

JULY 9, 2019

ITEM #7

**THE POTENTIAL DEMAND FOR RETAIL SPACE AT THE
COLEMAN AND BROKAW SITE IN SANTA CLARA AND
RETAIL DEVELOPMENT STRATEGY RECOMMENDATIONS**

A Memorandum Report

To

TOD BROKAW, LLC

From

GRUEN GRUEN + ASSOCIATES

Urban Economists, Market Strategists & Land Use/Public Policy Analysts

July 2019

(Original Report prepared September 2016)

C1534

Gruen Gruen + Associates



POST MEETING MATERIAL

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*APPLYING KNOWLEDGE
CREATING RESULTS
ADDING VALUE*

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GRUEN GRUEN + ASSOCIATES

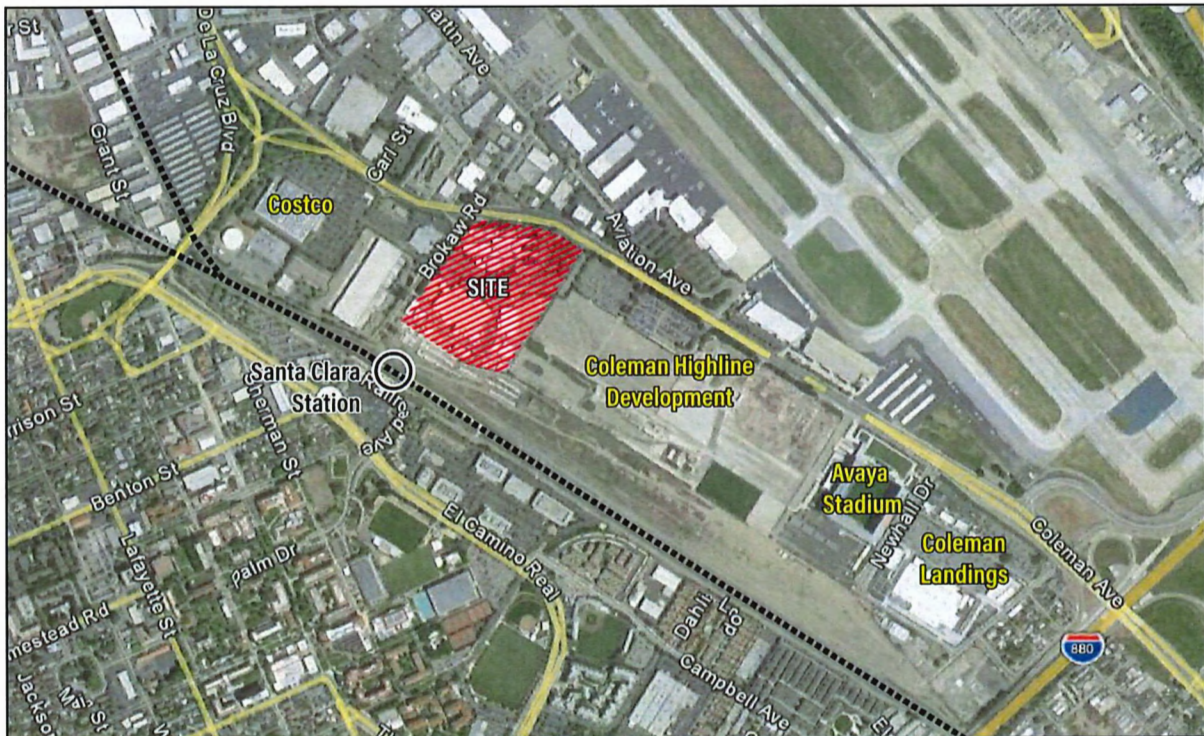
MEMORANDUM

Date: June 28, 2019
To: TOD Brokaw, LLC
From: Gruen Gruen + Associates
Subject: **C1534 Coleman and Brokaw Site Retail Market Reconnaissance Update**
cc:

INTRODUCTION AND PURPOSE

The 23-acre Gateway Crossing redevelopment site located at the southeast corner of Coleman Avenue and Brokaw Road in Santa Clara, California (the "Site"), is identified below in Map 1.

