

Google deal awaits

A major milestone in Google's proposed development of a transit-oriented urban village on the west side of downtown is expected Dec. 4 when the San Jose City Council approves the purchase and option of 21 publicly owned acres to the information company.

"Google will pay full freight for land, taxes, fees, and additional community benefits like affordable housing," said Mayor **Sam Liccardo**. "We offered Google no subsidies, and they didn't ask for them."

Liccardo, along with Vice Mayor **Magdalena Carrasco** and Councilmembers **Sylvia Arenas** and **Dev Davis** announced Nov. 19 that they will mandate 25 percent of new housing units on the westside be affordable. They also want to form a "downtown financing district" that would pay for "affordable housing, transit and other public improvements."

Google ultimately plans to develop 6 million to 8 million square feet for up to 20,000 employees.

"The potential for San Jose is unprecedented," said **Scott Knies**, San Jose Downtown Association executive director. "Google's arrival downtown merits full support as we figure how best to embrace the opportunities and rise to the challenges this higher level of city-building will bring."

The public properties to be sold are a combination of five Successor Agency of the Redevelopment Agency (SARA)-owned parcels acquired for a now-defunct Major League Baseball park, the city-owned fire-training site at 255 S. Montgomery St., and a small parcel on West San Carlos Street.

Combined, the properties total about 10.5 acres, which will be acquired for \$110 million. Google will pay \$237.50 per square foot.

Other city-owned parcels at 525 W.

Santa Clara and 566 W. Julian St. that serve as arena parking for the adjacent SAP Center, which totals 10.6 acres, will be optioned to Google for a five-year period, with Google paying \$1.1 million per year. That property would also sell at \$237.50 per square foot if Google decides to acquire it, or another \$111.5 million. The option approach was necessary because the parking lots are used by San Jose Arena Management, which would have to agree to a new parking scheme for arena patrons before Google could exercise its option to buy.

The government-owned 21 acres would be combined with another 31.5 acres purchased by Google over the past two years on downtown's westside between Auzerais and Julian streets, Highway 87 and the Caltrain tracks.

The Memorandum of Understanding (MOU) between the city and Google in front of the City Council Dec. 4 describes a vision of world-class architecture, public plazas and paseos, street-level retail and public greenbelt along Los Gatos Creek – all within close proximity to potentially one of the nation's busiest multi-modal transit stations by the next decade.

"Great cities have great downtowns, which are job centers," Liccardo said. "We know employment will drive far more transit ridership than any other use and we can maximize the taxpayer dollars invested in our transportation infrastructure."

The land sale represents only the first of two phases required to actually get the massive project under way. The second phase should take an

additional two years and include the following planning steps, all of which will involve community engagement:

- ◆ Project description – uses, number of buildings, height, etc.
- ◆ Environmental review – disclose and minimize the environmental impacts of the project.
- ◆ Area plan and zoning amendments – Update the General Plan and Zoning Ordinance to enable the project. This will involve removing the ballpark from the plan and determining the development capacity of the area, especially with regard to maximum height of the buildings in the area.
- ◆ Development Agreement – A legal document that describes the negotiated project components in detail, including the Community Benefits Plan.
- ◆ Planning permits – Review and approval of zoning and development



The ball park and largest parking lots in this image from last decade would be replaced by a new urban vision.

applications.

- ◆ Building permits – Review construction documents and issue building permits.

The proposed "financing district" needs more outreach with downtown stakeholders, Knies added. "While the concept is sound if the city withdraws its building height restrictions, the details on any new assessments and how they would be spent must be worked out," he said.

In forming the MOU, city staff took cues from a number of community engagement forums held over the past year. Some general guidelines for westside development from the diverse group include:

- ◆ Affordable housing for all income levels and minimal displacement of lower income residents already in the westside area.
- ◆ Access to training and local hiring practices.
- ◆ One shared parking district for private development, transit users and SAP Center.
- ◆ A continuous interconnected system of trails and the "daylighting" of Los Gatos Creek at Park Avenue.
- ◆ Increased emphasis on public transportation – a minimal number of cars should have access to the area.
- ◆ State-of-the-art environmental sustainability.

Civic engagement included community forums, meetings, review of early designs and walking tours of the area.

Letter from the President

This is our time to shine

This is San Jose's time. Time to meet its potential. Time to shine. Big time.

You see it everywhere. From my offices at Frank, Rimerman and Co. at 60 S. Market St., I can see new buildings going up around San Pedro Square: Modera, Silvery Towers and high-density developments by Trumark and Intracorp.

Step outside and head in any direction to find construction under way:

- ◆ North – The James Apartments and Villas on the Park residential projects around St. James Park;
- ◆ South – The Graduate, SparQ and Aura (180 Balbach) housing projects near SJSU and SoFA;
- ◆ East – Twin Miro housing towers across from City Hall;
- ◆ West – The flurry of projects in and around San Pedro Square and North San Pedro district.

And, I think, this is only the beginning. Thirty other projects are in some stage of planning. Two of the largest are the massive westside expansion by Google and Adobe's fourth tower. These are both internationally recognized names that command attention.

