

“State of the Downtown” speech by Scott Knies

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San Jose Downtown Association Annual Meeting

Title: Two Very Big Things

I’m going to address just two topics this morning. Google and BART have the potential to massively reshape downtown San Jose and finally tip us past the elusive tipping point that promises the city’s arrival is just around the corner. We are about to turn that corner. It is essential we make the turn, we do it now, and we do it the right way. Downtown’s future efficacy depends on it.

The Earth shifted in June when the city announced Google’s interest to build 8 million feet for 20,000 employees on downtown’s west side. The news reverberated profoundly since it would fundamentally change the heart of the city in many of the exact ways three decades worth of public plans, tax initiatives and hundreds of community meetings envisioned: a dense infusion of jobs for San Jose’s original “urban village” adjacent to regional transportation that thoughtfully expands the downtown core.

Nine years ago, many of us in this room were fervent supporters of a Major League Baseball stadium in this same location. The Redevelopment

Agency began assembling land and discussions about moving the Oakland A's to San Jose generated headlines, blue-ribbon studies and beautiful drawings of Cisco Field nestled against the train tracks and facing the downtown skyline. But the San Francisco Giants blocked San Jose's plans and they fizzled out, along with redevelopment, leaving a giant (pun intended) hole in the vision for revitalizing downtown's west side. The subsequent ideas for filling that hole were mostly piecemeal and uninspiring – until the Google concept emerged.

As news trickled out of multiple private parcels in the area selling for record prices, it was only natural to speculate what might be. None of the speculation was grand enough. Whatever you thought was going to happen on the west side of downtown, this is bigger than what you conceived.

To begin, 8 million feet for Google, coupled with the 1 million announced by TMG/River Oaks on Julian Street and the 1 million entitled by Trammell Crow on Delmas Avenue alone would more than double downtown's existing total office space, meaning the total employees working here would also double.

Downtown between the train tracks and Highway 87 is mostly wide open and invites a complete terra forming. This is not a "village" plan (village implies something small), but a completely new way of integrating

tech offices and R & D space into a mixed-use urban center. Imagine a daisy chain of next generation, sustainable buildings along a north-south axis paralleling the train tracks stretching from Julian Street to San Carlos Street.

Such a concept is the antithesis of the Apple Spaceship in Cupertino. The Google buildings would embrace a city block grid and be connected by public streets, public sidewalks, public plazas, paseos and parks. This area is bisected by Los Gatos Creek – now imagine the creek freed from its current condition inside a culvert beneath Bird Avenue. Picture a magnificent public square, landscaping and architecture that establishes a sense of arrival befitting the Grand Central Station of the West.

This project is really a city within a city. Its community design and operations will redefine how a downtown employment center meshes with the transportation infrastructure of the future. We're not just talking about self-driving cars here, but flying cars.

The vision is completely inclusive of the public transit investments on its doorstep – BART, Caltrain and perhaps, eventually, High Speed Rail – but includes much more: unbundled, shared parking so important to the viability of the arena, shuttles, and lots of bicycles. Now imagine the scene downtown with 8000 Google bikes. This is Amsterdam volume biking. In just a few minutes a Googler can leave their building at Park and Autumn

and pedal over to SoFA, San Pedro Square or the Historic District. We aren't going to do that in a little green lane on the side of Santa Clara Street – a different approach will be needed to match this magnitude of change, such as adding completely new streets for bikes and pedestrians only. How we integrate the west side with the downtown core will be a major focus for our organization in the years ahead.

Another condition that will have to change is the city's current practice of restricting downtown building heights below what the FAA will allow. The city does this as an economic incentive to the airlines, so planes don't have to off load fuel, freight or passengers if they are unable to meet FAA clearances over downtown the 13 percent of the time they takeoff to the south. The tallest building on the west side of downtown is SAP Center and if the Google plans are restricted to this height, the only way densities are available for 20,000 workers is by pushing building forms out, taking up larger footprints of land, and ultimately reducing space for plazas, parks and other public uses. We already see this in the downtown core where the lower heights have limited architectural diversity and the ability for more generous spaces at street level. We must balance airport operations with downtown aspirations, and adjust heights up accordingly. The mindset

should not be “how low can we go,” but how high – both for the airport and downtown.

You may have noticed I have not once called the west side of downtown the “Diridon Area.” Only the former Cahill train station is named Diridon, not the entire 240 acres between the tracks and Highway 87, not the BART station, not the adjacent neighborhoods, certainly not the Google concept. We must have a better name. How about GoJo? Go is one of our most used action verbs, signifying motion and a “green light” – and just happens to be the first two letters of Google. Jo (pronounced Joe) is colloquial shorthand for San Jose – San Jo. I’m calling the district GoJo . . . it’ll grow on you.

With Google there is a vision for the west side of downtown, GoJo, that far surpasses the plans on the table. Goals that we developed years ago for housing, jobs, transit and entertainment would be expanded and amplified. A new GoJo District plan, just like its predecessor, will involve a robust (and lengthy) community engagement process – if we can get there. A couple tripping hazards could prevent us from turning the corner.

Literally minutes after the GoJo proposal was first announced, some special interest groups began issuing demands that Google fix all of society – gentrification, schools, affordable housing, homeless housing, union

contracts, income inequality, and more. Holding prayer vigils, marches and often misrepresenting a project that has yet to land, these groups have grabbed headlines while the city and Google are stuck negotiating over the 16 former redevelopment parcels. The difficulty is sale of these parcels must be approved by an obscure regional government agency that has a history of sticking it to the City of San Jose because of past resentments held over from the redevelopment era.

