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>> Mayor Reed: We were kind of busy in December, we thought it would be good to have a special meeting so we could spend the time and energy on this that is necessary because it is an important area and, a complicated planning process. So here we are with a special session to have the study session, also be able to get some direction from staff. We're all I think on the same page, that this is really an important area, a great opportunity especially with the transit connections that will be the best of anyplace in the state once we get all of the connections in, so we're very interested and anxious to do this, even though it might happen in a couple of years or it might happen in a couple of decades, we don't know. We're not in control of that. But we do want to be prepared for whatever comes our way whatever opportunities there are there, so this is an effort to do all that. Thank the staff for all the work they've done and we've got a lot of things to look at this morning and I'll turn it over to staff for presentation.

>> Hans Larsen: Very about. Thank you Mr. Mayor, members of council, I'm Hans Larsen director of transportation. As you mentioned we did have some time with council on regular council meetings in December and most recently on January 25th and at that time it was felt that because of the importance of the issue that we'd spend some additional time here today at this special meeting. Let me introduce staff team that we have here, supporting this item. Kim Welsh director of economic development and Joe Horwedel director of Planning, Building, and Code Enforcement. And behind United States is the staff team that's really doing most of the work on this, acknowledge Mike Brio from planning, Nancy Kline from Office of Economic Development, and Manuel Pineda from Department of Transportation. Manuel has been the city's project manager for the development of the Diridon station area plan. We have a number of other people who will be participating, as part of the presentation, and we'll introduce them later as part of the program this morning. So by way of background, I'm going to turn it over to Kim to provide sort of a description of the context and significance of the Diridon station area and the planning effort that we're engaged in, Kim.

>> Kim Welsh: Good morning, Kim Welsh director of economic development. This has been said before but at the outset we need to say it again. The Diridon station area is a major game changing economic development opportunity for San José. It is our best chance to truly make downtown San José the urban center of Silicon Valley and to truly make San José the gateway to the Bay Area. And I think we all know that history has

demonstrated repeatedly that serving as a regional transportation crossroads can really catapult a city's significance and transform its development and economic prospects. Of course the Diridon station area is already a significant transit center but the passenger activity will increase tenfold by the introduction of BART and high speed rail. Of course Diridon is already a regional destination anchored by the HP pavilion one of the premier sports and entertainment centers in the world. But it's a combination of the station, HP pavilion, a potential new ballpark, proximity to the downtown core and easy access to parks and trails. That means all the ingredients are there to create a great place. So as you know, what's envisioned is a very unique destination district in the heart of Silicon Valley with interrelated entertainment, retail, office, hotel, sports and residential uses. It's envisioned that this development area will really set a new standard in Silicon Valley for attractive gathering spaces, distinctive architecture design and art, promote multimodal accessibility and for very clear comfortable human scale connection to the surrounding neighborhoods and the downtown core. It was about one year ago this week that this mayor and council adopted San José's updated economic development strategy. And just to remind us all that one of our key strategic goals in that strategy said, advance the Diridon station, as a key transportation center, for Northern California. You assigned this to us as a top priority and I think we and the community have made it one. I also want to be clear just in opening that this development project will have major positive fiscal impacts for our city. The project is in a redevelopment area, and so will generate significant property tax increment revenue. It will also benefit the city's General Fund through generation of sales tax, business tax and utility tax revenue. So I just want to conclude, as we talk about the specifics here, is that San José has been commended by many outside groups, statewide and nationally, for doing this planning process right. And by that I mean we recognize that good land use planning is essential to benefit from major public investment in transportation and both of those needs to come together to create an economically vital place. So this kind of vision and planning that we have done in a very proactive way here is what the Bay Area and the rest of California are going to need and are looking to us to show how it's done both in the planning and also in the implementation.

>> Hans Larsen: Thank you Kim. I'm going to go through a few other slides just to set the context for this, and some of these are background information that was presented at the January city council meeting. So I'll get through these quickly. As Kim mentioned we are looking at an area that's really the transit crossroads for the Bay

Area. There are five regional transit lines that serve the Bay Area, in addition we have the Amtrak service. And there's only one place in the Bay Area where all these systems come together and that's in Downtown San José at the Diridon station. This provides us with a unique and fantastic opportunity to increase the accessibility for San José, Silicon Valley and particularly, the downtown area. And so our goal is to capitalize on this accessibility that we have. The other thing that we are striving to do is build upon work that we've done with the downtown strategy plan. And that looks at expanding the existing downtown core which is shown here. That's relatively chord and centered with the Chavez plaza. What the council has adopted is an expansion plan for the downtown which is anchored by the HP pavilion. And the effort is to really knit both sides of really the freeway, into a cohesive whole for an expanded downtown San José that pulls together all the exciting destinations, Chavez plaza, San Pedro square, San José State University, sofa connection center, and connect them with HP pavilion, Diridon station future ballpark and other things that are planned on the West side. One of the important things that is really emphasized in this plan, to be able to knit these areas together, is the importance of the connection between the two areas underneath the 87 freeway. And you can see illustrated here there are six key corridors, and these are identified as for improvement, in terms of making them safe, friendly, walkable, bike-able, and attractive. And so our transportation, local transportation plan, has a key priority, knitting these areas together, and they're supplemented by priorities with the public art plan that would create very attractive corridors that connect these areas together. What we're striving to do is strengthen our planning and policies and priorities around knitting together the planned expansion of Downtown San José. Wanted the opportunity that we have to do this work is funded by an MTC grant that we received, and is matched with funds from the city and the VTA. You've seen this before. So the key goals here are to develop both a land use and transportation plan that Kim spoke about. And then really what we're trying to accomplish by preparing a refined plan and EIR is that we want to facilitate early development of the area. And so by having an improved EIR for this Diridon station area, allows us to facilitate development opportunities so that we can support development in the near term. There's been an extensive level of coordination and outreach with staff teams, public outreach, this has been integrated with the good neighbor committee effort. We've been working with developer focus group and you'll hear from a custom of representatives here from them this morning as well as other community stakeholders. Some of the key themes that have been identified from the planning process is really creating an exciting place. Not only for San José and downtown but really, to create Downtown San José as the urban center of Silicon Valley. And one of the things

that's been identified is that there really is not a clear identifiable place, as the center of Silicon Valley. And this is what we really have an opportunity to do here, is some say, create sort of a postcard view of okay, you've arrived here at the center of Silicon Valley in Downtown San José and we want to create an exciting image in terms of the place that is vital and active and one that looks like what would be representative as the center of Silicon Valley. So creating a great place is a major theme of this effort. What we've provided to you is a draft preferred plan. So that's this document here. This is transmitted as part of the study session report, and so it lays out the preferred land use plan, and what we're seeking is council direction today, on any refinements to the plan or recommendations that we have. It has some guidelines in terms of strong place-making from an urban design perspective. It has concepts on how we would develop an expanded Diridon station. It has plans for access and circulation focused on bicycle and pedestrian transportation, really with a focus of knitting together the existing downtown core with the Diridon arena expansion area. It has policies and guidelines in terms of demand, traffic demand management, parking management, has affordable housing strategy and a public art master plan. Just want to reflect on the past council direction that was taken on January 25th, and council approved essentially the guiding principles that we're talking about here, first and foremost to create a great place. We approved a concept for development that is largely focused on creating a destination retail center and jobs, with some level of housing support. You can see the numbers there. We want to develop a strong multimodal transportation system, we want to have this plan support the strategies of the envision 2040 general plan update. And we want to develop a near-term phasing plan and a key element of the phasing plan is to ensure that we support the vitality of HP pavilion, as we work towards developing this area. These are the staff recommendations. They were supplemented by council recommendations that were initiated by the mayor, Councilmember Liccardo, and Oliverio, and they emphasize the importance of the collaborative approach with the HP pavilion. And we have a section of this study session special meeting that is focused on that. There were some questions about land uses in the central and northern zone and we'll talk in more detail about some options that we've looked at there. There was emphasis that we want to maintain flexibility, which the plan does, to accommodate council direction, to, with the continued interest in looking at aerial and underground options, so the plan does include that. We'll talk about the study session, the planning work regarding the Diridon station area and the transit facilities. And then council recognized the need for more stakeholder input open this topic and to have a study session, which is our special meeting here today. So just to kind of summarize the meeting topics and the actions that we'd like to present and

engage the council in, we've broken this up into four sections. The first one is related to the land use of the Diridon station area. And what we're seeking is really council direction on the land use plan so that we can move forward with the preparation of an EIR. So we'll address the outstanding issues primarily related to housing and you'll hear other perspectives from developers, and a panel of other interest groups that would like to share their thoughts with you on this topic. The second section will deal with the collaboration with HP pavilion in developing this plan and then the third section is really forward-looking on what are our next-step goals. And what we don't want to do is sort of wait till the EIR is done a year from now. But there are efforts that we can take to proactively move forward planning and policy work in this area, and so our third section is focused on what steps that we can take now, in the near term, to move forward our goals in this area. And so with that I'll turn it over to Joe Horwedel who will lead us in the first topic area.

>> Joe Horwedel: Thank you Hans. As it relates to the area plan, we want to go through and make several presentations for the council today. First, staff will have a short presentation but what I'm really excited about is we have two other groups here to present to the council, both from the development perspective, as well as from design and community perspective that I think will be really engaging for the council today. And so then we will go through the council's discussion, take a break at that point for the council to really talk through the issues, some of the decisions we have in front of us and take public comment on that piece. As we've noted before, Diridon station is a quite large section of the city. Each one of these has their own character, I'm going to walk through individually to kind of put what is unique about them. The northern area is the area behind the arena. It is anchored by the arena. In today's predominantly light industrial areas that are originally served by rail, a lot of warehouse-type uses in it. It is one that does have interface with the neighborhoods, along Stockton Avenue. On the one edge. But it is bisected by existing rail lines that still move through it. We do see that there is a lot of long term development potential in the area but we do think long term is the operative word on that. As some other things happen in Diridon we think this will start to take off and create opportunities for us to do things a little bit differently for land use in the city that we might not do otherwise because of some of the challenges that exist there. We do think that we can put a tremendous amount of intensity in this area, we're looking at about 3 million square feet of office about 80,000 feet of retail and some residential in here. And as we said anchored with the arena. It is one that we've had a lot of debate about, what is the right mix of uses. How much residential belongs

in this area. And we do believe residential does belong in this area in some parts but it is one that is the most constrained because of proximity on the north end from the airport, on the runways and all the restrictions we have of building heights and use related to both the airport land use commission regulations from their state law, and FAA regulations on height. So it is one that we look at a little bit differently than some of the other areas but we do think there are some great opportunities with Autumn Street corridor that connects through that will get built as part of the ballpark project that opens up this area. The Guadalupe River Park that comes through creates a great opportunity to orient into the river. So we think it's kind of a gem that's hidden back there today that will get explored as we go through and build out this area. The central part really the core of Diridon is what occurs between the ballpark, future ballpark and the arena. So it would be anchored in the center by the Diridon station and the transit that Hans talked about. We think there is a lot of intensity again to go in here and create really an exciting urban vibrant core that's centered right at the Diridon station area. Again looking at office uses, more retail in this area, recognizing that with two major entertainment venues going on, that you have the opportunity to really capture what's going on in that district, of attendees to that facility or people that want to be in that area while events are going on. We also think a hotel starts to make sense in this area because of the interaction especially of high speed rail coming in. And those venues that people would be able to come in for venues for events and spend the night and be able to do that all in that district. And then our third zone is the Diridon South area and this is where we start blending back into the existing neighborhoods and business districts on the southern end of the district. In some ways we have more flexibility and height in this area because it is further away from the airport but we are then challenged as we work back into some of the existing single family lower density neighborhoods. We have done a lot of new development, residential in this area. In the southern end with Del Monte cannery and recently approved high rises on the VTA property. So we do think we can be pretty aggressive in the amount of intensity that occurs in here. And so our goal is how to weave a good amount of jobs in this area but also significant amount of housing and again, we think there's a lot of great opportunities for hotels, in here. That can help build that district and the vibrancy. As Hans noted there's really a couple of issues that we were working through. One, is how much housing is the appropriate amount of housing in the plan at all and to the extent what kind of flexibility should we put into the different districts? Should it be totally flexibility and let the marketplace decide what goes in or should we go through and be a little bit more prescriptive on what uses do belong in those areas. As it relates to framing of those issues, I'll use downtown as an example. When we did

the downtown zoning district we did create ultimate flexibility. As a part of any use can go into any location downtown. We really focused on the form of the buildings, how the buildings relate to the streets and then the tops of the buildings. And that has worked for the most part pretty well. We have noted as we go through the building cycle of housing downtown a couple of years ago where we had high rise residential being proposed literally on every block downtown, one of the things that we started to note was that there were certain areas in downtown that we thought we really should be thinking more about how jobs occurred on those sites as opposed to residential on every block. And as it relates to BART station portals would be, it is kind of hard to put a BART portal in a residential condo building, kind of inherently have not worked well across the country that way. Office buildings it works really easily they exist all over the place that way. And we went through a lot of brain damage trying to work that on the Market Street Santa Clara station to how to get a BART portal in a residential building. And also the concern with the property by the convention center known as the Boston property site that is a great office location with convention center, and we were starting to get inquiries of putting residential on it. So the question we started thinking about are there places that really should be protective of the job piece recognizing it might take a little longer for those to happen and let the residential go in other places. So that's kind of a policy question, we haven't come back into downtown but as we have been thinking about Diridon, it's one that we wanted to make sure that we were thinking through that piece of it. The other part of it, and I'll touch on it a little bit is, we have a lot of housing that is planned in downtown and immediately adjacent to downtown. As this council is well aware, we have been very strong in providing housing throughout the city, but within the downtown itself we have 10,000 housing units that we have planned for in our plan, we can accommodate downtown. We have additionally housing in the North San Pedro project that redevelopment has sold off to residential developers, which again includes a mixture of housing density. We have 400 more units planned in the Alameda village as part of the general plan update that we are adding additional capacity. So that is literally just across the tracks from the study area and the three 14-story buildings that the council approved recently that we're working on the design on right now. There's another 800 units there. So when you add up, besides the 10,000 units downtown, I've got another 2,000 units plus that are also right in the immediate area. So it's not that we're not accommodating housing in the downtown. We want to make sure we're thinking about them in the right places. As it relates to the envision plan one of the things that we've discovered as we've done a lot of analysis about how jobs operate near transit and how housing operates near transit is that regional rail, regional transit, is really

adapted well for putting jobs on the end of those stations. As opposed to local transit, like our light rail and bus rapid transit. Those work really well for putting housing on, is that the residents that are within our region, it allows us to move them to where the jobs are. But as a part of our goals with the general plan update we are very consciously looking at a how to make San José not a bedroom community anymore but to be like every other major city in the nation, having a larger daytime population than nighttime population. And that means bringing workers into this city. And you do that by putting jobs at the end of regional transit whether that's high speed rail, whether that's CalTrain whether that's BART. All three of those allow us to bring workers into the city as opposed to sending our residents out to jobs in other cities. So that's part of how we thought about this and I think is critical to this discussion. As it relates to the different sites, I talked about the challenge with the northern area. We do have two distinct districts, that is West of the CalTrain tracks, literally between Stockton and the railroads. We have had interest in putting housing in here. We are looking at this as part of this process and we will be analyzing that essentially through the general plan or the EIR for this project. We do think that there are those opportunities again thinking about where jobs go versus where housing goes, as well as really thinking about how we go through and put housing in the right places. And I know we're not going to talk a lot today about high speed rail but how we go through and think about housing near high speed rail, especially if it's an elevated structure, especially on sites like this where you don't have the room to move buildings around I think is going to be a real problematic decision so it's one that I want to make sure we go through in a very deliberate matter, if we have a 60 foot tall elevated structure for high speed rail you shouldn't put a 80 foot tall residential structure next to it. There are things like that that we're still working through the plan but we do think we have a lot of opportunities for housing elsewhere. In the area right behind the arena because of the airport approach constraints on noise that exist in there, the occupancy standards that exist in there, and the height limitations, we really do think that it's one that we're probably not best served by putting housing in there. We also think that just because there isn't a residential naked that it connects in there that we'll really be constrained in there. We really want to focus on the job side. The downtown for this core, how we go about putting the right uses that reinforce the substantial investment we have in the arena and bringing you know a lot of people into this area, at a lot of different hours and doing the same thing at the ballpark, we want to be sure we're deliberate with the uses that go into this area, we don't have conflicts of use so I don't have residents calling code enforcement on it. So we want to be really diligent about that. We do think that there is a real strong focus in the plan about a broad range of uses. That we

do have a lot of flexibility built into the plan to accommodate jobs, to accommodate housing, to accommodate entertainment, to accommodate the hotels and the T.O.T. that comes with it. But we do think there's probably going to be places where we'd want to go and say temper enthusiasm to build any use at any location. We do think that the plan sets forward a good maximum box for us to analyze and to come back with the ultimate plan so we think it's a good foundation in moving forward as we've put forward thus far. So at this point we're going to go through and bring in two panels. And so the first of these is a group of developers. And Seth bland, he is with Wilson Meany Sullivan. They are a privately health development company that is operating here in the Bay Area. Has done a lot of work in the Bay Area. They did the 88 project here in Downtown San José. And in San Francisco, they are the developer, operator of the ferry building, a really wildly successful mixed use project renovation project. And so Seth is here to talk about their perspective and projects they've done we think are comparable to what we're doing here, part of it is to do market assessment, reality check to make sure staff is not too far off in one direction or another. Also with us this morning is port Telles. He is with the cordish company. Cordish is another privately held company, been in existence about 100 years. They are a major developer of entertainment and mixed use projects across the country. They have a couple of them that are in the Midwest, in Kansas city, the Kansas City power and light development, major entertainment mixed use developments in Kansas City, and also in St. Louis, with the Busch Stadium development in and around the ball park, the mixed use development that occurs there, and they're working right now on a major development in Las Vegas that partners up a stadium use and a mixed use development district around that. So we're very fortunate that port is here today to talk about their company's experience in doing I think exactly the things that we're talking about between the ballpark and the arena. And what kinds of things work and you know how they think about that. So I'm going to have both Seth and port come up and sit at the staff table and they have some comments they'll make and we're going to change out to a second panel and then go to the council's questions.

