

“State of the Downtown” speech by Scott Knies

October 12, 2018

San Jose Downtown Association Annual Meeting

Title: The Momentum Moment: Downtown San Jose’s West Side Story

In the past 12 months, more than a billion dollars’ worth of downtown property has changed hands. Led by Google, Jay Paul and Gary Dillabough, this massive investment by the private sector is more than half of what the San Jose Redevelopment Agency spent downtown during three decades. It is the surest sign yet of a different direction for San Jose’s center city.

Yet that new direction depends on who you ask.

Is this finally San Jose’s moment for its downtown to realize its potential as a vital and beautiful urban community? Is this our time to firmly root San Jose’s unique advantages of diversity, innovation and climate into downtown physical, cultural and social spaces?

Or, if you adhere to the narrative generated by savvy organizers holding prayer vigils, City Hall marches and protests outside Google’s Mountain View headquarters, the proposed development on downtown’s westside represents every real and existential ill of Silicon Valley:

gentrification, high rent, lack of housing, income inequality, bad traffic, not enough union labor.

While the media may give more attention to protesters, the hearts and minds of most San Joseans support Google's arrival downtown as we figure how best to embrace the opportunities and rise to the challenges this intense growth will bring. We have to do it right! This new blueprint for urban infrastructure must be planned better, be more interesting inside and out, and be more inclusive than anything San Jose has done before. We have an extraordinary chance to create a city within the city – a model of the future; one that inspires civic pride by putting people ahead of buildings and cars; in providing a positive environment for jobs, homes, recreation, health and joy; and how it prototypes solutions to societal issues like affordability, climate change and the unhoused.

Is that too large a vision to put on the back of downtown – especially the 250 acres on the westside? We think not. This is San Jose's moment.

The vision became exponentially larger 16 months ago when Google's plans for downtown went public: they were buying up parcels paralleling the Caltrain tracks with the potential to design and build an urban tech district the likes the world has yet to imagine. The antithesis of the Apple Spaceship in Cupertino, Google sees a daisy chain of next generation

green buildings integrated into a city street grid enhanced by digital technology and connected by lots of public spaces – sidewalks, plazas, paseos, creek trails, cricket fields, dog parks, playgrounds and bike lanes – and the Dancing Pig sign.

With the Diridon depot train station roughly the midpoint of its acquisitions, Google is assembling land that could accommodate 8-10 million feet and support 20,000 jobs. Buildings could stretch from Auzerais Street on the south to Julian Street on the north, connected by the aforementioned public spaces such as bike paths, a liberated Los Gatos Creek and new streets. Ultimately occupying about 50 acres on the westside, Google has already goosed the promise of downtown higher than any other big plans in the recent past, like the Palladium pipe-dream during the dot-com era, or the Oakland A's stadium from the prior decade.

I spoke about Google's downtown plans last Friday at the Capital Club and when I finished one of the first questions was "where is the westside of downtown?" The westside is a very large area roughly between the Caltrain tracks on the west, Highway 87 on the east, the Union Pacific tracks on the north and Interstate 280 on the south. It includes the Delmas Park neighborhood, Little Italy, Guadalupe River Park and most notably the train station and SAP Center, home of the San Jose

Sharks. The city developed a land use plan for 250 acres on the westside years ago that didn't anticipate the intensity of Google's urban campus. Even though the current specific plan doesn't come close to the densities now being considered and has to be redone, along with environmental work, the overall vision for the westside is solid: San Jose needs jobs; put the jobs where the transit modes all come together in an area large enough to incorporate offices, all types of housing, entertainment, open space and link it impeccably with the downtown core.

This last point is crucial to the Downtown Association as well as Google and city leaders. The connections today between the westside and core leave much to be desired. Highway 87 is a formidable barrier and the handful of east/west streets that pass under the freeway all have different problems for bikes, scooters and pedestrians, more so after dark. Think about mobility a decade from now with tens of thousands more residents and employees downtown. Google alone is expecting to generate 8000 bike riders a day. Downtown streets will have to change. What role will embedded pavement technology play? Is Park Avenue our best east-west link? Or should we develop an entirely new connection reserved for bikes and pedestrians-only – say, an extension of Post Street?

The private sector is not the only one investing billions in downtown's future and contributing to the current momentum. The BART subway extension and Caltrain electrification are essential public infrastructure projects finally breaking ground while high speed rail and Diridon depot planning are underway.

First, a big shout out to the Valley Transportation Agency Board of Directors and VTA General Manager Nuria Fernandez for their leadership in helping secure the single bore option for construction of BART. You may recall, this was headed to a heavyweight fight between VTA and BART – BART wanted twin bore construction that would dig up five blocks of Santa Clara Street for years. Then on deadline, in April, BART agreed to the single bore! San Jose usually punches way below its weight in Bay Area power tussles. I cannot recall a bigger regional win for our community.

The impact of the single bore decision was immediate. Instead of facing paralysis on Santa Clara Street for seven years while blocks were torn up, several key properties transacted – including three corners of First and Santa Clara Streets. Investors saw buildings, tenants and businesses could now survive the BART construction while planning ahead for when the trains arrive downtown, which VTA says could be as soon as 2027.

