



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Nanci Klein

**SUBJECT: AMENDMENT TO THE
FUNDING AND REIMBURSEMENT
AGREEMENT WITH GOOGLE**

DATE: July 19, 2021

Approved

Date

7/27/2021

RECOMMENDATION

Approve the First Amendment to the Funding and Reimbursement Agreement with Google LLC to extend the term to June 30, 2022.

OUTCOME

Approval of the amendment to the Funding and Reimbursement Agreement with Google will extend the term of the agreement through the current fiscal year, enabling staff's work on the approved Downtown West project to continue.

BACKGROUND

The City and Google entered into an agreement in June 2019 to provide for funding and reimbursement from Google to the City to perform necessary work related to the Downtown West Mixed-Use Plan. The City Council approved the Downtown West Mixed-Use Plan on May 25, 2021. The Funding and Reimbursement Agreement expires upon a final determination and action by City Council on all development applications related to the Downtown West Mixed-Use Plan. The agreement allows flexibility for the City Manager's Office to seek funding from Google as necessary, subject to appropriation.

ANALYSIS

The next phase of work is implementation of the project, requiring ongoing staff time and consultant support. The City administration and Google would like to extend the Agreement to June 30, 2022 to provide for funding and reimbursement for this work through the current fiscal year (July 1, 2021 to June 30, 2022). Staff's recommended Council action does not include any changes to the budget; it is simply extension of the agreement's term.

CONCLUSION

City Council approval of the First Amendment to the Funding and Reimbursement Agreement with Google would extend the term of the agreement through the current fiscal year, enabling staff to work on the implementation of the approved Downtown West project.

EVALUATION AND FOLLOW-UP

For next fiscal year and beyond, staff will return to City Council with a future amendment to the subject agreement or a new agreement with Google on funding and reimbursement.

CLIMATE SMART SAN JOSE

The recommendation in this memo has no effect on Climate Smart San José energy, water, or mobility goals.

POLICY ALTERNATIVES

If the extension to the term of the agreement with Google is not approved, the City would need to refund Google and operate without reimbursement until such time when standard development fees are paid. This would impact staff's capacity to conduct the necessary work on the Downtown West project, including fulfillment of the City's obligations under the approved Development Agreement with Google.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the August 10, 2021 Council Meeting.

COORDINATION

The Office of Economic Development coordinated with the City Attorney's Office, the City Manager's Budget Office, and the Planning, Building and Code Enforcement Department.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

COST SUMMARY/IMPLICATIONS

Approval of the recommended action provides funding and reimbursement of staff costs for work related to the Downtown West Mixed-Use Plan and Diridon Station Area Planning. The 2021-2022 Adopted Operating Budget allocates a total of \$834,592 in the Diridon Station Area Development Planning City-Wide appropriation within the General Fund. The funding will reimburse City staff costs incurred for the direct support of the project, a total of 4.0 positions: 1.0 Assistant to the City Manager in the Office of Economic Development and Cultural Affairs, 2.0 Planner II/III in the Planning, Building and Code Enforcement Department, and 1.0 Senior Engineer in the Transportation Department.

BUDGET REFERENCE

The table below identifies the fund and appropriation

Fund #	Appn #	Appn Name	Total Appn	2021-2022 Proposed Operating Budget Page*	Last Budget Action (Date, Ord. No.)
001	202S	Diridon Station Area Development Planning	\$834,592	IX-13	06/22/21 Ord No. 30621

*The 2021-2022 Operating Budget was approved by the City Council on June 15, 2021 and adopted by the City Council on June 22, 2021.

CEQA

Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

/s/
NANCI KLEIN
Director of Economic Development and
Cultural Affairs

For questions, please contact Lori Severino, Diridon Program Manager, at (408) 535-3537.