>> Great, good morning, Mayor Reed, councilmembers, I'm Seth bland with Wilson Meany Sullivan. As Joe mentioned, we're a local San Francisco based private development company. We have had the privilege recently here of developing the project known as the 88 in the downtown. A little bit previous to that the office tower at 10 Almaden, so we've got some familiarity with the downtown here in San José. Probably more analogous to any comments we make this morning with regard to the Diridon Station master plan, we also have had the opportunity

to sort of touch maybe more than our fair share of major mixed use master plans elsewhere. We're currently the master developers at a 248 acre mixed use master plan in Southern California known as Hollywood park. We along with our partners at Lenar are the master developers at the Treasure Island plan in San Francisco and similarly the master developers of what's known as bay meadows in San Mateo, an 82-acre master plan which I think by all accounts is sort of considered to be one of the most sustainable master plans in the recent past, only took us about ten years to get to that point but made some pretty good progress. Those would be kind of three master planning analogies that might inform any comments that may have. A fourth from my perspective is that I had occasion to spend about five years at what is known as the mission bay master plan in San Francisco from the late 1990s to the early 2000s and again probably one of the most direct analogy to what may eventually be the possible infrastructure at the Diridon master plan. A true sort of intermodal, mixed-modal development opportunity, 300 acres, which now currently incorporates the ballpark, for example. And so kind of with that sort of backdrop and a little bit of sort of the projects that we've had opportunity to touch and experience again my comments are going to be reasonably high level and sort of from that perspective, at least at the moment, given my take currently on what is the current incarnation of the Diridon master plan. I know there are sensibilities around the notion of the high speed rail platform but as a general comment for everybody's benefit, the mission bay master plan, all 300 acres, the ballpark itself, the UCSF medical campus, all of it was made possible by the removal of elevated transportation infrastructure. As Joe mentioned, I'll go a little further to carry that analogy. Our redevelopment at the Ferry Building was further only made possible by the removal of that same elevated transportation infrastructure. So you know, it's a sensitive topic to the extent your council can continue to encourage, at least the notion of study of an alternative, you know, that's a little bit of cheer leading that I might do. And I'll probably just leave that there. But I think in the long run it's worth studying alternatives to an elevated structure. That said, if an elevated structure ends up being the actual sort of final plan just the next sort of cautionary comment would lead to my second overarching comment which is being built into the plan which is flexibility. If you are now creating really sort of two elevated boundary conditions in the form of 87, and a new elevated high speed rail condition, the planning sensitivities that would lie in between those two are things that I would suggest to you none of us can fully appreciate at the moment. You know, none of us think about both sides of the Guadalupe expressway as being the same or unified I would submit at the moment. So when you look at anything at the Diridon plan in plan, it's seductive to try think of them as the same because it's two

dimensional. There's a cautionary comment there again about flexibility from my perspective. And maybe as a last kind of general comment from the very first time I sort of given real consideration to the plan and the notion of its implementation, it's always struck me as though absent true unified emotional and probably physical ownership of most of it, what the plan is ultimately going to be left with is a series of sort of spot up-zoning and otherwise discontinuous incremental development. To make a plan it needs a mother, in my opinion. Whether that's possible to create, I don't know. It's a general comment because I tell you where we own those major master plans that I mentioned it's hard enough to advance sort of the ball. And absent unified ownership or you know a complete unified vision in which the individual constituents have sort of bought in, that much more difficult. So general comments and you know the big picture though, huge progress has been made and so I don't want those to come across as anything other than you know a lot of good work has already been done and I think you're headed the right direction. That's the cheerleading component. It's an inclusionary concept and it already has flexibility built in. And the more you ask people their thoughts, I think the better chance you stand of creating a really outstanding plan and this is the place to do it. So with that, port.

>> Good morning, Mr. Mayor, members of council. My name is port Telles, I'm with the cordish company. We are as I mentioned earlier we're a 100-year-old company, we're family owned. We started out as, I shouldn't say started out, I'd say 60 years ago kind of our bread and butter was doing traditional strip development. And about 40 years ago, we became heavily involved in urban redevelopment. And that's really been our passion and focus. And we would like to spend most of our time in development. We've been fortunate to have won seven ULI awards of excellence which is something we're very proud of. You know, as we've evolved as a company and as cities have chosen to locate their arenas and their stadiums downtown, we have become more heavily involved with sports anchor development. We currently have partnerships with Comcast Spectacle, Flyers and the 76ers, we're under construction there in Philadelphia. We also as mentioned earlier we have a partnership with the cardinals. And a partnership with the San Francisco giants in San Francisco. We're developing sea wall lot 337. We are in process of negotiating a term sheet with the Port of San Francisco for that property. I wanted to hit some of the high points about the development. I think one of the things that is most interesting and possibly the most challenging aspect to the plan is the property in front of Diridon Station. And the reason I say that is, when you look at the plan and the way the land is situated, it really is kind of the hub of the project and where we see

the human action, human interaction taking place, which you know the retail and the restaurants is ultimately what we found becomes the heart and soul of a project. So you know, when you -- and when you sort of dive deeper into that, what Seth said earlier, one of the critical components you know when I was first introduced to the plan, and looking at a property ownership map, one of the most important aspects I think just from an initial step is having control over the property. When I was looking at the owners there was different -- there was some private owners and there was some public owners. It doesn't necessarily have to be all owned by the city. But if there was some form of public ownership, maybe a JPA or some organization like that where the public entities get together and work as a single entity, we see that as a fundamental step in making the project successful. In terms of the viability from a retail standpoint, like some of our other projects, it's, you know, it's not exactly on main and main. And -- but you have, you know, some terrific assets like the arena which is, you know, a phenomenal asset and currently underutilized from a development standpoint. So when I'm talking retail I'm really I'm talking more about destination oriented retail. So what that means is you give people a reason for coming down to the site. The way that we've done that in other areas and we've actually you know to a certain extent created our own market is through entertainment. And about 12 years ago, we developed what we refer to as a live block, they're called different things and they're unique across the country. But it's a brand that we have, and you may have heard of L.A. live which was developed by AEG. We worked with them a little bit on the development of that at least in the planning stage. But also you look across the country, we have got projects in Louisville, Kentucky, Kansas City, Missouri, you know we're working on Toronto, and I can cite other examples. But essentially what a live block is, it's a naturally occurring amphitheater that's surrounded by more entertainment styled uses like restaurants or lounges or a comedy club or a lucky strike lanes or something like that, that draws people down to the area. And one of the things that we do as a company, we're a bit unusual in the sense that we're vertically integrated. We also have an entertainment division and an operations division. So we get involved in booking concerts. And so we bring people down to our projects through, you know, music, could be jazz or country or bluegrass or rock or something like that. And our concerts are free. So -- and you -- but you know just because they're free doesn't mean we don't get quality acts. And so we found that when you provide a quality act and you don't charge for it, you can draw a large number of people on a Tuesday or a Wednesday evening. And you know, obviously it supplements the business that you would ordinarily be doing in the restaurants. And also, the reason that we're partners with so many sports teams is because it enhances the value of the franchise, generally, because we give

people a reason to come earlier and stay later, and from a team ownership perspective and an arena ownership perspective that helps with sponsorship and it helps the overall experience better. It makes parking easier to get in and out of because you're dispersing the trips over a broader period of time. In terms of a very brief overarching comment on parking, you know, I would encourage flexibility in terms of the process and the phasing of the parking, because that's obviously going to be very important. And market forces are going to have an impact on the amount of parking that's required. You know, transportation, public transportation is certainly everything a new urbanist is striving for and the plans reflect that and strongly encouraged. But I do mention the fact that development is going to evolve so parking needs to be flexible. Just want to touch briefly on financing because that's obviously another critical component to any development project. And as the city knows and as the people in the redevelopment staff know, urban projects are generally more difficult to finance than a traditional project, you know if you have a strip center it's very easy for the financial institution lending the money to check the box. When you have a more unique project that has more components to it, you know, the boxes are not as clear. And the way that you know we have overcome that as a company in terms of our you know one obviously is you start with a public-private partnership. The other aspect too is it just generally requires more equity. And just as a side note, we're fortunate in terms of our company, in terms of having the flexibility of having a strong balance sheet to self-finance our own equity in our projects. The third aspect -- I don't mean the third, it's probably the seventh aspect I want to mention is in the process as you move forward, I think staff's obviously made some great headway in terms of coming up with plans and thoughts and activating and involving the community. But I couldn't stress maybe one of the next most important decisions the city would make is choosing a partner. And you know, the process is a question I think that you all have to ask yourself in terms of the competitive nature of choosing that partner. In our experience, you know, RFPs don't fit the nature of this project. The city and the partner need to sit down together side by side and try and figure out together. It works much better if you are sitting down in a collaboration as opposed to having different people propose different types of projects which may or may not work. In my experience I've seen many RFPs and I'm sure you have, too. But it just encourages a climate where people over-promise and aren't able to deliver and ultimately it muddles the process. So I would, just in our experience what works best is you have a sophisticated staff to go out and seek the right development partner. For a project like this, there aren't very many companies that do this type of work. So the search is not overly laborious. Trying to think if I've missed anything. To step back, in terms of financing, the way we have seen

projects work in a partnership perspective, everything has to be open book. When you are sitting down and formulating your plans of trying to figure out the best project for the community that everybody's looking at the same numbers. And what you've simply agreed to in advance is a return that would be -- that the developer could earn on their investment. That way, there's no sort of -- what it does is you know obviously it aligns people's interest so that it's not like one person is trying to get ahead of the other in terms of cutting a better deal, but you really are sitting together as a collaboration. So I think with that, I want to thank you again, for the opportunity to speak, and thank you.

>> Joe Horwedel: Mr. Mayor, question for you is, our intention was to bring the other panel in, and have the presentation, and then we'd bring all six panelists together to answer questions. And if you wanted to --

>> Mayor Reed: That's good, as long as they don't leave. Because we have questions.

>> Joe Horwedel: They're not leaving. While they're changing out, we'll bring down the next panelists, and this is called the great communities panel. And it's headed up by Michele Beasley, who is the senior sales representative with the Green Belt Alliance. Corinne Winter, who is president and executive director of the Silicon Valley bicycle coalition. Alan Talansky, who is the senior vice president for business development with the development EBL&S Development. And lastly we have Paul Hierling, and he is the lead author of the Urban Land Institute's Transit Oriented Development Marketplace that focused on Diridon. And I think we are extremely fortunate that we don't have enough time where we have outside groups that really come in and give great professional thought about our land use decisions in the city. So really, I'm really pleased that we've got the thought that they have put into the plan. This is not something that they've done really spur of the moment. It's been over I think we're on upwards of two years and looking at the work, as you've heard in port urban lands institute is a well respected institute that focuses on Real Estate development, not just the pretty pictures but really what makes it successful. So to have the thought included in that today around that is, that staff feels we're very fortunate. With that I'll let them settle in and they have a great presentation for you.

>> Honorable mayor and members of the city council, good morning, and thank you very much for this opportunity to present to you today on a subject that's of great importance to the San José community, the Diridon Station area plan. My name is Michele Beasley, and I'm a senior field rep at Green Belt Alliance. And our organization has been following this planning process for the last couple of years working closely with city staff and the community to envision the future of the transit hub that will become the Grand Central Station of the West Coast. Staff has been really wonderful and we're really impressed with the plan they have brought forth, and we want to give the city credit for the enrich kickers and seeing the value of unique and creative partnerships. Because I think we can all agree that Diridon must become a great place. A place where everyone who lives, works, visits and plays, loves. And if you look around the region at opportunity sites for the development Diridon Station really comes to the top. And so if you get it right here, it will have ripple effects across the state and ideally across the country. So there are very diverse needs at the Diridon Station and we recognize that the city is facing significant constraints. There are the parking and circulation concerns of the HP pavilion, there is the city's budget deficit and there are the building height limits, the results of the FAA regulations. And so I think what this means is, it's an opportunity for us to be really creative. So part of what makes a place great is how inclusive it is. Everyone feels welcome and equal. The proposed baseball stadium and HP pavilion definitely contribute to the destination entertainment vibes at the Diridon. The Diridon won't be a success unless there's significant investment in the public realm. The parks, the trails, the green fingers, the streets and the plazas are all parts of the public realm. In a tight economy we want to ensure a solid return on investment. Making homes and shopping and investment is better than sprawl but we have to take it a step further and really have strategic investment in the community's outdoor living room. And so we're very supportive of a public plaza in the central area, and it's not so much about size as it is about quality. If you hear, learn from projects for public spaces, they talk about the power of ten, which is layering uses and amenities to really create synergies. Because San José isn't competing so much with Santa Clara or Milpitas as it's competing with Stockholm, Shanghai and Austin. A recently released report called the young and the restless by the CEOs for our cities basically says that those between the age of 25 and 34 are the mobile people in America and they are flocking to urban centers. Even Detroit, which saw its population decline by 25% since 2000, saw an additional 2,000 young educated people move to downtown which is an increase of 59%. Downtown San José is becoming one of those urban centers and with good urban design and the right mix of uses and densities at Diridon, it will

become even more attractive. So I want you to consider campus marshes park which is a re-established park in downtown Detroit. Years ago it was several acres, it was a major community gathering place for people but in the 1900s downtown Detroit reconfigured its streets so eventually it was lost. Former mayor Dennis Archer set out a goal to have campus marshes become the most -- the best public space in the world, which is very visionary. So the park opened in 2004 since then \$500 million of public investment has flowed in the form of new retail office and lofts. Just this past August Quicken Loans moved 1700 of its employees to downtown specifically citing proximity to campus marshes park as a deciding factor. And in the middle of this year Blue Shield of Michigan has moved 3,000 of its employees to downtown Detroit. So strategic investment by the public will yield private investment and especially quality of place investments will give San José a competitive edge in a global economy. So we really feel that Diridon must be a place where people matter more than cars. Instead of saying that this particular land use is a fiscal winner or this particular land use is a fiscal loser, we instead need to be asking ourselves how do we design a community that people love? Because that will attract talent, and talent will attract jobs. And this is why parking is such an important part of this plan. Because less parking means more parks, more affordable homes, more walkable and bike-able streets. And I'm going to end with a quote from San Francisco's Planning Department. They said if they had to rebuild north beach in today's parking requirements a third of the space where people live would be replaced by parking. So now I'm going to turn it over to my colleague, Corinne Winter, who is the executive director of the Silicon Valley bicycle coalition, to talk a little bit more about access and circulation.