MAP 1: Site Location



Much of the Site is anticipated to be allocated for apartment units. Approximately 1,600 multi-family apartment units are currently planned to be developed at the Site. A 225-room full-service hotel is also planned. A freestanding Costco store, the Coleman Crossroads shopping center, and an Apple warehousing facility are located immediately west of the Site across Brokaw Road. The Coleman Highline property adjoins the Site to the east. The first two office buildings totaling about 360,000



square feet have been completed. The third and fourth buildings of an additional 360,000 square feet have been leased to Roku and are expected to be completed later this year. The full build-out of the Coleman Highline development is planned to include up to 1.5 million square feet of office space, 50,000 square feet of retail space, and two hotels. Coleman Landings, a 250,000-square foot shopping center to the east of the Avaya Soccer Stadium, has lost its anchor retail tenant. The Santa Clara Valley Transportation Authority controls property to the rear of the Site on which the Santa Clara BART station is planned but not yet built. The Site is approximately one-mile northwest of the Coleman Avenue interchange on I-880.

In September 2016 Gruen Gruen + Associates (“GG+A”) conducted a retail market reconnaissance and supply-demand analysis in order to identify the amount and type of retail space that can be supported at the Site. GG+A suggested allocating approximately 20,000 square feet of building space for retail uses. In June 2019, GG+A was asked to update the research and analysis completed in September 2016 to determine if the conclusions and recommendations contained in the original report are still valid. This report summarizes the results of the market reconnaissance completed in June 2019 including conclusions about the amount of retail space supportable and a suggested potential tenancing strategy.

WORK COMPLETED

To gain current insight into the current retail market conditions and factors affecting the Site and the trade area of which it is a part and estimate the relationship between potential demand for and supply of retail space, GG+A staff again: (1) inspected the Site and surrounding area; (2) conducted interviews with leading retail real estate brokers; (3) reviewed secondary market and demographic data and used that data to estimate potential purchasing power or retail demand; (4) reviewed the competing supply of retail space; and (5) compared the estimated retail demand to estimate retail supply within the primary trade area to identify the intensity of competition for retail space users.

REPORT ORGANIZATION

The results of the research and analysis completed have been synthesized in the following sections:

- Executive summary;
- Competitive advantages and disadvantages of the Site;
- Retail market conditions and retail supply competition; and
- Primary trade area and estimated relationship between future retail space supply and retail space demand.



EXECUTIVE SUMMARY

Competitive Advantages and Disadvantages of the Site

The competitive advantages and disadvantages found in 2016 still generally apply to the Site.

The Site benefits from a growing nearby employment base (still primarily industrial in nature, but with an increasing amount of office space employment) and the planned additional office space will increase nearby employment.

The Site has good visibility and exposure to high traffic volumes. Traffic volumes, however, are primarily oriented to commuters which use Coleman Avenue as a bypass around congestion on I-880 and the 101.

The Site still lacks proximity to large numbers of residents (“rooftops”). Fewer than 4,600 households (up an estimated 600 households since 2016) are estimated to be located within one mile of the Site. The development of the planned apartment units at the Site and adjacent office space represents a primary advantage.

A significant challenge or disadvantage of the Site for retail use relates to the presence of the San Jose International Airport and rail lines, which serve as both physical and psychological barriers that limit the geographic trade area that retail or restaurant uses can effectively capture.

As indicated below, another major constraint is the Site is located near but not near enough to link and benefit from spillover from dominant regional- and community-serving retail nodes that exist within a few miles of the Site. For example, both Target-anchored centers described below are more centrally located to concentrations of residential households and population than is the Site. Locations on Coleman Avenue west of I-880 are not preferred shopping destinations. Shopping patterns are weighted to preferred agglomerations of retail space on Coleman Avenue east of I-880.

Retail Market Conditions and Existing Supply Competition

More than 700,000 square feet of retail space including about 274,000 square feet of convenience and necessity-type space exists within about one mile of the Site. Locations within three miles of the Site such as the expanded from 1,500,000 square feet to approximately 2,200,000-square-foot Westfield Valley Fair Mall; the 884,000-square-foot mixed-use Santana Row district (with an additional 1,000,000 square feet of office space constructed or planned); and the 400,000-square-foot San Jose Market Center on Coleman Avenue provide a relatively complete supply of specialty, shopper or comparison good, and value-oriented retail shopping alternatives in regional mall, community, power center, and



mixed-use formats. A variety of entertainment alternatives and casual dining, and fast-casual restaurants that generate daytime traffic and sales spillover are also located in the well-established retail nodes.

