Oppose The Commercial Linkage Fees (CLF)

In Edenvale and Monterey Corridor you have no fee on any Industrial/Research and Development at all in any size category,.

However, in South and East San Jose a much more geographically challenged area (Evergreen) you levy a \$3.00 fee on all Industrial R&D development over 100,000 sf. The Feasibility Study specifically exempted South and East San Jose areas from fees and it is a known fact that demand in South and East subareas is significantly lower than the rest of the City. What is motivating staff and council to levy fees when Keyser Marston specifically recommends an exemption for the area?

There must be a mistake in Resolution RES79705.

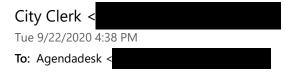
Thank you,

Myron Crawford

Cc: Chris Burton
Economic Development Officer
City of San Jose
200 East Santa Clara Street, 3rd Floor
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The Silicon Valley Organization <eddiet@thesvo.com>

Fw: Item 2.2: Final Adoption of Ordinances (Commercial Linkage Fee)

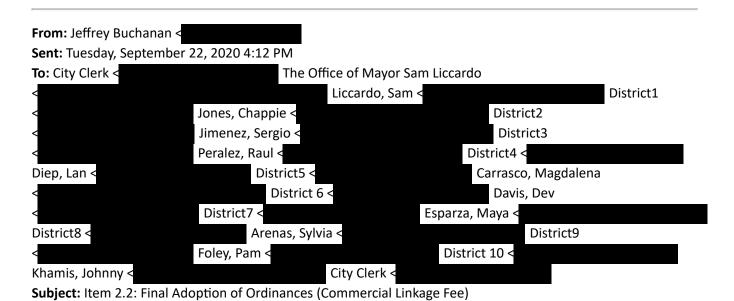


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Dear Mayor Liccardo and Councilmembers:

On behalf of Working Partnerships USA I would like to express our concern about the September 22nd memo from Mayor Liccardo requesting discounts for certain small and medium sized office developments under the Commercial Linkage Fee ordinance.

A review of the notes from the City Clerk from the September 1st meeting states that the City Council motion approved staff "to explore justification to adjust the square footage for the exemption to 50,000 square feet for ease of administration and to simplify calculations." The September 22nd memo from Mayor Liccardo requests the City "implement" such a change for commercial office projects under 100,000 square feet, which would pay \$0 for the first 50,000 square feet of their project under the Mayor's proposed amendment to the ordinance.

We encourage the Council to not make last minute fee cuts because such a subsidy for small and medium projects would reduce what the City will collect for affordable housing when the fees in the City's ordinance already fall far short of what is needed to offset impacts of such developers on working families, what the City's own consultants suggested is feasible, and what we know our neighbors continue to collect in fees. The Mayor's memo does not provide analysis on why these particular developers would need an additional subsidy now before staff has the time to consider such an amendment.

Lastly, the Mayor's proposal would appear to qualify as a public subsidy, and if the Council chooses to approve it, would require applying the City's Private Development Workforce Standards to such projects.

While we oppose the proposed subsidy we also would encourage the City Council to not make this kind of last minute amendment to the fee structure without noticing the public and providing additional time for consideration of the public and staff to ask the necessary questions. If the Council does not approve this memo today, staff will still be able to bring the proposal back to the Council for consideration under the direction from the September 1st vote.

Thank you for your consideration.

Regards, Jeffrey

Jeffrey Buchanan, Director of Public Policy Working Partnerships USA

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