>> Thanks, Michelle, and thank you for having us here today. As the current plan recognizes, as transit options expand over time, the need for parking will be gradually reduced. Given the concerns of the current tenants in the area we do think that a phased parking plan is an appropriate approach. Moving forward, we suggest that the portion of parking that is currently underutilized in the station area, can be credited towards parking requirements for new developments. This way, parking will be right-sized, assuring adequate yet not excessive parking. An oversupply of parking has a detrimental effect on connectivity. That's why parking management and TDM approaches are so critical. It's best to have one group manage both of these strategies. A number of great TDM ideas are described in the Diridon preferred plan and we think that parking cashout and unbundled parking are particularly beneficial, and we look forward to working with the city to find innovative ways to implement these

approaches. One of the most cost effective TDM strategies is to promote walking and bicycling. Some of you were able to join us a few weeks ago when Scott Bricker came down from Portland for the Silicon Valley bike advocacy summit. Scott is the director of America Walks and he likes to refer to bike infrastructure as the transportation world's cheap date. Bicycling is a very smart way to utilize our scarce transportation dollars. On the screen we have two graphs, comparing trips in Portland using different modes, on one side, compared with the expenditures for those same modes on the other. Note that bicycle travel is, by far, the most efficient infrastructure to build out. By way of example, Portland was able to construct a 300 mile, quality urban bike way network for \$60 million. For the same price they could have built one lane of one mile of urban freeway. 300 miles of bike way network or one mile of freeway. Building out San José's bicycle network is also a great way to bring innovative businesses to San José. Mr. Mayor, you might remember last week, at the leadership group's CEO business climate summit, that San Francisco Mayor Lee indicated that Twitter's choice to be in San Francisco is linked to their employees' desire to ride their bike to work. Lee and several other officials describe how they had met with Twitter's leadership as well as a number of the engineers and just general staff people at Twitter, who said, how can we better support you and the answer was, help us ride our bikes and walk to work. We are very impressed with the bicycle and pedestrian connectivity plans for Diridon. I spent a lot of time last week reading through the full preferred plan, and tried to find something in the connectivity area on bicycle and pedestrian infrastructure to complain about today. But to be honest with you, I couldn't find anything. Your staff has done an amazing job. We are particularly pleased, you can see on the right-hand side the connection, the dotted purple line down on Autumn Parkway as a proposed bike lane. We think that's particularly important. It's a critical north-south connection between Coleman Marketplace in the north and the central entertainment area and the neighborhoods to the south. Implementing this type of on-street connectivity in addition to the trail network is particularly important as the trails and the green fingers proposed in the plan aren't going to be 24-hour facilities. In addition to great connectivity, mixed use development will augment the Diridon area further and here to discuss there is my colleague Paul Hierling.

>> So I'm going to talk a little bit about fiscal land use winners and users. Land use and mixed use is what makes a transit oriented development. When you talk about a transit oriented development what it is, is a unique package of mixed use land use and transit. The city has come up with one of the best and boldest mixed use

plans in the South Bay area and we think an even bolder approach to mixed use will give Diridon an edge in the real estate market, maximize property values, and maximize property tax revenues for the city. On top of that and the mechanism by which that occurs is a mixed use area attracts people at the place people want to be, thereby raising land values and making the tod area what it is. Mixed use is the cash crop of urban development. We understand the City's been a little more concerned with financing lately so this slide sort of speaks to that. Mixed use will return exponentially greater property tax revenues than single-use development. At Diridon, mixed-use areas can produce property tax areas which will match the sales tax revenues of malls and large retail centers. In a 2010 study of two communities it was found that mix use development provided greater property tax returns per acre than regular multistory buildings, malls and retail centers. In Sarasota, properties occupied by retailers such as Walmart, Costco and Sam's club generated about \$85 per acre. The county's premier mall was found to produce almost \$22,000 per acre. Neither of these retail centers produced the magnitude of tax revenue generated by mixed use. The study found that mid rise mixed use developments brought in around \$80,000 per acre while a seven to nine story mixed use building generated over \$500,000 per year. Similar results were found in Nashville. The bottom line is that increase proportions of mixed use development can make every part of Diridon an attraction and magnify tax revenues for the city of San José. The city's desire to retain north Diridon as an office node has implications for future job growth in compliance with work lands preservation policies. These are very important issues for the City of San José and they do have to be taken into consideration. However, we believe that housing can improve the viability of North Diridon. That doesn't mean that the balance needs to be housing but housing would really accent this area. A new developer can come in and build an office tower or an office park. What's going to make Diridon interesting is you're going to have office mixed with housing mixed with retail. What's going to make this area sell and have low vacancy rates is that unique product mix. The case of Bethesda metro link station is instructive. Developed in the mid '80s, the office-heavy TOD was a successful transit node but was dead on evenings and weekends. After a number of residential towers were built, the mix of uses piqued developer interest. Soon after Bethesda Row entertainment and night life destination was built and the area took off. So what happened is the TOD sort of spun off these other areas. The market dynamically filled in the missing housing and entertainment elements of this transit oriented plan and today it's a mature and successful mixed use destination. And we really think this is a model for what can happen in San José. The market will seek to do the same thing in north Diridon, and that's why we recommend a framework of mixed

housing and retail to balance the North Diridon area. The same thing applies to the central Diridon area. Housing has the potential to augment the Central Diridon area. Will integrating it be easy? No. You're going to have conflicts between entertainment noise, housing, you're going to have conflicts between people wanting their own parking in housing towers and not wanting to share it with office towers. Solving these problems is what makes the mixed use area unique and original. What you do is, you set a framework for mixed use, and you let the developers come in and creatively solve these problems. That's how you create an interesting, innovative, unique development area. Conflicting requirements must be viewed as a challenge that can create value and atmosphere. City staff's concerns about entertainment housing conflicts need to be addressed. Long term plans for an entertainment commission must be instituted if Diridon and downtown are to be evolved into 24-7 districts. The entertainment commission would have the authority to manage entertainment-housing conflicts, deal with clubs that tax police and fire services, levy penalties, and assure that new entertainment venues will have a minimum impact on residents. While the relationship of small entertainment venues and housing is important so is the relationship between HP pavilion and the wider development. According to the 2008 HP economic impact study in the draft preferred plan Diridon will drive nearly 60,000 people past HP pavilion on a daily basis. That is 60,000 more people who will see HP pavilion every day and 60,000 more people HP Pavilion can target-market. These numbers don't even account for visitors who drive or walk from outside the area. While there has been concern that changes at Diridon will negatively impact HP attendance, the reality is that the Diridon station will expose HP to an additional 60,000 people per day. With proper integration of HP into the station planning the plan has the potential to pack the arena every single night. Not only packing the arena, we really want to pack Diridon station with people, with commerce. We really want to make this a really lively place. And here to discuss and give some hints on how to do that is our esteemed colleague Alan Talansky.

>> Thank you Paul. Mayor Reed, city council members, good morning. I'd like to tell you a short story. Over 30 years ago, there were two cities making their way through some very difficult planning decisions. These decisions would dictate the future level of success of the redevelopment of each city. These cities resided in the same county. One city decided on a plan that supported high density, mixed use, with substantial housing, pedestrian, bike and transit-friendly development. The other city opted for office retail predominated city, that would hopefully bring in substantial tax dollars. Well the city that chose office and office community ended up with little or no street

life and dying treatment. In fact that city Rosalyn, Virginia, is working towards a new redevelopment plan today. The city that opted for mixed use and a substantial investment in transit today represents an unparalleled success story. That city is Arlington, Virginia. Arlington, Virginia facilitated a county bond issue in excess of \$100 million to create compact mixed use transit neighborhoods through the center of its city. This year, the tax revenue generated from those compact communities was approximately \$100 million. Well, it's obvious the \$100 million invested was more than the \$100 million today. But that's still not a bad return on investment. That \$100 million is 33% of the county's tax revenue. In Arlington, 6% of the people walk and bike to work. 39% of the people take transit to work. And the average family has only one car. The area has great schools, in the lowest tax rates in the state, by approximately 30%. Transit investments can be used as a catalyst to reshape communities. The Diridon Station plan chose to create a 24-hour mixed use transit community. It won't be easy but it can be done. And the key to making its 24-hour transit community is making a substantial housing availability within the TOD area. Mission bay is a great example of a great mixed use community coming along. Diridon Station needs to reflect San José as a community, not as an amusement park. Concentrating density and mixed use development at transit stations can yield substantial transportation and city benefits, a range of travel options coupled with traffic demand management programs, need to be an important part of the framework. Good urban design and attractive functional pedestrian environment is also important. Broad public education and participation in the redevelopment process is essential, and must be maintained over the development period. A clear, consistent planning policy framework is also important for all -- everyone, including investors. The area EIR you've chosen to prepare is the first step. The next step is to create a comprehensive plan and design guidelines, codified guidelines, that will be the genetic code for the station plans. It should set forth both maximum and minimum densities, it informs and therefore encourages investors. I applaud the city's care in their planning efforts and I've enjoyed getting to know San José. Thank you very much for your attention.

>> Joe Horwedel: So with that, Mr. Mayor, we have gone through the two-panel presentations, and would like to open it up for council questions of the panelists. We have all six of them here available to answer, as well as staff for any additional questions.

>> Mayor Reed: All right, well, I'm sure we're going to have quite a few council questions. I've got a couple to start with. One of the key things that came out in the first panel was the need for some sort of master developer unified ownership. Control is fundamental if you are going to make this happen. How do we do that, knowing that we have the central area, where there is pretty much public ownership, and the rest of it is all kinds of other owners, and how do we ensure that we can do that, because if we can't do that, then we end up with what somebody said, a series of spot up-zonings which is not necessarily what we want to do there. And -- oh and by the way, we have no money. The Redevelopment Agency is, you know, might be out of business according to the state of California. So the tools available to do that are perhaps more limited than they were in the past.

>> Well I think to your last point Mr. Mayor the tools are clearly more limited than they have been in the past. You know, so those are nontrivial issues. The potential evaporation of redevelopment as we know it and any other sort of currently available mechanism to consolidate is something that we all actually have to invent our way through. So I guess it maybe sounds a little trite at the moment, but isn't that an opportunity to figure out what the right thing to do is going forward. So it is not necessarily entirely the notion of joint ownership although in my world that is helpful. But you know a sense of joint control in some fashion I think has to be a primary goal of this plan or again you know, I'm not particularly bright but it's not really a plan if it's not unified. It's a series of bubble diagrams with some arrows that purport to know where they're going. You know that's not being the same as being able to implement a real vision. That's why I come back to the simplistic notion that some sense of control, unanimity of control is critical. How that coalesces through different kind of public agencies, I don't know. But this is about as strong a council as I've seen anywhere. So I think if that can come from anywhere or happen anywhere, this is the place. I wish I had a sense of actual tools at the moment, but we'll need to invent a few of them.

>> Mayor Reed: Sir.

>> An area comprehensive specific plan, an example might be the corridor plan they did in San Mateo, but with more design guidelines as part of it. That plan can set the parameters for the whole area. The other owners would participate in it, it could be passed as legislation, and that would set guidelines where the project could grow

through those guidelines. It sets a genetic code of what's going to happen in the area without owning the area and it puts everyone on the same page. It also allows developers to come in with private investment because they know what to expect from the city and they understand what the development envelope is. This is a way to do it, without acquiring lands, without taking money in. Of course the specific plan that would have to be paid for. But I think the City's done a great job of going a grand part of the way towards the specific plan in their station area plan. And that could be worked to divine a plan that would work.

>> Mayor Reed: Following question for the staff, without unified ownership or unified vision that's shared by the property owners in some fashion, how do we avoid this just being an opportunity to convert employment lands to residential with a few people that want to build something? With the flexibility in the plan? First we're going to have flexibility and now you're talking about prescribing the DNA code. I'm not sure how that all works but --

>> Joe Horwedel: Well I think that is one of the concerns that staff has, is we think there are certain areas that I think we need to be very prescriptive and not build flexibility in maybe at the first phase. That you build flexibility, that if you succeed in other parts, then you can be more flexible. But our track record has been, is that the housing traditionally happens before the jobs happen and that's part of our challenge. We are very much, though, think of this area that housing is going to be a critical part of the DNA to make this successful, the vibrancy to it. It's just going to be find the right place to do it and the right time to do it. I think we're going to have to be very clear in this plan about how that phasing or triggers work with it. I think the whole question about should we allow incremental pieces to happen without having a master developer, I think is a really important philosophical question. And you can love it or hate, but that is the one reason I think why Santana Row worked, is they dealt with that. Is that they owned the problems, the headaches that cause you know housing being over top of a night club, they own that. That doesn't come to me. So I think when you have a developer that owns that whole issue, that they're making decisions about how the pieces work, and flexibility as the market evolves. I think it's possible to do that but if you're going to just have flexibility on a block by block or parcel by parcel I think that's fraught with some challenge.

>> Mayor Reed: At some point we're going to be talking about the next steps so I'd like to return to this, how we protect ourselves as we go forward from those kinds of side effects that might be possible if we don't have a master developer. I'd say the odds of getting a master developer of this whole thing is close to destroy. There are areas where we could get a master developer in sections, might be feasible. Of Judge I think to have port talk about that.

>> In terms of what the city wants. If the city chooses to have you know destination oriented entertainment use for that site, then it would be more important to have one entity that would have more control over that property. I think that your instincts are absolutely correct that you know, you're inviting trouble when you have different entities trying to control a block that has more active uses. One of the reasons, the primary reason that we got into the operations division, where we operate restaurants and clubs and those sorts of things was that very reason. We were investing, you know, hundreds of millions of dollars in our projects and had really no control over what some of the tenants were doing. And you can just have a couple of rogue tenants that can have a, you know, a real detrimental impact on a much larger area. And so when you have one developer that does have the vested interest and ownership of the entire project, they're viewing the project holistically, versus how can I maximize the amount of money that I can make off of my piece of property. And just to kind of maybe reiterate a point that I didn't fully elaborate on. In terms of the mixes of uses, you know, again, if you go back to the decision, if you want a destination oriented retail, and that's what the city across, you know, the uses that we found that are most in line with that is, are office and hotel uses. And we think residential is a critical component to urban redevelopment, and not in the slightest bit trying to say it's not of equal importance. Just if you happen to have residential above a very active district, it starts to create problems and issues that you wouldn't experience if it were -- you know, the office was above the entertainment use. And the other aspect, too, is they're great symbiotic -- there's a great symbiotic relationship between office and entertainment because of the parking. And when you have people leaving their work then those open up the park spaces to be used for entertainment as it goes into the evening. But again, oh, I don't want to speak lightly about the importance of residential because it is absolutely critical to the success of the urban fabric of any project. Thank you.

>> Mayor Reed: All right, another question that's one of the big questions that has to do with parking. When I was in Chicago last, I think it was Mesa had a project underway there. And there were parking minimums but they were building more than that because that's what the parking demand was. So as I understand the plan, you are contemplating setting minimums but if somebody's building an office building they can build the appropriate amount of parking they think they need for their project. Because if they can't they won't build the project, I presume. But how do we account for the demand for parking that will be created by people who want to ride high speed train or who want to ride BART that are going in there and how does that fit in with the parking demand for the arena, HP pavilion, which needs parking, under its current operation, and I don't see that changing. How does the flexible parking that you were talking about, how does that work in the real world?

>> I think a good first step would be to take the downtown parking board, expand that to the Diridon area, so you're looking at downtown and Diridon as a whole in terms of the parking. And I think it would be nice to expand it from simply a parking board to really an access -- how do you access downtown, is what the board needs to think about. Because the parking issue is not so much one as making places for cars as it is finding a way for people to get downtown. You expand it to have that as the scope and then you're looking at transportation demand management as well as parking management and that body is in charge of figuring out just what you're balancing. How do you balance it, what is appropriate, they could even give developers in the city input on what the appropriate minimums and maximums for specific projects would be.

>> Mayor Reed: Well, how does this plan account for that? We're going to do an EIR and we've got to understand the parking demand and the parking wants, I guess. And I think the BART people are assuming people are going to park their cars and ride BART, at least some of them. They're not all going to take buses to get to BART, same thing with high speed rail.

>> Joe Horwedel: That's correct. And I think the important part about parking is recognizing that how people travel and park today is probably not how it's going to be 30 years from now. And so with the EIR we're analyzing kind of what we know and then doing some projections of where we think it's going. I think, though, the bigger issue is going to be of how we think about parking and when you have the office building developer who wants to

park above a minimum, how the city deals with that. And I think what we've seen in some other cities where they do it is they allow the developer to have that parking available for their development at that point but you don't go through and put all of that parking in that building that they control for you know the next 100 years. That the goal would be to encourage essentially the peak parking demand or that the fear of not having enough parking. And that's the piece where I think we need to figure out the role of the public in providing parking, or not. And you know there's some I think some debate that we're working through or we'll be needing to talk about around that. But I think the goal we should have is not to strand parking in an office building so if the market demands only one space per thousand square feet in the future and you're building four spaces per thousand you've got a lot of parking stranded in that building that is really not set up to support other buildings nearby. And so I think if that whole concept of shared parking, but again if you have a master developer that's one of the things that they think about. Is how to go through and put the right parking in the right place that works today, and works ten years from now, because they're putting some cost in on that. If you are just -- if your only focus is building an office building and taking a 30-year mortgage on that you're going to be more inclined to build 4 per,000 on that building because you want ultimate flexibility because you want the ability to draw in parking in the future. I think the plan has recognized we need to encourage more flexibility, dispersing of parking, letting people build some amount on site but not really force or encourage all of it on site.