I pause on my walk along Guadalupe River Park trail to view Sobrato's third River Corporate Center office building already topped out. From this spot I can see some of the property Google has acquired for a new urban tech campus, and where TMG and Valley Oak Partners have permitted their own 1.2 million-square-foot office complex at 440 W. Julian St. For that project, called Platform 16, internationally renowned architect KPF (Kohn Pederson and Fox) has provided an amazing design.

Equally impressive is Sobrato's Miami-based Arquitectonica design for the Market Street Towers at the corner of San Carlos Street. One building of four distinct towers, including two rooftop gardens. Wow!

The challenge to create something better, more innovative and more aesthetically pleasing is here to stay. There is no going back – to bland beige boxes.

Before I head back to work, I finish my walk at First and Santa Clara Street, where I see downtown's past glory and the revitalization efforts under way by a new group of investors, entrepreneurs and visionaries:

- ◆ Jay Paul Co. has picked up restoration of the old J.C. Penney building on the northwest corner.
- ◆ Urban Community vows to revive the landmark Bank of Italy building, completed in 1927, into its original condition and give makeovers to adjacent Fountain Alley buildings.
- ◆ Leisure Sports is making a move to 2 N. First St. to turn that building on the northeast corner of Santa Clara Street into something special.
- ◆ A block away, **Travis Kalanick**, co-founder of Uber and fresh-idea man, has his new 10100 (pronounced Ten One Hundred) fund eyeing the **Hank Coca's** / Odd Fellows building at 82 E. Santa Clara St.

With all these projects in the pipeline, I know the best is yet to come.



Michael Rewkiewicz

Downtown News

Parking systems upgrades coming in 2019: Eight Park SJ facilities are to receive parking system upgrades early in 2019.

The City Council agreed to a \$6.3 million one-year contract with Van Nuys-based Sentry Control Systems to purchase new parking-access and revenue-processing equipment and train employees.

Sentry will also be under contract with the city for a similar \$7 million system for the airport.

The new system will include the latest technology in parking revenue collection, credit card payment security and reservations. Customers will have a wider range of payment options besides cash and credit cards, including debit cards, Google Pay, Apple Pay and Samsung Pay. The new systems should handle various validations, web-based technologies and smartphone operations.

Automated license plate recognition equipment should ease customer access and prevent fraud at the parking gates. Customer information and privacy must be protected, according to state law.

Live video and audio feeds should speed up customer service interactions.

Downtown garages to receive the upgrades include: Market and San Pedro Square; Fourth and San Fernando; Third Street; Fourth and St. John; Second and San Carlos; City Hall; Convention Center; and The Globe.

In 2017-18, the downtown Park SJ garages served 1.5 million visitors and 100,000 monthly parkers, generating \$12 million in revenue. The new system replaces equipment that is a decade old.

Jose Theater sold: Dom Imwalle's Market & Third Associates acquired the historic Jose Theater from the Successor Agency of the Redevelopment Agency for \$2.14 million.

The new owner will honor the remainder of the three-year lease with The Improv comedy club, the principal tenant, which was arranged last spring.

Imwalle will partner with **Gary Dillabough** on next steps for the Jose Theater as well as the former Camera 12 cineplex on Paseo de San Antonio, which Imwalle previously purchased from SARA. Their intention is to put both buildings to entertainment uses.

SARA rejected the previous round of bids last May when Imwalle bid \$1.3 million and told SARA that it would exceed any other bid by \$130,000, up to \$3 million. During that round, one bidder offered \$2.76 million for the property. SARA expected a minimum price of \$2,762,000 or more in the more recent round of bidding, but May's top offerer did not return to the bidding and Imwalle's \$2.14 million beat two other bids.

Imwalle's bid averages to \$223 per square foot for the 9,583-square-foot property. Built in 1904 by Monterey landowner **David Jacks**, namesake of Monterey Jack cheese, the Jose has 450 seats.

Dillabough revises Museum Place: The residential and hotel components of the Museum Place project are gone from the most recent plans submitted by **Gary Dillabough** for the 1 million-square-foot project on the current site of Parkside Hall next to The Tech Museum.

The reconfiguration includes 850,000 square feet of office built over 20,000 square feet of retail and 60,000 square-foot expansion space for the adjacent museum. The proposed 19 floors of office space is enough for 4,000 workers.

Dillabough took the project over from Insight Realty earlier this year. Insight had proposed a Kimpton Hotel and several stories of residential units on the upper floors over the retail, museum and office spaces.

Dillabough praised Insight for its bold venture, but felt it wasn't practical. "It's not large enough to put residential on top of office," he said. "I'd rather do an office tower next to a residential tower."

The City of San Jose, which has a stake in the Tech Museum and owns Parkside Hall, is one of the partners in the project. As such, it has definitive timetables for development milestones. Utility work on the new building should begin in mid-2019 and construction soon after that. A 24-month buildout means the project would be completed ahead of the city's imposed 2023 deadline.