Given that households and workers located more than one mile from the Site would have to bypass major retail destinations with dynamic combinations of hard and soft good retailers, restaurants, and entertainment options, penetrating the larger market will be extremely challenging for retail space users located at the Site.

Neighborhood-, community-, and regional-serving shopping centers located within about two to three miles of the Site have established positions of market area dominance through scale (size), tenant mix, and superior locations, including better accessibility and visibility to main arterials and freeways. Expanded grocery offerings and fast-casual food uses have solidified and expanded the trade areas of two Target-anchored centers (Santa Clara Town Centre and San Jose Market Center) each located less than two miles from the Site but closer to a nucleus of residential population than is the Site. The re-positioning of the former Mervyn's Plaza on El Camino Real just 1.5 miles west of the Site completed approximately five years ago (the Santa Clara Town Centre) has also been successful and Santa Clara University students and others located in the vicinity of the University are unlikely to select visiting the Site over Santa Clara Town Centre if the offerings are similar.

A limited amount of in-line and shop space is available in the dominant anchored shopping centers. The overall inventory of retail space in the Santa Clara market remains well occupied, although vacancy rates have increased over the past three years while rents have generally remained stable or declined. An anchor tenant of the Coleman Landings development (Lowe's) less than one mile from the Site has recently closed its stores.

Best-in-class neighborhood and community shopping locations, particularly in north Santa Clara, still ask monthly net rents of \$5.00 to \$6.00 per square foot. Rents for retail space near the Site are not nearly as high as the dominant or preferred retail locations in Santa Clara. Monthly net rents for the retail space closest to the Site are much lower at \$3.00 per square foot or less.

Potential Future Retail Supply Additions Near the Site

In addition to entitlements for 50,000 square feet of retail space for the adjacent Coleman Highline site, an additional 42,000 square feet of retail space as part of mixed-use developments within one mile of the Site are under development or have recently completed construction near the Site for a future total of approximately 92,000 square feet of additional retail space.



Primary Trade Area and Primary Demand Source

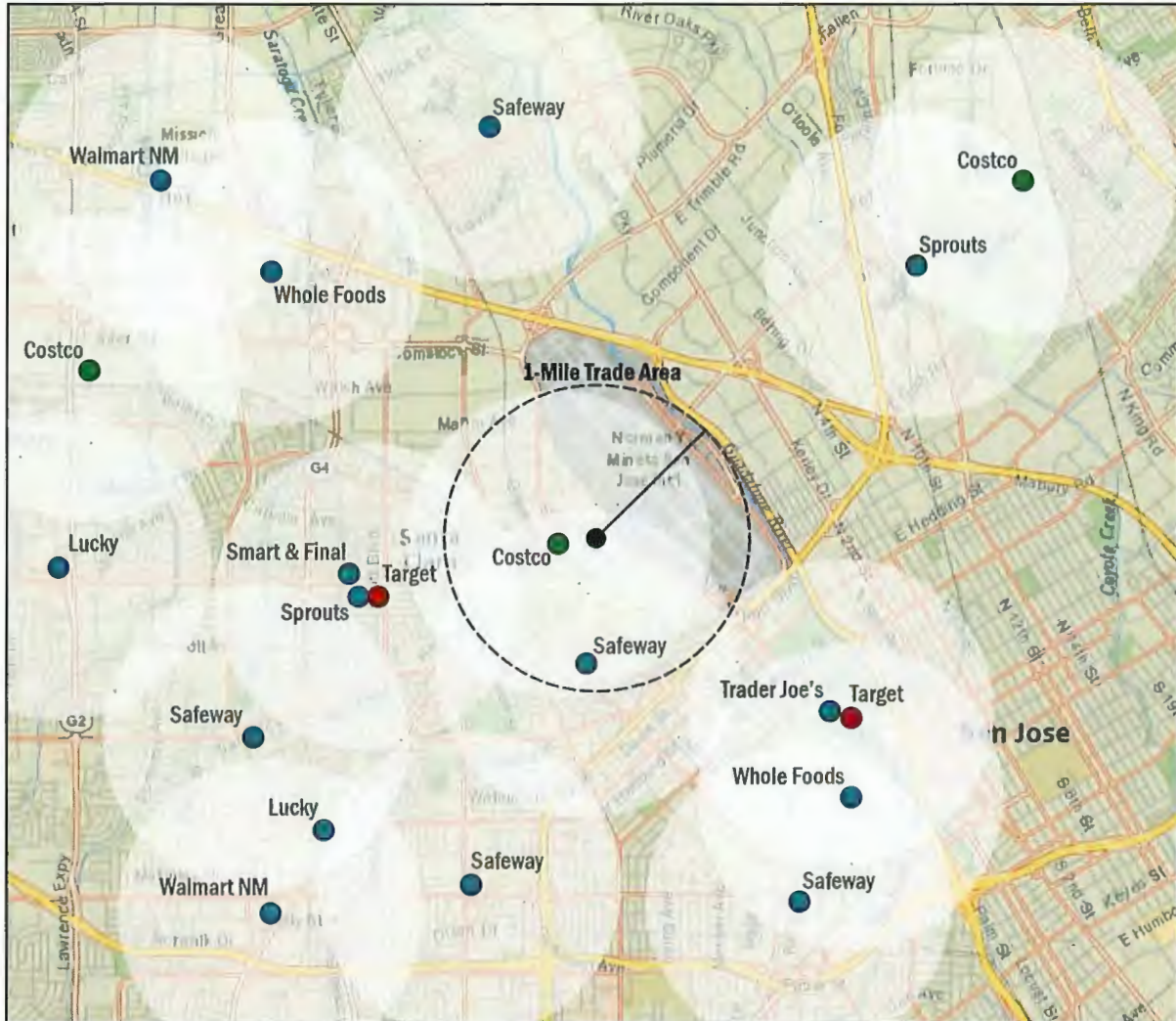
Based on a synthesis of our interviews, review of supply competition, and consideration of advantages and disadvantages that apply, demand will primarily be for convenience/service retail uses at the Site.¹ New residents, hotel visitors, and nearby office workers will be the primary sources of demand, although some sales could be realized from existing residents and workers within approximately one mile of the Site.