>> That takes care of the office buildings. What about BART and high speed rail?

>> Joe Horwedel: We are working really hard to understand what both of those transit systems are going to require in the way of parking, is that those numbers have continued to move, as the plans have evolved over time. And our goal has been to not go through and turn Diridon into a giant parking lot, that is there to just support those two uses. That we want to encourage people to use BART, but if they're going to drive to a BART station there's other stations that would be more appropriate for them to park at. The same with high speed rail and that's one of the synergies I think we have with the airport. Is how do you go through and connect those two major transportation systems together and not duplicate all the rental car all the parking all the back of house sorts of things, into the facility. That's wildly inefficient. How do you go through and look at that synergy, without everyone doing it on a one-off basis. That's the challenge. Everybody wants to do the same thing.

>> The airport availability and the parking around the airport and the airport systems is a big benefit, it's an amenity for high speed rail. Because the longer traveler, the traveler is going to spend more time is going to accept that, and it's very easy to link those areas cost-wise because there is a right-of-way going within a half a mile of the airport. You could have a transit system going to the airport, that allows the airport to benefit, by parking from the high speed rail, and also, high speed rail people to use the airport facilities. So it's really a wonderful synergy and a reduction in the parking demand in that area.

>> Mayor Reed: Might be a way of making some money at the airport too, another important area of concern. I've got some more questions, but I'm going to yield the floor here to some councilmembers, who also have got questions. We'll come back, we've got more time later. Councilmember Oliverio.

>> Councilmember Oliverio: Thank you mayor. For Seth and port, the topics have just been about parking, and different cities have different ideas, shared use, peak office, peak, et cetera, can you speak to how that works in your world on your prior developments, whatever?

>> Certainly can speak to individual developments. I guess the challenge is what's the direct analogy, from what's happening at Diridon. Parking is really a challenge. It's radar that it's in some unified truly shared development. Episodic to Joe apples point, you're building an office building and code determines a certain amount of parking you're hoping that's what the market will need in making use of that or retail facility, the retailers want a thousand per thousand parking, right? You can never have too much parking if you're a retailer. But where we have to go, and I think what everybody is suggesting here, is the notion of truly shared parking, and parking if nothing else has to be some sort of unified plan at a place like Diridon. I don't think we, clearly, any of us know the answer because we don't at the moment even know some of the basic underpinnings of the plan. I think parking would change significantly if there is no ballpark, for example, or if the sharks weren't there in seven years for some unforeseen reason. It's an ever changing sort of dynamic. But it has to be shared parking, it has to be sort of presumed that people will eventually decide, with \$7 gas or whatever other incentives there are, to get out of the car individually and begin to adapt. You can sort of proscribe that to some degree by

just underbuilding parking. But you'll probably stumble coming out of the blocks on the development side. Because we are not there as a society yet. We will all talk about having fewer cars on the road and driving less, then we'll all get in our cars and go to our next meeting. So we're not there yet, but we have to get there. I know it's an ambiguous answer. But let's keep talking about it, and it has to be a fundamental underpinning in this plan, flexibility in parking.

>> Councilmember Oliverio: Anything you would add, port, or is it about the same?

>> I think I mean I agree, the other aspect too would be simply the market, you know listening to where the market is and what tenants are asking for. You know, our headquarters in Baltimore, we have zero parking in our building. It is a 100-year-old power plant that we converted. And then adjacent to -- and that actually sits on a pier. Adjacent to that we built another office building that sits on the same pier and there's no park in that building, either. And we simply walk a block. Everybody does. And it works really well. You know the building's 100% leased. And that's in Baltimore which isn't you know, it's not New York City. But, you know, it works. And I think it works for the market, too, because it's a place where people want to be, and so I think it's the combination of listening to market. But there are definitely alternatives that do work. And the tenants will accommodate in their daily routine.

>> Councilmember Oliverio: Okay and then next question both for you and Seth is, ballpark, no ballpark, what -- how does that affect the potential for development in this area?

>> I don't know if it affects sort of the potential for development. It affects the type of development. Going forward. You know, if this is truly going to become sort of the you know intermodal hub of the area, which it sort of is on paper now, but you know may actually become that in reality, demand will be created and it will affect the nature of the programming that goes on in that vicinity. But you know, ballpark, no ballpark it doesn't -- I shouldn't from my perspective anyway it shouldn't change the long term planning strategy here. I think a ballpark would be great. Having delivered the very first two projects directly across from what is now AT&T ballpark, love ball parks,

they have a great synergistic effect on everything, and it maybe accelerates the development. But this is still a fantastic opportunity and shouldn't be sort of looked past absent the notion of a ballpark.

>> We are obviously partners with the giants so I can't really comment too much on the ballpark.

>> Councilmember Oliverio: Get out of the room.

>> I will say that the existing assets you have now are very good. And you know, to have an arena that has a great anchor is something that's definitely significant and draws a lot of bodies to one place at one time.

>> Councilmember Oliverio: And then my final question is, looking at it from a master developer's standpoint and doing from developers albeit having a plan and saying what we're going to do and have the areas that are public quasi-public areas how would you approach those areas to develop them?

>> To understand the question meaning the public areas themselves sort of the public plazas those kinds of --

>> Councilmember Oliverio: There's designated areas within the Diridon map that had the blue, that says, hey, this is public, quasi-public, and you sort of talked about forming a joint powers. What is the level of complexity for you as a developer to go get a ground lease to go do something on that land when it's government versus private? And I mean so being that let's say you're a master developer, you're looking at a variety of plans in different cities, one has quasi-public, the other doesn't, does that give you something you can work with, or do you immediately, ah, I'll go to the one that's more private-property oriented? I'm trying to think, is it an obstacle, is it a benefit? It's there, it's what we have in this area, I'm trying to get from your perspective.

>> Again, a very fair question. I guess from our perspective, again, is it an obstacle, is it a benefit? It's both. Doesn't it depend upon the nature of the agency with which you are presuming to deal at that moment in time. If it's sort of a forward-thinking progressive city council or subset of that, then great. Nobody's going to shy away from that notion. If it's an obstructionist kind of group of grinchies, then you have a different perspective, I

suppose, on whether you think that's something where you might want to break your pick going forward for a number of years. You've got plenty opportunities to not make progress. So I think just our -- I mean, sure it affects how we would look at it, but anything in regards to this plans or the constituencies that are currently in place here that would cause any of us to shy away. We're here today and, you know, it's okay.

>> I would say in response to that question to have a plaza and if you have entertainment if that's what you choose, that a public-private partnership is generally what we found to be the best. It provides a little more latitude on what can you do as it relates to the market. It can help you create a more individual experience versus having to rely more on the credit of national tenants. And plus, what you're creating is very much a public space. You know, again I'll refer to the live blocks. The live blocks that we've created often are the places where the pep rallies are or the 5K starts or the farmers markets or those types of things so it's very much a public venue and the public-private partnership gives you a little more flexibility in terms of what you can do and can't do. Maybe the highest and best economic use for a particular location is to put a fast food restaurant or something like that. And that's not necessarily what the community wants. And so I would say, from a -- in terms of private or public, the public to private is a stronger route.

>> Councilmember Oliverio: Thank you.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: Thanks mayor. Thank you all for taking the time to join us. We really appreciate your engagement and your interest in this, it is vitally important to our city and we appreciate the extraordinary creativity and the participation we've had from so many bright, bright minds. I was hoping to ask a couple of questions of Seth since you've had recent experience developing housing here in our downtown. And we've just undergone what has been a considerable push just to get four towers out of the ground. You're responsible for one of them. After all that work and obviously we did so going into a very, very stiff head wind of a recession we now have a little over 800 units of housing I think in those four towers. One of the reasons we're being told that we shouldn't worry about putting too much housing in here is because we're going to have 10,000 units in the

downtown. And I'm trying to imagine a downtown in which we can cram 10,000 units, given the size of our downtown, knowing by the current map based with the OEI corridors and everything else we need to find land for probably 50 towers at the rate we're going. How realistic is that?

>> It -- well just even the way the question has been phrased is really indicative that that would be a challenge I think. And again, I always say to sort of always go cautiously along these kinds of questions. It will be a challenge. I do think there's no question about that. But I still don't think that the notion of challenge is a reason to not make that sincere attempt. In fact one of the big concerns I have even when sitting here talking about the Diridon plan is that -- and I sort of voiced this back at November at the study session at which we were privileged to participate -- is that it's like the great new shiny red object in a lot of ways. And my fear is it takes focus off of the downtown, the Eastside of the Guadalupe expressway, because it's something that maybe seems like something we all should be working on right now because it's a great new notion. But you know sort of that said, having already invested in the downtown more than once and intending to again in the future, the downtown has to work. You know, we can't sort of -- let me come back to again, I always go cautiously because so much greatly work has been on this plan already, but we continue to see these notion of links onto the freeway. I still know what that means, other than arrows on a piece of paper. But it has to function for both Diridon and the downtown to work because they can't sort of function one without the other. You can't have one fail and one succeed in my opinion. We need the housing here, it has to be created in some fashion and it has to remain a focus. But you're right. I don't know how to do it yet but I know that's a continued focus to help get us there.

>> Councilmember Liccardo: Thanks, Seth. I agree with the notion that we have to push, we need the housing downtown. I'm just concerned with the notion that somehow we should dismiss building housing in portions of Diridon because we're going to get through 10,000 units, when I think realistically, we'll be incredibly fortunate to get 5,000, if all goes really well, given the constraints we have and the space in our downtown. We have a very small downtown. I have concerns about in the current plan, as we looked at the land use diagram, we've got public quasi-public parking lot right now, ground floor parking next to the arena, adjacent to very low density employment use on the other side of the railroad tracks, as we look at the northern -- the portion of Diridon just north of the Alameda and Santa Clara. And as we contemplate the arrows that we all hope pedestrians are going

to follow around the plan, it would be interested in port or Seth or any of the folks, Paul from ULI or other folks, how likely is it going to be that pedestrians are going to feel welcome walking through a sea of ground floor parking, or low-level employment use, to get to an employment district, or an entertainment district, after 6:00 at night, when everybody's gone home, and there's nobody around? Is that a likely scenario?

>> Well, I think I can speak to that. I believe the plan right now calls for program retail at ground floor level around the parking structures, where it's possible. So there is some addressing of that in the most recent plan. But will that retail be successful if it is surrounded by parking? Probably not. That's a big concern, with this area, office parks definitely are usually dead on evenings and weekends. What you want to do is make every area in the Diridon Station unique. You want to create corridors for people to go from east to West. You want to create corridors for people to go from the East to West, from the office park to the Guadalupe park because if it's just dead space and it's you know abandoned, all office, people are not going to want to walk through there and go to the park. You have to focus on specific corridors, you have to choose your battles. You have to focus on where you want the mixed use. But parking is definitely going to be an issue. You're going to want to hide it as much as possible and I think the consultants have done a great job of proposing how to do that. But in some areas near HP, it's not going to be possible to move it off the roadside. And so there are going to have to be some creative approaches to that.

>> The whole idea of mixed use is keeping life on the street. As soon as everyone leaves from the street you don't have anything. And if you want to know what that looks like go to downtown Atlanta at night. There's no one there. There's no one there because there's no one living there. If people live there, if there's 24 hour street life, that creates some smaller restaurant and other venues that don't need sports venues and don't need offices to live. That's not everybody but that's the core that keeps things going in the off times. That keeps life in the streets. You have to have life facing the streets. And that's the whole idea of ground floor retail and residential close to the streets. If not, you have a bunch of venues that are all tourist venues and you have to have people drive in for them. If you have people living there can you create a life. And that's what -- that's what we feel Diridon Station needs and it doesn't need as much residential as some people think but it needs some residential and it needs the kind of residential that accept life and accept the entertainment and accept the noise. In fact

they're looking for it. That's New York City. That's a city. And that's what a city does. And this could be a very city part of the city. And all parking should be wrapped. You shouldn't see any parking from the street. It all needs to be hidden, it all needs to be underground, it all needs to be put away so it doesn't deaden the streets.

>> Councilmember Liccardo: I appreciate that. We don't need to travel as far as Atlanta. We can look at Market Street and 87th.

>> I didn't want to be cruel.

>> Councilmember Liccardo: No, that's okay. Because it's been said many times you can shoot a cannon down in the Almaden, after 6:00 p.m, and you're not going to hit anyone, except maybe when people are rushing in and out of the CPA. And that's an ongoing concern I've had. And I think if we were to redesign the downtown, we'd think differently about how we were building exclusively employment with very strict segregation of uses in that part of the core. I wanted to explore a little bit more about the master developer concepts, I know we've been talking about it certainly in the Diridon committee for a couple years now, and I think everybody's very interested in going that route, and the question is how hard is it. And I'm starting to wonder if maybe a lot of our planning efforts might have been better appreciated by actually getting all the parcel owners into a room and saying are you all willing to sign up? I'm wondering to what extent has there been success in other cities engaging with public and private owners to essentially contract with a single master developer and agree to share in revenues even though you don't have consolidated ownership? Do we have good examples of that working well?

>> We have individual examples where we've assembled parcels on our own, brought many, many individual parcel owners together and have been able to do exactly that. The basic premise is the simple one that sort of the whole is greater than the sum of those individual parts by the time you're through that you can convince people to sign on to the notion of a great development and they'll benefit. You know, a rising tide raises all boats, et cetera.

>> Councilmember Liccardo: Can I interrupt you for a moment?

>> Sure.

>> Councilmember Liccardo: When you say assemble parcels, I just want to be clear. Are you saying you actually acquire the parcels, or the parcels remain in the individual ownerships?

>> It's been both. I could be further clear. Some people are sort of comfortable with the idea that you know, you tend to maybe pay a little bit more for some of them you know to actually acquire them but they express that interest. Others are perfectly comfortable riding along as it were, contributing a value and assume they buy into a vision and that vision needs to be clear. What does any investor want, what does any land owner want, vision of certainty. We can rarely give that to people. But if you can coalesce around the vision, and sort of point to past examples, then there's at least plausibility. In this particular case you have many municipal, public land owners. So you know I don't know that their individual marching orders, for example, are to maximize land value, which is a different scenario. That's where again I come back to the notion of a strong council trying to suggest to various you know constituencies that there's a way to help coalesce this vision. Maybe it involves land swaps, even. You own this, you agency X, and we'll give you that over there, instead, in exchange, now get out of the way, but you know, that's at least an option.

>> Councilmember Liccardo: Right. In terms of addressing the mayor's concern about spot-up zoning, and simply building the housing and everything else doesn't get built, this master developer concept is one way to address that isn't it? That is, that you would remove the incentive to have an individual parcel owner simply push ahead with something that is not compatible with the greater whole because you could -- there would be some sharing of revenues, is that fair?

>> Yes.

>> Councilmember Liccardo: So if we were -- I know we've been overwhelmingly focused when we talk about master developer of that center core piece between Santa Clara and San Fernando. But I wonder if it would be realistic to also go north and to include the surface parking adjacent to the arena if we believe there's opportunity

to build ground floor uses that would be compatible with what's going on there, along with structured parking above. That would serve the arena. Does it make sense to expand across Santa Clara with master development?

>> I'm going to-- can I respond to your prior question as well?

>> Councilmember Liccardo: Sure.

>> I think in terms of property ownership and master development concept it's definitely very important and obviously the city has limited resources and you just -- essentially I think you would just have to pick your battles. Obviously you would spend a ton of money trying to assemble land and then not end up getting the bang for your buck.

>> Councilmember Liccardo: Agreed.

>> Then as it relates to the HP I mean, when you look at what's happening right now at sea wall lot 337 in San Francisco and the partnership with the giants I mean clearly the 16 acres they have adjacent to the ballpark right now is currently used for a parking lot. Probably not the best use of that land. But parking is critical, clearly, to the success of the ballpark and everything else. And so you know, the solution is just structured parking. And a phased development where you know at some point you know you go out of the ground with structured parking. And so and that allows and accommodates the development of the vast majority of the site which is the same thing you know that could happen here in terms of you know the area that's marked in blue next to HP.

>> Councilmember Liccardo: By designating public quasi-public, we've got significant contamination there underneath that site, and I'm not sure really what the cost is for remediation that we've estimated, if we've got a strong handle on that, but I know that's been a barrier in the past of redeveloping that surface parking to structure parking. And I guess my question is, if that's really created into -- if that's brought into a larger hole, a master

development, to what extent can those kinds of financial challenges be more easily overcome than essentially through private ownership and private development of that site?