Preparing for Dirdion's future: Benthem Crouwel Architects and Arcadis design consultants will work for the Santa Clara Valley Transportation Authority (VTA), City



Central Station needs planning for higher train volume.

of San Jose, Caltrain and the California High Speed Rail Authority to prepare San Jose Diridon Central Station for its future influx of passengers.

"This is a once-in-a-lifetime opportunity to do something very important that hasn't been done before, to do it very collaboratively, and to get it absolutely right," said **Kim Walesh**, deputy city manager and director of the Office of Economic Development.

The design group will incorporate future High-Speed Rail and BART into the station's transportation mix that already includes Caltrain, Capitol Corridor, Altamont Corridor Express (ACE) and Amtrak passenger trains, and VTA light rail and buses. BART and high-speed rail service are expected by the end of the next decade.

With new transit services, increased number of trains by current providers, and expected development around the station forming the west side of downtown, up to 144,000 passengers are expected to travel through San Jose Central per day. The station currently sees a fraction of that number.

Benthem Crouwel and Arcadis have roots in the Netherlands, where they teamed up in the past decade to rebuild several mega-depots in Amsterdam, Rotterdam, Utrecht and The Hague. Both firms have local offices that will be supported by home offices. The San Jose Central project could rival the largest of European stations.

Over the next 18 months, Benthem Crouwel and Arcadis will create a concept plan that allows seamless passenger transfers between the local, regional and broader transportation experiences while fitting into its surroundings just south of SAP Center. The designers will also develop a model for the partner agencies to design, build and operate the station. Arcadis has overall project management and Benthem Crouwel will be responsible for urban planning and architectural design of the new station.

The cost of this phase of work is \$6.4 million.

The first community meeting scheduled to collect public input is Dec. 10, 6-8 p.m., at Westminster Presbyterian Church, 1100 Shasta Ave.

New Businesses

Claudia's Pastes, with emphasis on the "e," is Spanish for a meat pie called a pasty which originated in England.

Nick Goddard of Colliers -- a Brit -- convinced **Claudia**

Perez to move her business from San Mateo to 30 E. Santa Clara St, Suite 130, where she added Mexican flavors to the pies. They come in flavors ranging from steak and mole to onion and rutabaga. Breakfast, apple and pineapple pastes also available. They can be found on Yelp and Door Dash.



Claudia Perez brings pastes to SJ.



The Hot Grill beckons.

The Hot Grill opened in October in another storefront at 30 E. Santa Clara St. Owner **Nazish Khan** describes her business as a halal Mediterranean Indian fusion restaurant. The Chicken tikka masala plate, halal burgers and kabobs top the menu. Follow on Facebook @halalhotgrill.

Non-profit savior: **All Good Work** held its Silicon Valley kickoff event Nov. 14 at CommonGrounds. The foundation hooks local non-profits up with co-working environments including NextSpace and CommonGrounds that have extra room at their respective South Second Street offices.

Co-founder and Executive Director **Nate Heasley** said the decision to expand from New York City to San Jose made sense because the real estate markets are similar.

SJDA News

Holiday-ready Downtown Ice: **Kristi Yamaguchi** Downtown Ice, presented by Alaska Airlines and Swenson, gets into its groove in December. From the admissions gate through the skate trailer to ice conditions, staff efforts reinforce a fun and memorable customer experience.

Starting Dec. 20 to accommodate the holidays the rink is open 11 a.m. to midnight, except the actual holidays themselves have special hours.

The Bay Area Host Committee for the College Football Playoff game Jan. 7 will transition the rink into Championship Ice Jan. 1-8. The skating rink will be one of the features for a College Campus-like vibe throughout downtown, which includes free concerts by **Ellie Goulding**, **Leon Bridges** and **One Republic**, football exhibits and demonstrations at the Convention Center, media day at SAP Center and taste event at the Tech Museum to heighten the furor on the college football championship game.

To create the campus atmosphere, Christmas in the Park and Winter Wonderland will close earlier than usual, Dec. 25 and Dec. 31, respectively. The ice rink, however, won't miss a beat as it hosts local skaters and college football fans.

The daily schedule, promotions and specials are posted at downtowncsj.com.



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Year-End Meeting Dec. 14

All are welcome at SJDA's public meeting Dec. 14, 8-9:30 a.m., at Hammer Theatre Center. The agenda includes: Executive Director **Scott Knies'** year-in-review presentation; comments from SJDA and PBID Board members terming off; and presentation of the Golden Nail Award for architectural and beautification excellence. Reserve a seat at sjdarsvp@sjdowntown.com.

At the Convention Center

Dec. 5-6 -- BioMeDevice (6,800)

Dec. 14-16 -- SJMADE Holiday Market (8,000)

More December events:

Daily -- Downtown Ice, through Jan. 27

Daily -- Winter Wonderland, through Dec. 31

Daily -- Christmas in the Park, through Dec. 25

Dec. 7 -- South First Fridays Art Walk

Weekends through Dec. 30 -- Free Historic Trolley rides between Diridon and Civic Center light-rail stations

DOWNTOWN DIMENSION

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