There will be two downtown BART stations: one beneath Santa Clara Street between Market and Third Streets; and the other on the westside connected to the current Diridon depot. That is the mega-station where all the transportation modes intersect. I hope as we design the station as befitting its future stature we will rename it San Jose Central Station – still keeping the Diridon name attached to the historic, brick depot.

One of the most significant, and under the radar, achievements of the past year was the four-party agreement on the planning for San Jose Central Station. High Speed Rail, VTA/BART and Caltrain were in separate silos designing their own rail systems – and this disconnect was most apparent where all their systems converged downtown. Now working together, with the City of San Jose, the four entities signed an agreement, each one contributing funds, towards joint planning of San Jose Central Station.

I believe this transit planning agreement is most important for how High Speed Rail might ultimately work in our city. BART was always underground in a subway and Caltrain was always at-grade on their existing rails, but High Speed Rail preferred an alignment in an aerial viaduct with tracks 75 feet above the ground! It would be another Highway 87 barrier on the westside and the Downtown Association has consistently opposed the aerial monstrosity. Now there is another alignment on the table, as part of a

City-generated option and representative of the new four-party collaborative spirit between the transit agencies. It is still early in the process to see how this slightly elevated above ground alignment works for the San Jose Central Station, high speed rail operations and the overall community, but anything other than the aerial overpass will be an improvement.

I would be remiss not to mention how parking fits into the transportation equation. The Downtown Association supports the Sharks lawsuit against VTA for not planning a single parking space for the two downtown BART stations. We understand this is a transitional time. We are in-between a future where autonomous vehicles and flying cars will forever change cities, and the present day – where automobiles are still the San Jose way. Rather than completely stop building parking spaces, let's balance the realities of today with the dreams of tomorrow. We already see this happening with automated parking stacks, garage floors designed so they can be converted later to other uses and hotel proposals with only off-site parking. We must not put downtown at a competitive disadvantage because we subjugated the automobile too far ahead of market.

Another significant planning action in the works is the downtown airspace study addressing the current city practice of requiring building heights below what the Federal Aviation Administration allows. The study's

technical analysis was presented to a City Council committee last month with several options, including going up to the FAA heights. Since there are already many tall buildings in the downtown core, this could result in up to 35 additional feet depending on where the site is located. On the westside, however, the tallest building is the arena at 110 feet. The FAA allows 225 feet at the arena, so the potential doubling of height on the westside is THE most substantial opportunity as the City Council considers the big picture for downtown, the airport and San Jose itself.

Even though we've been debating height limits since 2007, I realize this will be painted by some as a Google move when in fact it benefits the entire downtown and goals for density, jobs and housing near transit. If the heights are *not* raised, Google and other developments on the westside will have shorter, wider buildings that take up larger footprints of land thereby leaving less room for parks, plazas and the people-centric spaces that make urban centers more memorable and livable.

The potential of doubling building heights on the westside is a once-in-a-generation decision and the decision-makers should treat it as such. We already have heard from Google they are willing to fund reasonable community benefits for their project but how will the rest of downtown be treated? How will the city regulate this potential height gain and the

increased values it represents for both land owners and the community? Will it be treated as another fee – like housing projects pay now for parks; or an as infrastructure assessment district to help fund, say, new streets linking the westside and core? And what does the community receive for the additional height? One percent for art funds? Public space projects, lighting and landscape? Architectural enhancements such as something other than flat rooftops? We look forward to the discussions ahead as the growth of downtown and complete terra forming of the westside has opened up a new suite of policy topics and future planning.

The immediate consideration in front of us is the public sale of the former redevelopment lands to Google. The city formed a Station Area Advisory Committee, with the unfortunate acronym of SAAG, to vet community interests, wishes and demands. As the SAAG process winds down, the decision on the sale heads to the City Council in December. These 23 acres of city-owned and former ballpark lands are a critical milestone in our own downtown San Jose West Side Story. As I mentioned earlier, there are different views on the deal. Some are convinced Google will take more than it gives to San Jose. Others see a strong, global-minded partner reinforcing a civic vision for density, jobs, less traffic and smart growth. In looking at the westside's 250 acres, there's plenty of room for

affordable housing, and the opportunity to develop new types of living spaces in a mixed-use, walkable downtown that welcomes it. Don't underestimate your voice in this matter. Please consider attending the City Council meetings and speak. I am often asked what can be done to help. Here is your chance to help.

We'll update you with the when and where of the hearings. Please connect with our social media platforms, talk to me, any Downtown Association staff or one of the 15 volunteers who are going to follow me up to the podium this morning. Each will give you a little summary of what they have been up to the past year in their community involvement with downtown and this organization. We've got three other boards, a bunch of committees, there's numerous city commissions and task forces – so many ways to get plugged in with your neighbors, peers, public servants, and fellow downtowners. Join in the journey as we create, together, a magnificent public life in downtown San Jose.

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