>> Well, I think that sort of large blank spot on the plan is what all of us as developers gravitated toward last November when we first looked at this plan. And we all sort of asked that same question, which is what is going on there, and you know, just the early return was just simply that there were contamination problems and so maybe for other reasons that didn't seem like it was something we're sort of worthy of being kind of focused on at that point in time. But you know I don't want to speak for sort of the actual history because we don't know it but I think we wondered the same thing and we're asking the question.

>> I think you raise a great point because obviously if you have -- you know you can amortize the cost over more property and more square feet of leasable space and you know that is one way of helping the financial issue as opposed to just trying to focus on that land. If you have more of a master developer, and you can allocate those costs over a broader area I mean there definitely could be some benefits to that.

>> Councilmember Liccardo: Thanks. The hope would be that obviously the parking that the arena would need would serve obviously what's going on in the core area south of Santa Clara. I would want to encourage staff to consider how we might expand the boundary of what we've traditionally considered the focus area for master development. I'm concerned about sort of the Berlin wall we're creating here in terms of any pedestrian access from the northern zone to the other parts of Diridon with all that surface parking. Anyway thank you.

>> Mayor Reed: Councilmember Pyle.

>> Councilmember Pyle: Thank you, mayor. Welcome to all of you. I really enjoyed your comments tremendously. Seth, you said something that really got me excited, and that was, a big-picture approach. You're not just talking about Diridon. You're talking about how it all coordinates, and works with, the rest of the area. I really, really like that. Done a lot of traveling in Europe and Asia and I have to say, there's always a major gathering place. That's something we don't tend to have. And it's a very productive one. One notion I had is that

where do we get the money? Well as we go along and as we develop we'll be attracting more tourism, I would think. Do you have any data on that particular concept?

>> That unfortunately is one where I wouldn't. And not to say that we couldn't help maybe start to gather it, but I'm afraid that on the surface though I can't really speak to that one.

>> Councilmember Pyle: But it stands to reason that if you have something where people want to come, whether it's from the neighboring cities, that's a form of tourism as well, or cities in the area, did you have some comments on that?

>> Talking about extending it and tying it in, Santa Clara is wonderful bones for a community. And it links well with the Diridon Station area and I think we need to take advantage of that.

>> Councilmember Pyle: Yes.

>> And we need to take advantage of the north areas and the more they work together, the better you're going to be. Because that helps create a whole community. There needs to be a connection aside from the tunnel going under the rail that's more comfortable but I think Santa Clara ties in with what you're doing as far as an area master plan. And it should. And you're doing a plan on Santa Clara right now, why not tie them together?

>> Councilmember Pyle: Exactly, yeah. I really appreciate that tremendously. The next thing I wanted to bring up is that it's taking us quite a while to go from an agrarian society to an urban one. And so it's interesting to see what's happened in other parts of the world in reference to getting people out of cars. Many don't have the luxury of having a surplus of cars, as many of us do. So it just becomes absolutely friendly. So I would hope that what we would consider is all ages when it comes to trying to get people away from their cars. And we wouldn't necessarily ask a 90-year-old to get on a bicycle. Although you never know. There's a lot of 90-year-olds out there that are pretty active. But Rick Shaw type things, we're going to have to think outside the box in reference to

inclusion of every age, every ethnicity? Everyone. I don't know if that's part of the thinking or not but just from your comments I would imagine that would be the case.

>> Councilmember the staff has done an excellent job of outlining design guidelines for the bike and walk facilities and there's both onstreet facilities for people who appreciate the directness of those routes, as well as the green fingers which is basically building in walking and biking facilities into sort of park, linear parks spreading throughout the district. So that really we feel has been addressed very well.

>> Councilmember Pyle: And I would hope, too, that as this progresses, we don't know how many years it's going to be, that we would perhaps become a little more -- a little friendlier with VTA for example, the valley transportation authority. Because that light rail is not being utilized as well as it could be at all. They're starting to do express line so it doesn't take people an hour and a half to get downtown. So I think it's going to be -- once again it's going to be a big picture approach on all avenues of thought. On page 1 in the scuff summary, there is what you're talking about or what I think you're saying is that large major policies and large physical realities of the plan can be set. It's in the last paragraph on executive summary page. That's what I'm hearing that you're saying. You don't want -- you're not going to do every little detail of everything that we're talking about. But you're talking about the big picture, how do we get all of the components of a strong downtown corridor ready? And what do we put in it? Would I be correct with that? Okay. The other thing I wanted to bring up is that, in reference to the percentage of dwelling unit increases, there would be some phasing, that would have to be some phasing. And while I've shared the same concerns that Sam does in reference to sensitive uses downtown, this, too, would be staged over a number of years. In other words, you would have time lines, as we go, would that be the case? And this really would be more for you, Joe.

>> Joe Horwedel: Yeah.

>> Councilmember Pyle: What would be the percentage of increase if we did have 10,000 units compared to today's situation? How much of a percentage in increase would that be? And if you don't know that's okay.

>> Joe Horwedel: I don't know off the top of my head. 100%, 200%.

>> Councilmember Pyle: Yeah, that's a lot but if we took it in bite-like pieces, you can't eat an elephant in one bite, you have to take it in bite sized pieces, if we did the same with that, I would think that's more what the thinking would have to be. Of necessity.

>> Joe Horwedel: Yeah, well the marketplace is going to phase it just naturally. That even what we saw during the height of high rise development downtown we had four come out of the ground, we were working on probably 15. So the marketplace kind of figured out that all that was not going to happen and reality is you won't see another high rise coming out of the ground for five, at best more like probably ten years, just that there's a lot of resetting of the market that's got to happen for the next one to become financially feasible. So you know it's really, I think the concern we have from staff is, when that next one comes out of the ground, we should be very deliberate about where that -- where we would like to see that happen and have a wide spectrum of it. But there are probably some places where you would say, don't put it there where you're trying to do your plaza or trying to do the live block kinds of thing, maybe put it a block away from it.

>> Councilmember Pyle: One thing I was always impressed with San Francisco, what I see up there at night. I see a lot of young people, people between the ages of 25, 35, 40 in that age range. I don't see that here. People that are in that age range, pre-marriage I'll call it, don't necessarily need 1100 square feet, they don't need 1800. People can get by with three and 400 square feet, which is happening, again in other countries. Have either of you experienced that?

>> That's interesting, they did a PBS series on exactly the point you made, in terms of having a lot of pre-married people that have a lot of disposable income because people are getting married later in life now. And so it's obviously been a great thing for downtown cities, you know like Kansas city as an example where you could have shot a cannon and it's still rebuilding and it has a long way to go in terms of the residential but it's definitely happening and our project there was the redevelopment of 9 city blocks and it changed area, definitely for the

better. But you raised some really interesting points to think about, that I want to touch on, about phasing. If you have a destination oriented retail project, you can't just build a little bit of it, and then hope it works.

>> Councilmember Pyle: In terms of housing.

>> In terms of housing yeah, right. Because there's examples of that across the country, you know Portland around the rose corridor and Dallas and stuff like that where those sorts of things haven't worked, that they're purely reliant on the arena. Anyhow you mentioned something about tourism. And one of the things about the destination stuff that we're talking about is, it's definitely a regional draw. It's not going to just be San José or Santa Clara. It's going to be San Francisco and other places. And you know, like an example I use a local artist, someone like Joan Baez, has a free concert. You're going to have people from all around going to want to come see that concert. That's the example of sort of the regional type of retail that we're talking about.

>> Councilmember Pyle: I would think it would have a tremendous effect on our convention center. People who go to conventions would want to have their event here in San José where they would have some kind of a night life where in other venues they wouldn't necessarily.

>> That's exactly correct. You look at the convention business that's happened in downtown Kansas city, which again, five years ago there was nothing, it's definitely improved, and also, the hotel occupancy has gone up significantly, because people now have something to do, where they didn't before. That goes back to my point originally where the retail, you know the other aspects are critical but the retail is sort of the glue of whatever's been developed in terms of the master development keeping everything together.

>> Councilmember Pyle: And I don't want this to be an embarrassing question, if you just say we're not ready to answer that, I'd understand. But I've just seen this in the last couple of days. So my question is you're developing a master plan. But how much control open the building that goes in? Are you involved in any of the building of anything? Whether it's commercial or entertainment facilities or -- how does that work? Because I want to be able to look at the people in the eye that are here in the community and have been for a long time, I don't want to say

to them, get out of our way, we're going to go with somebody who's going to do it all. That is an embarrassing question, isn't it?

>> No, not necessarily. As a master developer at these projects we always presume that we will do all of what we would call the horizontal development, making sure that the basic infrastructure supports every sort of potential use that's in play, and resulting that needs to be maintained adequately. But we'll presume to want to do some of the vertical development as well for ourselves. But in a project of this scope no one developer generally speaking would or in my opinion should try to do all of it.

>> Councilmember Pyle: So you would partner with people who have been very active in our --

>> Folks who express interest. Again, you know, I use the expression I think the project needs a, I refer to it as mother. Developer is often a pejorative term but it needs somebody who can sort of look after it and have a number of people build in a different sort of all-entertainment scenario, port might have a different impression if it's exclusively an entertainment sort of a retail destination scenario. But there are gradations on the dial.

>> Councilmember Pyle: Well, thank you. I'm very excited about what I've heard today.

>> Mayor Reed: Let me just note that it's 11:00 and there are two more sections that we are going to have presentations and discussion on so I don't anticipate we'll be done by 12 at the rate we're going but you never know. Things do tend to speed up towards the end. There are several more councilmembers who have questions at this point. We'll get through that before we move to the next section. Councilmember Chu.

>> Councilmember Chu: Thank you, mayor. Thank you very much for the presentation. My quick question is also on the line of the master developer. Some would have already chosen their master developer without going through RFP process. But I remember hearing that one of the panelists was saying that we should not use an RFP process. And my question is, what other processes will we be using by choosing the master developer?

>> That was me that said that. You know, I mean, it's really up to the city, in terms of what you choose. And what level of competition you want to have. Not trying to discourage necessarily the competitive process or the spirit of competitiveness -- make up a word. But what we've found is, gist particularly with the RFP process it's generally fraught with danger and ends up creating a situation where it stymies the efficiency of the development occurring. And oftentimes, you know with the RFP process it's who has the best architects and the best dream vision that wins, as opposed to who is actually the most qualified and who is really going to get it done. And so that's the experience that we've had, across the country with the RFP process. I mean I could cite you several examples of that where I've seen proposals that have sky bridges across rivers and those sorts of things and I don't know if anybody really intends or believes that they will actually get built. That was my point.

>> Councilmember Chu: Thank you for the clarification. As we go along and choosing this master developer, I'm hoping that staff will come back with a process of selecting the master developer, and I heard a comment about RFP, I know we're trading efficiency with openness and transparency. So I just want to make that comment. And the second question is by thumbing through the plan quickly, I noticed there would be a 10,000 residential unit, I understand that the kids now does not want to have families, I have one at home. If my daughter is watching. But we're talking about ten, 20 years from today. And I'm concerned that I don't see a school site in this plan. So I don't know if we have the San José unified school district, are they being a part of the discussion?

>> Joe Horwedel: We work with all the school districts as we go through the general plan process, and move through, forward with the plan. We do coordinate and share with them, San José unified actually has several schools right around the perimeter of the study area.

>> Councilmember Chu: What's their capacity? Do they feel good?

>> Joe Horwedel: We feel with part of the environmental process we'll come back with that information.

>> Councilmember Chu: You'll fill that in later. Thank you very much. And I also heard referral to different cities within the United States, Memphis, Detroit, and stuff like that. I wonder if anyone of you have -- and then I heard

that our competition may be across the Pacific from Shanghai and Peking. So I wonder if any one of you have actually working experience in the high pace development city like in Beijing, Shanghai, Singapore, Hong Kong, Tokyo or whatever. I heard a lot of reference to Detroit and cities in Florida. And I'm familiar with those cities, a little bit. But as we move on, to compete with cities across the Pacific, I like to cite, I like to hear more example of siting of the cities, outside of the United States.

>> Joe Horwedel: I think our group today is of local talent, and I think the design considerations that you've heard about today are the same kinds of things that are going on, and those major efforts in China right now. We just interviewed architects for our architecture review committee that a number of them are working in China right now and we are seeing projects that they're doing which have all these same components to it. So I think people are looking for the same sorts of things around the world.

>> Mayor Reed: Vice Mayor Nguyen.

>> Councilmember Nguyen: Thank you. Because we have limited time I'm just going to focus on one component that I'm really excited about in this plan. And that is the increased support for walking and bicycle connectivity and access to the surrounding neighborhoods, as well as some of the existing trails that we have in our city. I understand that we have the San José bike plan 2020, and in that plan it lays out specific goals such as the completion, the 500 miles of bike ways, and then some of the other various goals. But I was wondering if staff can speak to what percent does this plan account for the overall goals in the bike plan 2020?

>> Hans Larsen: Hans Larsen director of transportation. Vice Mayor Nguyen, what we're looking to do -- this plan is intend owed to align with both the city's general plan goals as part of the envision 2040, including the newly adopted bike plan 2020. So the specific goals that we have, right now we have about a 1% bicycle mode share. Our goal is to reach 5% by the year 2020. And 15% by the year 2040. And certainly, the creating a well integrated bike plan that ties in with the trail network is the critical component of that.

>> Councilmember Nguyen: Thank you Hans. And like Corinne, I read thoroughly the areas where we talk about walking and bicycle access, and staff has done a tremendous job of including this in this plan. I think that with this plan we really have a unique opportunity to create a real urban community where we include all facets of life, promoting healthy lifestyle and alluding to what Councilmember Pyle said we're looking at making sure we provide access to people of all ages. I think this is a wonderful opportunity given of course the fact that we have the challenges brought up by both the mayor and Councilmember Liccardo. But I don't think we should lose focus on what's really important here, the opportunity to create a real urban community a place where people have access to a lot of fundamental things that really promote the quality of life. So I look forward to working with staff and also, making this happen, thank you.

>> Mayor Reed: Councilmember Herrera.

>> Councilmember Herrera: Thank you, mayor. I love listening to the vision that's been put forth. I think that that's one of the more exciting parts of this job, getting to look out and see where the community's going to go and see how we can play an impact on that. I hope I'll some day get to actually see Diridon Station, it's going to be I know a ways out but it's exciting to be part of the planning. I'll keep my comments brief, also, in -- because of the time here. I'm concerned about how we can enact people from all around this city so they can be part of this and they can actually be connected. I represent District 8 which is out in Evergreen in southeast San José. I want to know if you can comment on concerning light rail and the existing services that we have, that connect into Diridon Station from the outer areas of San José. How do you see that -- how do you assess those currently and do you see any further improvements in that? My concern is you don't want those folks driving to Diridon, you want them to be able to use transit and our light rail system doesn't go everywhere. I personally would like to see it go more places and connect up more. Just want your comments on that. And I guess I -- Seth.

>> Joe Horwedel: I'll take kind of a first cut at it, and Hans may also want to jump in. The current light rail network I think from Evergreen really doesn't serve into downtown easily because you've got to go all the way up into north San José and back. I think it's the speed of the bus rapid transit happening on East Santa Clara street and Alum Rock avenue that would give a much faster connection into downtown for the residents from southeast

San José. That's what it's going to take. Ultimately, there are the plans that have been looked at taking light rail down capitol down highway 87. That's much further off. Probably if my kid's kid dealing with that but I think bus rapid transit is our quicker solution.

>> Councilmember Herrera: I think a lot of this is far enough, but I wanted to while we have these folks that are looking at vision here, if we connected light rail to Jeff in the future how would that change this picture?

>> I think from our perspective I don't know if it would change it, it would only enhance it. It is an overall community benefit to the way it would enhance it. I beg your pardon, the park how it's viewed with regard to this plan. But I think maybe to staff's point until that's a little bit more certain it's difficult to incorporate that planning into this process at the moment from our perspective at the moment anyway.

>> Councilmember Herrera: We have residents who are the most transit oriented residents, called out bus 22 from the east side and we have a population that's aging, as was pointed out earlier, we need to have access for everyone. And I hope that while we're looking at tourism and people coming from San Francisco there, I hope that we also focus on our own residents that are living in various areas around the city, being able to get there, and get there not in a car, but being able to take transportation that's fast, efficient and pleasant to get on. I think light rail we need to think about the future of light rail and that mixed in. Thank you.

>> Mayor Reed: Councilmember Kalra.

