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From the Silicon Valley Business Journal:

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# Digging in on Diridon: How big would the San Jose Google campus really be?

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Feb 27, 2018, 6:45am PST

Talk about the city of San Jose anywhere in Silicon Valley, and it won't be long before the mention of Google follows, along with questions about what the tech giant plans to do with more than 20 acres of land it is vying for in the South Bay city.

And there are many questions.

Last Thursday, the Silicon Valley Business Journal hosted a special event called The Future of Diridon Development to get the latest details about Google's plans as well as to look at proposals for the west side of San Jose's downtown.

Three officials with insights in the area — [Nanci Klein](#) with the city of San Jose, [Scott Knies](#) with the [San Jose Downtown Association](#) and [Teresa Alverado](#) with Bay Area urban-planning think-tank SPUR — took part in a panel moderated by [Ralph Dickman](#) of [Union Bank](#).

All of the panelists have been in communication with Google to varying degrees since the tech giant announced its desire last year to build an up to 8 million-square-foot mixed-use campus for as many as 20,000 workers.

Google declined to send a representative for the panel. But those who did speak at the event revealed details that give onlookers a clue about how the company seems to be talking about the potential development to city leaders, how some of those visions differ from assumptions in the community today, and stakeholders' goals as the negotiation for land moves forward.

Even as it negotiates for land in the area, Google and development partner Trammell Crow have been only somewhat open about their hopes to build a massive mixed-use tech campus in a 240-acre swath of the city known as the Diridon Station Area.

Last June, elected officials — preempting a City Council agenda item that would have given away Google's interest in San Jose — announced that the city would consider entering into exclusive negotiations with the company to buy about 21 acres of publicly owned land in the area.

Google had already had started purchasing private property and has continued to buy up land at a fast clip.



VICKI THOMPSON

On Feb. 22, the Silicon Valley Business Journal brought together a select panel to talk about what's slated to happen on the west side of San Jose's downtown. Taking part in the conversation were (L2R) Ralph Dickman, Nanci J. Klein, Scott Knies and Teresa Alverado.

## **Connecting the 'daisy chain'**

In all, Google has purchased or is in negotiations with public entities for about 40 acres of land in San Jose. The company is also expected to continue to purchase more property from private property owners, though it's unclear how much.

But Knies, executive director of the Downtown Association, told event attendees not to expect Google to buy up the entire 240 acres around the station to build its campus, despite the potential development's sheer size.

City officials have said in the past they'll need to redraw the specific plan for the area — which today allows for roughly 5 million square feet of office development — with Google's ambitions in mind. But that process hasn't yet begun, making it hard for onlookers to guess how much space Google will need for its portion of the development, although a vision of a massive "Google village" has permeated the headlines.

Knies estimated that, depending on how high the development is allowed to rise, Google would need somewhere between 40 and 50 acres for its development and that acquiring that land would likely cost around \$500 million.

"Google is looking at a daisy chain of different properties from San Carlos Street on the south all the way to Julian on the north, kind of paralleling the tracks," he said. "They are looking at working within the street grid, which means they are going to be paying attention to the streets, to the plazas, to the sidewalks, to the parks. ... It really is a complete terraforming of the west side of downtown."

So far, Google has acquired more than 17 acres and spent around \$190 million on property in the area, but is in negotiations with local government officials for about 21 additional acres.

City and community stakeholders have said repeatedly that any project built by Google won't feel like a closed-off corporate campus, but be integrated into the larger community and the transit hub at Diridon Station.

"A train station can reunite neighborhoods, and really be the place where you get off and you are in the middle of everything," said Alvarado, San Jose director of SPUR. "I think what is really important in the design is to make sure we are integrating... we are not looking for a fortress."

Google's ambitious vision is a significant proposal for a city that hasn't seen a major office development under construction in its downtown since 2009, when Riverpark Tower II was built along Park Avenue, according to Klein, assistant director of economic development and director of real estate for the city.

"We have been flat-lined since 2009," Klein said. "That's not a good thing."

## **Where will Google go - and where won't it?**

But other office projects outside of Google's recent and, in many ways, still-incomplete vision have been proposed and approved in the downtown and the Diridon area since Riverpark Tower II.

Among them, TMG Partners and Valley Oak Partners' 1 million-square-foot office development in the area. Before that, Trammell Crow's 1 million-square-foot project named Diridon, which sits on the edge of the Diridon Station Area boundary.

Before the June announcement, most of the real estate industry buzz pointed to Google leasing Trammell Crow's mixed-use property. After the announcement that Google was partnering with the Texas-based developer for a much larger project, many assumed Google would be the tenant for that approved building as well.

But several industry sources since then have indicated to the Business Journal that Trammell Crow's already entitled Diridon building is separate from Google's larger corporate campus project. While industry sources won't speculate on whether Google will ultimately lease the building, they have warned not to assume that Google will land there.

Trammell Crow representatives declined to comment on the matter Monday.

However, Knies indicated last week that city stakeholders are indeed thinking about Trammell Crow's Diridon building separate from its 8 million-square-foot project around Diridon Station with Google.

If the three major projects — Google's campus, TMG and Valley Oak's office building and Trammell Crow's mixed-use tower — were all to rise in the coming years, that would nearly double the office space in downtown San Jose, which today sits at about 10 million square feet, Knies pointed out.

The formal announcement of Google coming to San Jose has been followed by endless community chatter about the possibilities of such development, concerns about gentrification, rising real estate prices and community benefits — all important issues with few answers so far.

Even so, San Jose officials have maintained that the project would not only be welcomed, but it is also a needed addition in the 10th largest city in the country that currently tends to fetch significantly lower lease rates on office and R&D space than its South Bay neighbors, making new development in the city difficult to attract.

"Our General Plan... has already contemplated this development," Klein said. "San Jose has always cared about jobs and about homes and about people. This is not new; this is the right time."

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