Between government agencies disputing market value for their land to special interest groups seeking extractions – or what they euphemistically call “community benefits” – there will be lasting impacts to GoJo. Money spent outside the project means less for the project itself. We are not just talking aesthetics or whether we can day-light Los Gatos Creek, but the actual investment – you know, the buildings where the employees are working. After all, this is exactly what the area has been planned for: to improve the San Jose tax base with more jobs and chip away at our dubious distinction as the bedroom community of Silicon Valley and the only large city in the U.S. where a majority of its employed residents leave each morning to work in other cities. Fortunately, the GoJo District is so large it can also accommodate thousands of units of all types of new housing, retail, entertainment – even reuse of the Dancing Pig sign. According to some,

Google should be responsible for both the jobs and the housing, but housing is already in the plan. We are increasing the allowable housing in the downtown EIR by 4000 units – to a total 12,500 units. We’ve done groundbreaking on four residential high rises in the past two weeks. The Greater Downtown seems to be the only neighborhoods in the city accepting of homeless housing projects. So lots of housing is coming to GoJo – and the rest of downtown – we don’t need to put it all on the back of Google.

But let us not get ahead of ourselves. First, agree on the price for the redevelopment land. That will trigger some community outreach leading to a MOU with Google in March. We cannot allow that deadline to slide.

There’s another deadline in March critical to downtown’s future when the BART Phase 2 project is to receive final federal environmental clearance. The big decision before that happens is choosing how the subway under downtown will be constructed. Will it be in a twin bore alignment that requires digging up blocks of Santa Clara Street or a deeper single bore that leaves the street mostly intact? City and Valley Transportation Authority staff recommended the single bore subway while BART staff have balked, citing safety concerns. The VTA board was set to vote last week on the single bore but punted the decision to December to allow time for a peer review of the BART tunnels by other transit agencies. Since VTA is

building the subway and BART is operating it, both agencies have to be on the same page for the project to move forward.

The BART construction is expected to take seven years. The difference in construction impacts between twin bore and single bore is night and day. The twin bore requires a “cut and cover” approach at the two downtown stations – digging up Santa Clara Street between Market and Third Streets, and then across from SAP Center for the GoJo station. More than 24,000 truckloads of dirt would be excavated from these 55 foot deep holes. The single bore alignment allows the two downtown BART stations to be mined beneath the street, 85 feet down, with just the entrances and vents dug out at the surface. The single bore would not require relocating the maze of utilities beneath Santa Clara Street and VTA staff have said it could also shorten overall construction time and save money, too. But BART doesn’t like it. All their other tunnels are twin bores and these wouldn’t match. No single bore system currently exists in North America, however, BART, City and VTA officials recently visited the single bore tunnel in operation in Barcelona, Spain.

This is *the* core issue for San Jose Downtown Association. Our organization started in 1986 from the crisis created by the light rail construction. Large public works projects and their impacts on people and

property is in our DNA. That is why I took umbrage a couple weeks ago when BART staff criticized the single bore because they thought we didn't understand a 100-year infrastructure project and all we cared about was the construction period. First off, we've supported three BART tax measures since 2002 to bring the system downtown. We understand the big picture and want to reap the long-term gains of BART without devastation during the (relatively) short-term pain of construction. We look at the momentum today generated along Santa Clara Street with new owners refurbishing old buildings; new businesses like WeWork, Amazon Lab; a host of small, established restaurants, cafes and shops, not to mention the city's most popular business – the San Jose Sharks – all right on top of this project and we have a viable option to build BART in a manner that won't utterly destroy that momentum – we have to take it.

The twin bore dig is no less than open-heart surgery in the middle of the city. It may not kill the patient, but there is severe disruption, dire side effects and a long recovery period. We have a less intrusive procedure – the single bore – that our cousin in Barcelona shows has worked well. Not only that, but it was a shorter surgery time and cost less. The old school doctors at BART are saying it's too risky; they've operated the same way for 40 years. BART hasn't presented a fatal flaw to the single bore, and they've

already received second and third opinions from City and VTA. Let me assure you, the City and VTA engineers are very conservative and absolutely just as concerned about safety as BART. Now we are going to get fourth and fifth opinions from peer review transit agencies. So be it – and we'll continue reminding them of our support for the single bore subway.

The importance of this moment on the future of our center city cannot be overstated. How we ultimately design and build out the GoJo District and the way we construct BART are once-in-a-generation decisions. It's imperative we get them both right, and turn the corner now.

I know we have many in attendance this morning at their first Association meeting. I want to apologize for my egregious abuse of acronyms – VTA, RDA, EIR, MOU. It might feel like you just entered a dinner party in full swing and nobody pulled you aside to guide you into the conversation. Well, you are about to hear from your fellow business owners during the rest of the meeting. They don't want you to feel like an outsider. We want you to fit in, to understand, to be aware of what is going on in your downtown.

There's this magnetic attraction multiplying in downtown San Jose between the people who are in the solution, people who want to be part of

building a great city. We especially see this in our new owners, new employees, new residents – they represent this spirit and energy because they want to be here, they want to help make it happen. So please join in our long dinner party, some of us have been at the table for 30 years, we're not full yet and we are very excited about the next courses.

Thanks for your attention and enjoy the rest of the meeting.