>> Councilmember Kalra: Thank you. Just the point made on Councilmember Herrera. I do think there's great bang for the buck of getting residents in San José and the surrounding cities into the downtown more and more. Especially in the short term, to find ways to do that and I think that the more we can enhance public transit as well as our trail system, our bicycle system, which we are doing, would be helpful. I don't know if I'd necessarily feel that a light rail expansion is what it will take. We already have very light rider ship south of capitol. I think that bus rapid transit may offer more flexibility to do that but either way I think the point is well taken that we have a large segment of our population that does not -- that doesn't come downtown and I think that we have an

opportunity here to really attract many county residents in addition to further out in the region. I mean right now our greatest regional draw is either an event at the pavilion or Santana Row and that's just when you talk to anyone those are the two biggest reasons people come to San José from San Francisco or East Bay and I think we have a great opportunity particularly with uses public transit as we see right now so many people will take transit into the ballpark in San Francisco and from there will venture out into other places in San Francisco. Point out one thing in regards to pedestrian and bicycle access, when I look at figure 2-11, it shows appropriately green connections into the downtown as well as out westward. It doesn't show a direct green connection from the station into the downtown of either Santa Clara Street or in some other manner. It shows it going down Park and St. James. I think it would be very important to have a direct link from the station and the station area and this whole development we're proposing in the future into the downtown and to get people to have access both through walking as well as through bicycling. Similar to the point that Councilmember Liccardo made as far as the northern portion to make sure that there's a clean -- a clear connection. I think that that challenge also exists with the freeway to make sure that there is not just auto access, but very clear pedestrian and bicycle access into the downtown as well. And I think that the two, the two entertainment zones being downtown and this new one that we would like to try to create, have a great opportunity to be connected in that sense.

>> I was wondering, can I clarify? Are you envisioning an offstreet corridor for bikes and pedestrians when you say East West into downtown or on the streets?

>> Councilmember Kalra: I think both could work depending on how it's done. An offstreet dedicated access I think could be ideal so you don't have the mingling of the autos and yet you show the -- you give the bicyclists and pedestrians the same level of treatment in having dedicated right-of-way.

>> Maybe a dedicated cycle track.

>> Councilmember Kalra: Yeah, something along those lines would be fantastic, something that really shows, that really makes it you know because when you go to some places for example and some references are made to some areas that I think have been done well, I mean L.A. live I went to a sequential in L.A. several years ago

and I went to one last year, it was a ghost town in the past and now it's so vibrant but it is auto reliant. We could do something similar, but we have a unique opportunity because the train station is there and light rail and BART and all of these transit modes to really focus on the pedestrian and bicyclist in a way that most places that have this type of synergistic entertainment zone with the ballpark or with the arena there, they don't really -- they rely on mass transit but they don't really have any sense that pedestrians or bicycles, bicyclists could really access it in a way with the same respect that autos are given. And so I think that is something that I think we have space for a lot of creativity in doing that. And so the other -- and so the other challenge that's already been expressed is that we don't know what is going to be here. Especially in terms of a baseball stadium. I don't know, I mean I know when you go to San Francisco, San Diego, and D.C. with the arena there, they've created something, because of that, and we have the pavilion and we don't have -- we have folks coming in and out ever downtown, it breaks all of our hearts we see people go out of the pavilion and go straight out of San José. I think this is the opportunity to capture some of that audience for the benefit of both the arena as well as the city. With the stadium there though, I don't -- there may be another place in the country that has it, I'm not aware of a place that will have those two type of venues in such short proximity in the downtown. We have obviously in Oakland, and I went to a baseball game once, went there an hour in advance. I didn't get seated until the third inning, because there was a basketball game going on at the same time. It was so poorly designed. And I think here if there were a stadium and an arena, there's a great opportunity to really have an entertainment zone to have that really create a vibrant atmosphere but the challenge will be as was noted, the parking, how much parking is the right amount of parking and with all that hectic atmosphere how do you still create adequate and respectful bicycle and pedestrian access. And so there are many challenges. I know that this is kind of just a very general blueprint of what we would like to see. And most of the answers to the questions we might have aren't going to be answered in some cases for many years. But I'm glad that we're putting the time and energy into trying to decide how we want -- what we want the direction to be. And the general direction. And I think some of the more -- some of the more nuanced details, will play themselves out depending on some factors that are not in our control right now or at least we don't know the answers to right now. I appreciate all the work done on the plan itself as well as the comments from the panelists, thank you.

>> Mayor Reed: That concludes the comments on this section, let's move into the next section 2 I think it was. I guess it's section 3 on the agenda which is achieving mode shift and continued vitality of HP pavilion. Unless I've lost track of where we are which is also possible.

>> Hans Larsen: Mr. Mayor, members of the council, again to our panelists thank you very much for your contribution today. Obviously this is an important issue, we've got a lot of stakeholders in the community that want to help us ensure that we get this done right. Let me just do a sort of quick time-check, and some thoughts for council. The action that's most important for staff is to actually get council approval of direction, essentially accepting the draft preferred plan in the land use that we've identified in there. That Joe presented, and that's up on the screen here. And the other two topics, I think, are equally important, but we want to make sure that we leave this special meeting with action from council, particularly on topic number 1 in the land use plan. So I just offer, we can try to move through the other items and then have council action at the end, or we could try to close off this first one and then see how much time we have for the other two.

>> Mayor Reed: I think you ought to try to get through the other two items because I think there are some questions about those that we are going to have to cover before we can vote on the recommendations anyway, so --

>> Hans Larsen: Okay, very good. Obviously there is an interconnection between all of these topics. And so Tim and I, we're -- well I have the primary, number 2. And Tim is leading number 3, so we'll try to move through this as quickly as we can. So the second topic focuses on the importance of the HP pavilion, and we receive direction from council at the January meeting, that we want to ensure a collaborative approach with arena management and ensure that the Diridon area plan strengthens the vitality and viability of HP pavilion. And so we have the -- we want to just outline really the importance of HP pavilion and how it operates today. Our goals for mode-shift in terms of long term strategies, and then I think what you'll hear is really a very strong collaboration and agreement in terms of how we go forward, and managing both sets of goals, vitality of the arena as well as moving towards an urban area in the Diridon area and changes in how people get there. So just briefly, I think the council is well aware of the significance of HP pavilion as really a premier sports and entertainment facility. It is really one of the

gems from a worldwide perspective. It's active 250 days a year, and hopefully will be home of the Stanley cup champs, the sharks, as certainly a lead egg venue in the Bay Area for entertainment. And the San José arena management has done a terrific job in managing the facility. Important part of success of the facility is really the convenient access that it has and we provide access in terms of an adequate parking supply that is around the building but also a strategy of dispersing parking through the downtown that serves to activate the downtown as well as support the facility. We also have a partnership with the police department, along with the Department of Transportation with arena management, to provide real time traffic and signal management to support the facility. So for every arena event there is realtime traffic management with reserve police officers and we have traffic signal managers that monitor surveillance cameras around the arena and have the ability to adjust traffic signals in real time. So this is one of the successes in terms of getting people in and out of the facility, and one of the things that we would continue to do. And so as a way to essentially kind of ensure good access, it is through this management of active traffic management where we literally can give priority on our local roadway system to get people in and out of the facility. The mode-shift goals we have today for San José and also for access to the arena about 90% of the people drive. Our ultimate goal in terms of overall community mode-shift, and certainly the Diridon station area is one where we have a great opportunity to do this, is that we want to reduce the amount of driving in San José from 90% to 50%. And that would be accomplished by significant increases in transit, biking and walking. And as you heard in the other session, we have just excellent opportunities, in terms of facilities, for walking, biking and transit in the Diridon area and we look to strengthen that with our plans. We recognize, though, this is something that's not going to happen immediately in a short term but these are things that are going to evolve over time. And so we see this as ultimate lie 30-year strategy to move to those did goals. I'm not going to go through the details of this but the elements are enhancing the walking biking facilities and promote facilities that manage parking. The question is how can we ensure good access to the arena that largely today is dependent on people to drive there and ensure an environment in the Diridon station area, that encourages really non-auto travel particularly to the central corridor? One of the -- this is sort of a simple illustration of some of the key strategies that we are pursuing as part of the plan. You can see on this map the HP pavilion and right here in blue here are some of the central parking areas that surround the facility. And you can see them both around the arena to the north and to the south. And some of the main access points come in off the Alameda and through the 280 and 87 freeways using Santa Clara Street. The development plan is to actually develop the properties to the

South and not have them become sort of main sources of parking supply for the arena, and so a key strategy is to actually relocate parking that supports the facility to the north side. There is a plan initially for a 250-space surface lot that's part of the agreement that the city has with HP pavilion. There is a long term plan to develop this into a 900-space structure. And I just want to clarify for the record, that there are some references in the plan that indicate that the arena is responsible for that. That is not correct. It's actually, there is an option for them to develop that. And we would continue to work with them in partnership to try to develop. So it's certainly not a commitment that they have made in terms of the 900-space structure. I just wanted to clarify that for the record. So the idea though is to move the park supply to the north. This frees up development to the South. And we would look at changing the access. One of the key improvements in the plan is the development of the autumn street extension to Coleman and utilize that corridor as a new corridor to access the arena instead of the Alameda. And then we would also utilize the 87 Julian Street interchange to a larger degree to provide car access to the northern side. So this change in terms of access to the facility, then allows somewhat what we call a win-win situation, where you could provide auto access through these new facilities and parking locations and then preserve the ability to create a very strong walking biking and transit area in the central zone closest to the Diridon Station. There is a lot more to it than that but this is sort of a simplified example of some of the strategies that we are working with arena management on. I think just to wrap up is that sort of the key thing here is, and the direction from council is to look at this area in a ten-year time frame. In which we know that we are not likely to have BART and high speed rail here within ten years. And so the key thing is to develop a phasing plan that maintains our commitment to the arena that we have now, in terms of traffic access and parking. So the commitments in our agreement, we maintain that for a ten-year period. And look at strategies on how we can develop this area that promotes the development of the Diridon Station central zone and maintains our commitment to convenient accessibility to HP pavilion. So we've developed a work plan with arena management on how we were going to analyze and develop this. We've also developed an approach, and an analysis methodology, for the 30-year plan, the arena management is also concerned about, so the long term planning and ensuring that we provide the vitality for the facility and we've reached agreement in terms of how we're going to analyze that. And ultimately it's going to come back to the council to make a policy decision based on the information that we develop. And so just to kind of quickly conclude, you know our recommendation in this area, we have in the staff report, I've kind of hit at a high level some of the key strategies that we have. The key thing to

note, we don't have the answer right now but we have a process to work together in order to do that. I do want to call the council's attention to hopefully a letter you received from the HP Pavilion signed by president and executive general manager Jim Goddard, which outlines the accordance we've had on this and highlights their continued interest in having an effective parking and traffic access plan. I understand Jim Goddard is here and may want to provide a couple of comments for the council. Jim.

>> Mayor Reed: We did get the letter, by the way, I think all the councilmembers received it and it was distributed.

>> Mayor Reed, councilmembers Jim Goddard executive Vice President general manager of HP pavilion. As Hans indicated we submitted a letter in the last few days stating where we think we are in the process and hopefully that's self-explanatory, I'm not going to go through that again, if anybody has any questions I'd be happy to answer those. But we'd very much appreciate the support of the council in terms of the continued vitality and success of HP Pavilion and the important role it plays in Downtown San José and the greater area. The last few months I think substantial progress has been made on a collaborative effort between the city staff and our staff in terms of setting a foundation for going through with this process and hopefully achieving outcomes that suit both - meet both the City's needs and objectives as well as HP pavilion's needs and objectives, and hopefully they are literally one and the same. Obviously recognized as a city facility that we both take pride in. We're excited about the prospect of development in the Diridon area, Diridon Station plan and so forth and so we're looking forward to that happening. We're looking forward to the continued success of HP pavilion. As you know well, I think, you know, user friendly access to the facility, and parking, is important. We're supportive of multimode transportation so we are all for public transit. We are all for and frankly have lobbied just as hard over the years for pedestrian-friendly access to the arena and the visit of the arena as we have for vehicle access. We would stress also that as successful as the traffic and parking management plan has been for the arena the foundation of that is an adequate -- is adequate rode way capacity, adequate sidewalk capacity, adequate parking capacity. And that will continue to be important into the future even as there likely will be a mode-shift to some additional public transit, more bicycles, more pedestrian movements and so forth.

>> Mayor Reed: Thank you. Anything else? Hans?

>> Hans Larsen: I think in the interest of time we'll move on to the third topic and then --

>> Mayor Reed: I have a question on this one before you move on and make some other councilmembers as well. In the parking issue, in the letter that Mr. Goddard sent, it's good to know we're working through this on a collaborative basis. But tell me how we will respond if the assumptions in the plan are wrong and that Mr. Goddard is correct that we've underestimated the projected parking demand by 50%? How do we adjust and when do we adjust and when do we make those decisions? Because I don't believe today, we're any approval in front of us is going to answer that question. Because we're just doing the environmental review. But when do we get to that question of how much parking is enough, what's required and how do we protect the HP pavilion?

>> Hans Larsen: Well I think yes. As we come back and do the technical work, I would certainly be able to kind of address that question in a little more detail. But I think the key thing is we're looking at a ten-year implementation strategy, that we are looking for a way -- I mean we are not going to have sort of the major transit facilities in the area that are going to encourage the kinds of mode shifts that ultimately that we're looking for. So I think that there is a near-term development strategy that I think we will all have a high level of confidence meets our development objectives, moves us towards mode-shift but ensures that we're meeting our commitments to HP pavilion. So I think a key thing that we have a lot of confidence on the ten year strategy. I think as we move from ten to 30 years there's some policy questions that we'll raise later for the council, in terms of whether we, you know, trust everything works on a 30-year time frame or that we look at some kind of triggered approach that allows us to do measured developments, and still maintain our commitment to HP pavilion. So I think that as we come back with the results of both the ten-year strategy and the longer term strategy, that those are questions that we will be able to pose for the council.

>> Mayor Reed: Okay, well I think it's really important to appreciate the importance and the investment that we have in HP Pavilion and what they do and not as Seth bland mentioned you know put down what we have in order to pick up the shiny new object that's really really interesting. Because the HP pavilion is really

important. But I want to make sure that you're not asking us to approve today something that you think's going to happen 30 years in the future, and then we're going to make decisions based on that assumption, that ignore the reality that may be presented to us because I don't want to assume that we're going to have a 50% mode shift 30 years out and then make decisions in the short run that make it impossible for HP pavilion or anybody else to live in the real world that we're in. Because as much as we want people to mode-shift, that takes time. And it may or may not happen. So you're not asking us to make those kinds of decisions, I hope.

>> Hans Larsen: No, that's not part of the recommendation that's before you here today. So it's really moving forward with kind of goals and strategies and then I think back to kind of the first topic of land use that we're careful to qualify that as a maximum development strategy, a maximum envelope so council will have opportunities when the draft EIR is out to look at potentially adjustments to that.

>> Mayor Reed: Okay. Want to move to the next section.

>> Hans Larsen: Okay, the -- I'm going to lead this one off, on some of the transportation, transit perspectives and then turn it over to Kim. And so here's a view of the Diridon Station, to highlight some of the new facilities that are planned there. We have the BART project that's in the subway, and you can see the station box that comes through there. We have plans that's included in the report that you have, for an expanded Diridon station that occupies the area in red that's connected to the historic building. And then, for -- so there's a drop-off plaza and then also a transit plaza and then for high speed rail there are two options that are addressed in the plan. There's the elevated option and then there is the -- there is the underground tunnel option, and so the plan allows for connections of the expanded station, either to an elevated or underground configuration. Moving forward quickly. So some of the key issues in terms of next steps, high speed rail, there is an active consideration of two options consistent with council direction. Developing the aerial option in which we're doing work to define what that would look like, by working with the high speed rail authority on visual guidelines. We're working with a coalition of neighborhood leaders on the best tunnel options, working with the leadership of the Scott Knies and the downtown association. We will have more information on both of these options and we're suggesting as staff that the September time frame may be a good time to have a study session or a special meeting on checking in

with all things related to high speed rail, and particularly, the two options that we're looking at. For BART, one of the key issues is, in order to facilitate early development of the area, is to pursue with the VTA the idea of early construction of the station box. And so that would allow the BART box to be built early. And then so the construction activities associated with that aren't disrupted, the future development, and then you could facilitate the development in the area. This is one of our recommendations that we're looking for council endorsement of, of that as direction. The last thing in terms of station expansion is that there are moneys available from high speed rail to continue the work we're doing to develop the station. Although the key issue related to that is having some definition of whether the high speed rail facility is on an elevated alignment or in a tunnel alignment. And so we see that we'll need to wait for that direction and decision to be made before we could do any significantly new development work in terms of the station area. So with that I'll turn it over to Kim on the -- talk about development of the central zone.

>> Kim Walesh: Right so our staff team has been meeting with VTA and CalTrain staff to start to identify some steps that we can start to take to ultimately get to a point where we can interest a master developer in the central zone project. And at this point, we definitely envision some kind of joint development partnership, between the three parties, and taking a master developer approach. We know we're going to have many, many issues that we are going to need to work through but we are really committed as partners to figure this out together. As we start the next phase the parties did believe that we are in fundamental agreement generally on the high-level project goals. It's really important to have the unified vision that was mentioned earlier. So the suggestion was to articulate these high-level goals and presuming that you affirm this direction today, VTA and CalTrain staff are generally comfortable with these goals and our intent would be to take them to their boards for understanding and approval this summer. So the first four goals there really reflect the draft plan in front of you, and the fifth just really articulates the intention that the project provide financial benefit to all three agencies. And I think we're also all very clear, we're going to need to be very attuned to the market on the timing of this. And how we work to make it ultimately attractive and financially viable to potential developers. But clearly the three parties themselves need to benefit financially. The next step we decided to take was that we want to look at similar projects in California and nationally so that we can understand how these projects dealt with issues of ownership and control. What their financial models were, what the structures of the deals were and how they actually managed

the process of selecting a master developer. So we will look at, is it an RFP, RFI, RFQ, and be able to building on best practices elsewhere and our own situation here come back to you with the recommendation of how to approach that. So these are three of the projects and we are looking at others just to learn from them. So the next steps we have are articulated on this slide. I mentioned the briefing in August to really -- important to ensure ongoing staff and high level communication with VTA and CalTrain. Hans mentioned points 2 and 3 up there. We're going to continue the best practices work which is a pretty quick project we should have completed in the next month or so. We will continue to work with VTA and CalTrain to figure out what that governance structure could be, should be for that proposed project. JPA has also been mentioned as a mechanism, there may be others. As I said we will come back to you with a recommendation about what we would suggest, and the form of soliciting developer interest. And I think that is where we're at. So we're looking for you today just on approval of the high-level goals and these next steps that we'll be taking over the next couple of months to really start moving from planning into ultimately implementation.

>> Mayor Reed: Thank you. We have a few more council questions and we'll have some public comment on this before we take action. Had a couple more things that I'm concerned about. In addition to the HP pavilion we have a couple of other things in hand that we don't want to put down before we pick up the shiny new object that's really interesting. One of the things is the airport and there's quite a bit of material in here about the airport and the FAA limitations, but there's no discussion of the one engine inoperative additional complicating factor. Or maybe I just misunderstood the materials in there and that's obviously an issue for the airport and I don't want to blow past that issue without a chance to have the policy discussion.

>> Joe Horwedel: The land use plan and the policies, everything we've been working on, are about protecting all the City's interests, and so we have woven that in. Part of it is dealt with as an urban design question. Part of it's dealing with the normal part 77 regulations that FAA has. We have deemphasized the words OEI in the plan so you will not deliberately see that in there.

>> Mayor Reed: I noticed that.

>> Joe Horwedel: But the issue -- we are dealing with it as an urban design issue.

>> Mayor Reed: Well I think it is an urban design issue and I just want to make sure that we're not assuming that that is not an issue anymore because it remains.

>> Joe Horwedel: Yes.

>> Mayor Reed: The second thing actually this is a third thing we have in hand is our existing downtown. And while we may never get the 10,000 housing units we contemplate for downtown, diluting the opportunity for downtown by adding more area is one of the risks. And so we have to stay focused. And we have to stay focused on completing our downtown plan, some of us have been working on that for decades. And we're not done yet. So we know this Diridon Station area is also going to take decades. But being focused on both our downtown and I think the central core of this Diridon Station area is critical. Because if we have all of the elements for success but they're spread out all the way around this Diridon Station area, they get a little bit north, a little bit in the south, a little bit in the middle, it won't work. You need that density of people and businesses and everything that we're trying to create here. So as we move into the implementation stage I think we have to focus on the central core. That's the most opportunity, the most activity, and if we just dilute our efforts in the Diridon Station area, it will just be that much longer to get anywhere, that's anywhere resembling the downtown. We are not dropping the downtown. This is complementing and helping the downtown not something that replaces the downtown. All the elements that we talk about that we want in here we already have them in the downtown and we'd like more of them. I'm not about to say that okay, downtown is as good as it is going to get and we're going to take our energy and resources and efforts and put them over here. This is a side show to downtown. It is an important one but the downtown is the central focus that we need to keep in mind. Councilmember Liccardo.

>> Councilmember Liccardo: Thanks mayor. I might encourage us to think about this as part of downtown. I think we need a larger downtown. And we've got a very, very compact one now. I continually talk to retailers all the time about the fact that we don't have enough residential support. A lot of the retail we'd like to see downtown and we need to be able to expand the size of our downtown considerably. I think this is an important component

of it and I look forward to expanding it. One concern I've had is I know we've deferred some general plan change applications until the consideration of this, this Diridon plan Joe and my expectation in January is that we'd be seeing it all together. It sounds like that's not going to happen. What do you see?

>> Joe Horwedel: The timing of the Diridon plan and the general plan are kind of out of sync a bit because the Diridon plan looks like will be trailing behind the adoption of the general plan. We are building in as a part of the general plan --

>> Councilmember Liccardo: I'm sorry Joe let me be more specific. Actually, I know Dan Hudson is here. He has a general plan application that we referred explicitly to the council until we considered this. I'm sorry, sounded like you were talking about general plan more generally.

>> Joe Horwedel: No as a part of the general plan alternatives that people have asked us to look at, we have put a couple tied to the Diridon plan itself getting adopted such as the Hudson site. We do think that whether it should be housing or employment should be decided in the Diridon planning process because we are essentially doing a specific plan or a village plan here. So let's go through and really focus on it through this process. When we come back with the adoption of the Diridon plan we're going to be bringing the council, here is those choices, here's the staff recommendation, here's what the property owner wants to do and if it's just this one site or a couple, is part of the adoption process. So you'll see that as part of the Diridon process not as part of the general plan envision process.

>> Councilmember Liccardo: Okay. So whenever we formally vote on this plan, that general plan application --

>> Joe Horwedel: Will be considered as part of that adoption.

>> Councilmember Liccardo: Will be considered as part of that, okay, that's important. Hans, I'm sure you've heard through Ben, the Delmas Park community is very concerned about various changes and where that line is going on the high speed rail alignment. You talked about the station. I'm assuming we're going to hear something

definitive soon, hopefully from the high speed rail authority, about what the impact may or may not be on that block bordered by Bird, Auzerais, Illinois and the 280 off ramp.

>> Hans Larsen: Yeah, as part of the visual design guidelines process, there's refinement of the elevated proposal. So yeah, I've heard those concerns and we'll be looking at these closely if there's an impact or not and that will be revealed further as we continue our work with high speed rail.

>> Councilmember Liccardo: Okay, I appreciate that, that's the naked right adjacent to the station. I know they're very concerned. I -- with regard to the master development in the Diridon area I know one of the land owners is the JPA for CalTrain. And I know that that CTC money, I guess it's really high speed rail money but it comes through the CTC, theoretically would be the property of VTA. Is that correct Hans?

>> Hans Larsen: You are referring to moneys available for station design work?

>> Councilmember Liccardo: Right.

>> Hans Larsen: What we've learned is a regional transit agency, either CalTrain or VTA would need to apply for those funds. It is not something the City of San José can directly apply for.

>> Councilmember Liccardo: Okay, I hope we could continue to push how we could reduce the number of owners or parcels in that area. I think that money would be very critical for us. The JPA badly needs money. It seems to me that utilizing that \$40 million, some portion of that, just to pay the JPA could help CalTrain keep going and could help us really focus ownership and in a way that would help us move forward much more quickly if we are dealing with just VTA and the city as opposed to dealing with a board that consists of representatives all up and down the peninsula into San Francisco. I think it's really important for us to focus that effort and hopefully to consider some of the parcels just beyond that civic square area. I think there are some opportunities in that area and I hope we'll broadly consider that as we look in terms of master development. Thank you.

>> Mayor Reed: Councilmember Oliverio.

>> Councilmember Oliverio: Thank you, mayor. On the environmental impact report that will be submitted it is really just an aggregate ex housing, ex industrial, ex retail?

>> Joe Horwedel: We've got those big numbers, we do have some allocation to do traffic modeling in some zones, and it's one of the things that Manuel and I were just talking about is how do we deal with where there may be desire for some flexibility or at least options, with the adoption of plan to make sure the council can go either way.

>> Councilmember Oliverio: Okay so then it does allow this overall circle or bubble on top of a situation and things to move in between where they might actually go but the aggregate usage of the -- would not exceed what we are currently using.

>> Councilmember Oliverio: The park is the current fire training facility and they have to have somewhere else to go to do that, just wanted to point that out unless you have something you wanted to say on that Joe.

>> Joe Horwedel: Well, it is just -- that is one of those things that I think is going to be critical about doing a plan and the master developer, the financing, and because it's infrastructure, to make sure we don't keep leaving pieces like that behind which has been our problem with the midtown plan.

>> Councilmember Oliverio: All right and then on this repairing or having the creek go to its natural restoration thing, I understand there's this need that if you can either have it to do that, you'd actually need to build some type of bridge, I don't know is that Manuel or Hans who can answer that question?

>> Hans Larsen: Yes, there is as part of the good neighbor committee effort there's a recommendation to look at having the Los Gatos creek be in a more natural form. And one of the issues is I think there's about a 500 foot long culvert at the intersection through park avenue area. And there I think is kind of a referral considering that

would probably need to go back through the parks planning process because that's not currently in the Los Gatos creek master plan but sort of technically one of the issues is, is that in order to create a more natural well-lit environment literally would require raising the streets in order to create some more sunlight in there. So I believe that there's some real either technical or cost challenges to try achieve that. It's been pointed out that that's one of the good neighbor recommendations and I think we'll go back and take a closer look at that.

>> Councilmember Oliverio: Not impossible but there's a dollar effect to that?

>> Hans Larsen: That's right.

>> Councilmember Oliverio: I'll finish out here. I have maps from the Redevelopment Agency laid '80s that show that light industrial R&D that was going to go sort of in the Diridon area and that's 20 years ago and it's not yet there. And we have a lot of plans, and you know, they don't always get implemented as perceived based on development, private property. And it's just the same way this is going to be a 20 to 30-year buildout of this area. And we really don't know what a future council is going to decide on any given day to deviate from a plan. So as much as it's nice to have a plan it's how far are we going to stay strict by the plan is another measure which will be another day and another council probably but its appreciate all the work that went behind it and I'm glad we got all the money from MTC to do this since we didn't have the money on our own. Thank you.

>> Mayor Reed: Councilmember Rocha.

>> Councilmember Rocha: Thank you. I saved them all up for the end so I'm going to apologize ahead of time to all my colleagues.

>> Mayor Reed: That's okay. You still have your time.

>> Councilmember Rocha: Thanks. Is it two minutes?

>> Mayor Reed: Yes.

>> Councilmember Rocha: I'll hold to that if staff holds to that. I want to thank everybody for their work, staff and the stakeholders and all the community folks that really used their personal time for this. It's an amazing document. I do have some questions about the private property owners in this area and were they included in this development? As a new councilmember I'm not privy to the background on this.

>> Mr. Mayor, members of the council, Manuel Pineta, acting deputy director for the Department of transportation. With regard to the outreach that we have completed, we have not done individual outreach to all the property owners. As you know, this is a 240-acre site. But as part of our workshop process we did initiate the process of mailers to all affected properties as well as adjacent properties to those and all property owners have been invited to all our full public workshops as well as we have offered one on one meetings to all those groups or property owners who required them. But we haven't individually go out there but we have mailers to individual property owners.

>> Councilmember Rocha: Were any active to the process?

>> We did have approximately over 200 people attending our workshops. Some of those were property owners. I can't say for sure how many of those -- what percentage were property owners though.

>> Councilmember Rocha: How many parcels are there in that 200, do you know?

>> We don't know that yet, but we'll get that answer for you.

>> Councilmember Rocha: To the point my colleague mentioned about the CalTrain facility and the land. I guess he already spoke to it but I'll ask the question, we're actively looking to try and acquire or work with CalTrain about the facility and the land in the area? Through VTA, probably, I'm sure -- I'm assuming.

>> Hans Larsen: That idea has been raised and it's something that we'd need to continue to work with through our partners VTA and CalTrain JPB on sort of the viability of that, the cost and just the interest of those parties to pursue that. So I think we have a meeting coming up with them and we certainly can put that on the agenda for discussion.

>> Councilmember Rocha: Okay, well I'll second my encouragement of that effort. The density levels, are pretty aggressive and I know a number of the background reasons why we tend to approach it right like that in the beginning. And I know we're also trying to create an active vibrant area but if the market doesn't support some of these types of developments are we going to be flexible on the density ranges on the lower end?

>> Joe Horwedel: That is correct that we would go through and look at what is market-driven and as Councilmember Oliverio said, you know it does no good to have a plan if you can't get the market to invest in it. I think part of what we do need to think about is, what the short term market and the long term market is, I think phasing is going to be really critical about where you would be a little more flexible and not I think there are going to be some parcels where the better course would be to wait to let land values come up and rents come up to support buildout. I think that's one of the challenges we had in downtown is we built a lot of housing before the market got there because we wanted to go bring residents in but we've used up a lot of land for four story residential in places that today would you know would have supported towers.

>> Councilmember Rocha: Thanks. So I understand our goal is the transit pedestrian and bicycle use and the mode-shift as you mentioned but given at full buildout we might have 3,000 to 5,000 new residents, and the freeway interchanges and arterial streets appear to be congested, not to mention the potential new employees, as a result of the other innovative district, I believe, means a lot of additional trips. So there was mention of traffic impact and mitigation, but briefly, can you give me a sense of how we're going to approach that just theoretically right now, but also in the EIR?

>> Hans Larsen: The questions in terms of traffic impacts and level of services will be addressed as part of the technical work that we do. The actual level of service in downtown is quite good because of the grid system that we have in there and there's approximately 20% transit use in the downtown already. So we.

>> Is that peak hours?

>> Hans Larsen: This is at peak hours.

>> Councilmember Rocha: Okay.

>> Hans Larsen: The council policies are that we do not have a level of service policy for the downtown. So we do promote a active and even congested environment. So we certainly don't.

>> Councilmember Rocha: The EIR would recognize that and any challenges or comments to the EIR would --

>> Hans Larsen: In terms of a CEQA environmental impact in the downtown, that level of service is not considered an EIR restriction, but we still study the information for disclosure and information reasons. So we'll have that information available.

>> Joe Horwedel: Level of impact will get quantified and we do look at the surrounding intersections. And so in this area bird avenue at 280 is always problematic, congested intersection. San Carlos and Meridian is one that's congested today and we probably will have more traffic. We will go through and analyze what is the level of congestion from all of those developments, are there other mitigations would happen to lessen those impacts but the standard we do have both the downtown and some of the protected intersections, our goal is not to blow out those intersections we'll do other improvement.

>> Councilmember Rocha: Okay, thank you. So with the F.A.R. of 15 which is surprising to me and 30 to 90 units per acre and the 50 to 250 and I know 175 was more what the approach was in terms of how high we can

go in building up, I recall that there was some restriction or additional requirements when you go above a certain floor and the costs are kind of significant. And oftentimes developers or property owners prefer to stay below that range. What is it, 6 or 8, I can't remember.

>> There's a couple of different break points -- excuse me -- that happened with how the building codes and fire codes operate that when you get into the 90 foot heights, I think 120 or 150 is another break point and so that's part of what we think that the density we do need to watch where the market is, because they're not going to go put that extra 10 feet on it. So we want to make sure that the densities they are assuming, really, are reflective of where market can actually deliver those units based on the jobs.

>> Councilmember Rocha: So on the primary project objective I didn't see mention of green building or LEED as a focus or I'm sure it's probably later in the document. Is there a reason that we didn't approach it early on as a primary objective?

>> Joe Horwedel: It is a absolute requirement that they have the city green building requirements that apply as well as the state building codes which have gotten more stringent since we adopted our standard, so there is a LEED silver requirement or a build it green standards that apply to all of this development. Question is would we put a standard that's more stringent here than elsewhere in the city and we weren't going down that direction. Certainly the things that we're doing about what you heard, the bicycle, the pedestrian, looking at mixed use, the proximity to transit, all those things make -- actually I think will make it pretty easy to get to gold standard for these buildings.

>> Councilmember Rocha: Thank you. I was specifically referring to chapter 1 page 5 primary project, project objective and didn't really read it in there and not that it's necessary but given what you just shared with me, thank you for clarifying. The joint powers authority or the partnership that we talked about what is the value for including those other groups as opposed to us doing this? As we move further and further along in the project it becomes more of a land use project as opposed to a transportation project in my mind. I know they're all interrelated but can you give you us your view in regards to that?

>> Kim Walesh: There are other major property owners in that area, so it is important that we work with them conceptually and come together.

>> Councilmember Rocha: In all the different zones though is what I'm referring to.

>> Kim Walesh: Oh, I'm sorry.

>> Councilmember Rocha: So the JP would be specific to just the transportation pieces and not any other development, private development.

>> Kim Walesh: This is envision for the central zone, so we will need to look at the question raised earlier about if it makes sense to include adjacent areas to make the project area larger, so that it might be more financially viable.

>> Councilmember Rocha: The city, VTA and CalTrain are the only three property owners in that central area?

>> Kim Walesh: No, no, no, they are the three largest property owners, there are many other property owners.

>> Councilmember Rocha: That is kind of what my point is, the value of including them when it becomes a more land use plan beyond a transportation plan, why we feel the necessity for that, to me that's more specific to transportation modes, I don't know about land use development.

>> Nancy Kline economic development. There's an opportunity to look at strategies to work cooperatively or see if the properties can be purchased or what tools are engaged to allow the property to participate. So that the goals of development are similar. And we're just very early on in looking at how to do that but looking at control of property as the developer said, there are a handful of ways to get there and we just need to think about what we can achieve.

>> Councilmember Rocha: Okay, I am with you. The more partners, the better. I was just trying to get a better sense of why you're approaching it that way so thank you. I'm going to leave it at that, in the interest of time, so thank you very much everyone for your work.

>> Mayor Reed: I had one last comment and that's about flexibility. I'm going to feel a lot more flexible when we know we're going to get a ballpark and we know we're going to get a BART station, and we know we're going to get a high speed rail station. So I'm not feeling so flexible because there's a whole bunch of projections and assumptions and guesses going on. So I'm okay with the plan as outlined, but it is just a plan. It's awfully hard to predict the future because, as Yogi Berra said, it keeps changing. Councilmember Liccardo.

>> Councilmember Liccardo: Thank you mayor I would like to put a motion on the floor that would incorporate the items reflected in the January 21st, 2011 memorandum co-signed by Councilmember Oliverio, mayor and myself, with following amendments to of course adopt the staff recommendations, include that entire bullet item number 1, recommendation number 1, regarding the collaborative approach, which I know is currently underway but we want to continue that work. With regard to number 2, paragraph number 2, reconsider the rigid segregation of land uses, in northern Diridon, deleting the word central. In northern Diridon with an eye toward enabling a master developer to have requisite flexibility and specifically to take a more flexible approach to land uses in northern Santa Clara, Alameda, but south of Julian street. Third, cap the residential capacity at the current cap which is the current amount which is 2855 units. Fourth, would incorporate paragraph 3 to prepare the EIR which accounts for both alignments, potential alignments or high speed rail, and finally, to consider enlarging the area for potential master development beyond the central zone.

>> Councilmember Herrera: Second.

>> Mayor Reed: All right I have a motion on the interior to approve as outlined by Councilmember Liccardo. We have some requests from the public to speak. We have one other councilmember who hasn't had a question I think all morning, that would be Councilmember Campos. Do you want to take that before the public testimony.

>> Councilmember Campos: Just a clarification question to Sam. So that is, instead of the staff recommendation of 10,000 housing units you cap it at the 2800?

>> Councilmember Liccardo: No, the 10,000 is actually just the aggregate for the downtown area. The 2855 I believe is the area that's incorporated within this Diridon plan.

>> Councilmember Campos: Okay, thank you. I did want to make some comments. Staff you did a thorough job and all of those that participated in this, you should all be very happy, and content with the work that you did. I think this is a great opportunity to integrate and expand our downtown, very similar to -- I hate to compare ourselves to Los Angeles but if you look at how Los Angeles did it, with their entertainment zones where you have the staples center and if you look at how that developed over time, it did bring vibrancy back to the downtown that didn't exist, in this area, and this area was in really bad shape before. I think the beauty of this specific plan or area plan is that it gives guidelines to plan around for the next 20 to 30 years going forward. I think our hope is that in 30 years, we'll have maybe one and a half generations of residence that will start to utilize better transportation modes, that are currently being planned now, so that our next one and a half generation will get used to using bike boulevards, using BRT, using light rail, and hopefully, more people walking because we do have more housing units and better transportation in our downtown. So I look forward, and hoping when I'm 60 or 70, that I'll be able to look at that and say we all did a good job. So thank you.

>> Mayor Reed: Take the public testimony now. Please come on down close to the front when I call your name. There's plenty of room. Scott Knies, Dan Hudson, Eric Shanehauer.

>> Councilmember Liccardo: Mayor I need to points out, the aggregate unit is 2588 not 2855. That's an important detail.

>> Mayor Reed: Okay, clarifying the motion.

>> Scott Knies San José downtown association. There's tremendous value in this plan to create a master EIR. And to give the accommodations to private development so they can go forward. It's very, very necessary, and thank you for putting that together. Beyond that there's a host of numbers in the plan, very aggressive numbers, that kind of seem like they came from almost a different era, so much has changed in our world over the last three years. And of course that's the challenge with doing the plan like this where we're looking way out in the future. Like Yogi Berra, we don't know what we don't know we know today. And it's a necessary exercise. I'm encouraged by the council and particularly by the mayor's comments, steeping this plan in reality, really looking at the market forces, and how it's going to be rolled out. It's very necessary, it's a little bit *déjà vu* for some of us, it wasn't that long ago that we were up here commenting on the ballpark EIR. A lot of these elements were in that version. You know we talk about knitting and threading and have liberal bubbles and arrows same thing there. But go under Santa Clara Street, look at the underpass at San Fernando or park avenue. These aren't high performing public spaces. We have a lot of work to do with trying to make it come off the map and come alive. And of course this plan initially wanted to put in another massive elevated structure, in the same area. With the same challenges. I'll remind you it was your amendment in January that changed that. This plan, as presented to you, was all-in on the aerial structure. It was your leadership to, you know, almost force the underground alternative. I can tell you the California high speed rail authority does not have San José's best interests in mind. It's really going to be up to you to provide the direction to make sure we have more than one alternative for a high speed rail alignment. Thank you.

>> Mayor Reed: Sorry your time is up. Dan Hudson Eric Shanehauer Richard Zepelli.

>> Honorable mayor and council folks thank you for allowing my time. I'd like to focus on a few points that the area around or directly around what I consider to be walkable to the Diridon Station is supremely important. I feel that as a stakeholder in that immediate area, that the ability to walk to and from the station is exceptionally important, therein lies the difference between the downtown core and this area. There's a consideration of mode sharing transportation to allow the ability of folks to get out of the car and walk to and from the station. I think that will help in your desire to mode-shift. There are -- you're planning for events for 30 years into the future or decades into the future. It's very difficult to draw a hard and fast line, and not allow yourself some flexibility. And I

know that in the end, there is flexibility. Because things do change and there are circumstances on the ground. I had a meeting previously discussing my desire to provide some entry level housing in this area. And I thought that that was well received, but with the framework of this plan it does not seem to be addressed. And it would preclude me from providing housing in the area, family's been in that business for many decades in San José, I'd like to continue with what I've learned. And I have vigorously pursued industrial and office type uses on the site. I'm ashamed to tell you that the most interested folks are pot clubs. The whole foods market is done. I believe they're waiting for an economic turn to construct their building but they are paying rent as far as I know from my uncle, and I'm not financially involved in it. But the consumers and the customers will drive the sales tax revenue and help them, and I think they are counting on having some more residential consumers.

>> Mayor Reed: Sorry your time is up.

>> Consumers near the train station. Thank you for your time.

>> Mayor Reed: Eric Shanehauer is our neck speaker, Richard Zepelli.

>> I'm Eric Shanehauer speaking on behalf of the Hudson companies. We understand that the fiscal health of the city and the fiscal benefit of this plan is the highest priority going forward. That's why we're not asking you to add additional housing to the plan. But what we're asking for is flexibility and blending of land uses so that this, the entire area in the plan is a more vital and interesting place. Several members of your panel made it clear that the blending of uses and especially the inclusion of residential with commercial is the way to create street level vitality. So I think it's important today that the direction from council has the EIR analyze the introduction of additional residential uses, in the northern zone. There's really only one block where that is -- makes sense. And I put that on the map, it's the block here that will be across from whole foods. This area is not particularly conducive to housing because of the airport approach and the existing residential. So you're really talking about studying housing here and I would suggest you add introducing replacement employment commercial innovative business land in the southern part of the plan. So in other words if we're going to do some housing here maybe it makes sense, for example, in this quadrant to study in the EIR putting innovation or standard office development there so

that we're blending the uses at the north and the south to make a vital area. So we would appreciate that consideration. Thank you.

>> Mayor Reed: Richard Zepelli, Helen Chapman, Phil Hood.

>> Good afternoon, city council, Richard Zepelli, representing Willow Glen and palm haven portion of the good neighbor committee. I think the development of housing downtown is essential and if it became a tradeoff between housing and parking garages I think housing should get precedence if it will help develop the downtown area. We live in Willow Glen, and we're kind of like at the end of a funnel, and most of the traffic comes from the south part of the city, Almaden Valley, Santa Teresa, Blossom Hill and also south county, it all comes right through Willow Glen streets like Lincoln avenue and meridian avenue. And we already have car counts on Lincoln avenue and of course that's at 22,000 cars per day, 27,000 and back down to 23,000. Meridian avenue is really high right now. Curtner Avenue at 87, 87 has over 100,000 cars per day with 32,000 getting off at Curtner during the gridlock hours, according to San José Department of Transportation figures in 2005. Only going to get worse as time moves on. So our concern is for the things that we don't have. We need more trails, more bike lanes and we need VTA services that are filled, empty light rails and buses we need to encourage that use to get downtown. HP Pavilion already has record attendance, nationally recognized without more parking garages. You thank you.

>> Mayor Reed: Helen Chapman, Phil hood, Martin Delsum.

>> I start off good morning, now it's good afternoon. Mayor Reed and members of city council, Helen Chapman, president of Shasta Hanchett Park Neighborhood Association. On behalf of the SHPNA board of directors, we would like to provide the following comments for your consideration today. We agree with the Diridon good neighbor framework for implementation, recommendation as adopted by council, that this area needs a comprehensive plan for the entire area. Since the Diridon station area plan treats this area as a district with joint resources, it should be not developed as piecemeal but phased with a grand vision and design guidelines for implementation. We agree with planning staff an the direction for the Stockton avenue corridor and recommend

not allowing residential development in both the northern innovation zones that would detract from the innovation focus of the plan. We want the area east of Stockton by the tracks to blend and enhance the residential neighborhoods to the West. This area must not be allowed to become the parking lot for the arena and potential ballpark and high speed rail. We wholeheartedly support the letter from Martin Delsum to move the Los Gatos creek out of the tunnel under Park Avenue at Montgomery. We support the concerns of the Delmas Park neighborhood and ask for clarification of the high speed rail alignment as outlined in the report. We are concerned with the proposed building heights in the southern portion of the plan and want to make sure that any development meets OEI requirements. We understand this plan has a lot of moving parts with high speed rail possibly having its terminus at Diridon. This is an extraordinary opportunity to create a grand vision and one that takes into account all the comments and participation from the community. Your leadership today can set a new direction for a truly grand development. Thank you.

>> Mayor Reed: Bill Hood, Martin Delsum, Kate White.

>> Thank you, mayor and councilmembers, Phil hood with the Delmas park NAC and I'm a member of the Diridon committee. I just wanted to thank all the comments that reinforce the notion that vision is the most important part of this project. I've heard it described as a transit center, a ballpark, a Guadalupe park, a public square, a tourist destination, a connection to downtown, and a multiuse live-work environment. I think that the mayor is correct. But that it's not a side show to downtown, but those connections between downtown and this area, Santa Clara Street, San Fernando Street, Park, San Carlos, Auzerais, those are really crucial to moving those areas of people. It needs to be an Asia where it's not forced to one to get out of your car. But O&M you want to be out of your car because it is a multiuse environment. I also wanted to mention the issue of alignment and how that affects the general plan, and the neighborhoods. Because the alignment appears a couple of different ways in the document and it may change more times in the future according to D.O.T. and CHSRA. But where high speed rail is placed between bird, San Carlos, 280 and the current CalTrain line, including royal street, can affect whether certain lots are sort of orphaned between high speed rail and CalTrain and would affect the uses that the plan currently envisions, and definitely could negatively impact our neighborhoods. Thank you.

>> Mayor Reed: Martin Delsum, Kate White, Jean Dresden.

>> Good afternoon, my name is Martin Delsum. On January 25th council adopted a resolution to accept the good neighbor committee's recommendation for the development of the Diridon station area. However as Mr. Larson said in response to Councilmember Oliverio's question, the Diridon Station area plan does not follow one explicit recommendation of the good neighbor committee, quote, the restoration of the Los Gatos street to its natural setting as it passes under Montgomery street and park avenue. Today I'm speaking on behalf of save our trails, a California not for profit corporation, whose mission it is to promote trails in Santa Clara County for the benefit and enjoyment of all people. The Los Gatos creek trail will be an essential recreational and transportation link to downtown San José. Current planning shows the trail leaving the watershed and being placed on city streets in the Diridon area. Save our trails believes it is inappropriate for trails to be brought onto city sidewalks. But as the city adheres to its stated policy to follow the recommendations of the good neighbor committee, it will enable the trail to bypass the intersection of Park and Montgomery, an intersection that will be very crowded when high speed rail and BART and a ballpark all come to this area. So in summary, if you vote to accept the motion before you, save our trails urges you to do so with the further proviso that the plan be understood to include the restoration of the Los Gatos creek to its natural state as it passes under the intersection of park avenue and Montgomery street in accord with the January 25th resolution. Thank you.

>> Mayor Reed: Kate White, Jean Dresden.

>> Good afternoon, Mayor Reed councilmembers. Kate White. I'm executive director of the urban land institute's chapter here in the greater Bay Area and I just wanted to thank you for hearing Paul and Allen earlier today and our input into the plan. We've been following this very closely. One of only three stations high speed rail stations in the State of California that we have focused on over the last year in terms of the TOD plans. And I believe copies of our recommendation are with the clerk, if you'd like to take a closer look. I wanted to just touch on three issues that have come up today, that have come up a few times. And a little bit about what we recommended in terms of those they issues. One was parking. Mayor Reed you brought it up quite a few times and it's obviously a critical issue. My -- our response to the parking issue is that there needs to be really thoughtful consideration of

the design of the parking. That if -- and I believe Allen mentioned this earlier when he was representing us, that if it's not hidden, underground, wrapped, in some way it can be actually detrimental to property values and actually detrimental to other modes walking biking transit. That's what you see across the country. And here in San José, there's a lot of excess parking. There's a lot of excess parking lots. There's a lot of empty parking. And one thing we did in our recommendations is, we actually looked at surrounding areas around the Diridon Station, and where there could be access including the airport of extra parking that could be utilized to access Diridon so you don't have to drive right into the station area. So that's on parking. Secondly, one issue Councilmember Oliverio brought it up, was about the ballpark, yes or no I think was the question. And obviously, that will unfold in the months to come. It may not be entirely up to you. But one concern --

>> Mayor Reed: Sorry your time is up.

>> If I could just say one concern about the ballpark was using at other times besides just for the game. Thank you.

>> Mayor Reed: Jean Dresden is our last speaker.

>> Good day, thank you for the opportunity to speak on the Diridon Station plan. The name of the plan says it all. It's about the station. And that's about trains. And that drives a lot of the decisions that are going to happen here, and I hope in the further analysis and in the state of the plan, too. The research about transit use and trains is different than transit use overall. We often don't take a look at both the destination, the work destination, and the live destination. We talk about proximity to housing drives transit use. But with trains, it's the proximity of work the destination of work that drives whether or not someone will use a train station. So people from quite far away will use that station for that. So we need to have that as a focus, and place employment near the station to be attracting other people that are on the train. It's quite a bit different profile than what happens with bus use. With that in mind, I would hope the EIR keeps that differential research there. And secondly, I'm so glad the EIR will include an analysis of underground in it as well as above ground. Because as more details are revealed, we're looking at a width of four tracks over the top of bird avenue. The base of the track will be 65 feet high with

additional superstructure of trains and wires above it. It's going to create divided properties that are irregular in shape, particularly as previously mentioned between the current CalTrain tracks and bird avenue, royal, orchard supply lots, I hope that the EIR will address specifically what the impacts might be on the development ability of those properties and how that will change the numbers long term as we look at the development over horizon.

>> Mayor Reed: Sorry your time is up.

>> Thank you.

>> Mayor Reed: That concludes the public testimony. Is there additional council discussion? I have no request to speak. We have a motion on the floor made by Councilmember Liccardo. Any further discussion? All in favor? Opposed? None opposed, that's approved. That concludes our meeting, we're adjourned. Thank you very much, staff, good work.