The primary trade area for the Site cannot be expected to extend beyond the immediate neighborhood as nearby better located larger retail centers have already established market area dominance with best-in-class tenants and a relatively complete supply of major retailing and food service categories. The existing supply of grocery offerings, for example, illustrated below on Map 2, demonstrates this constraint.

¹ BART and Caltrain ridership may generate a small amount of demand for commuter-oriented eating and drinking or convenience uses.



MAP 2: Surrounding Grocery Supply



Although the Costco adjacent to the Site is reported to produce high sales volumes and draws household shoppers from a wider trade area, few national retailers seek co-tenancy with Costco. Costco typically does not produce much potential for sales spillover (primarily because of its "one-stop shop" membership base). Staples previously occupied the 20,000-square-foot store on the outlot to Costco. Attempts to re-lease the space to another national credit category-killer or drug store retailer were unsuccessful. Staples re-located to Coleman Landings because of preferences for a smaller, newer store format with greater traffic exposure and co-tenants that generate more sales spillover than Costco.²

² Starbucks also relocated from the center because it wanted a facility with a drive-through to help capture commuter traffic (which its previous space in the Coleman Crossroads center did not provide).



Demand Estimated to be Attributable to Planned Apartment Units and Office Space

The development and absorption of the 1,600 apartment units planned for the Site, the 1.5 million square feet of office space planned for the adjacent Coleman Highline site, 500 additional multi-family units planned or proposed elsewhere in the one-mile primary trade area, and the planned on-site hotel could increase demand for necessity and convenience-type retail space, including restaurants, by approximately 47,000 square feet at full build-out.

This estimate of potential demand reflects the assumptions that households expend on average about \$14 per day (365 days per year) on the types of convenience-service retail most likely to represent tenant candidates for the planned retail space and that 5,400 non-local office workers occupy the planned additional office space and expend on average \$10 per work day (250 days per year). This equates to supportable space demand within the primary one-mile trade area of 37,000 square feet at \$600 per square sales productivity. Potential eating and drinking expenditures of on-site hotel visitors are also estimated. At an annual occupancy rate of 80 percent, visitors to the planned hotel use could generate approximately \$6.6 million of dining-related demand assuming optimistically these expenditures are entirely captured within the project Site. The estimate reflects an average travel party size of two persons and daily spending of \$50 per person on food and beverage.

Retail Development Strategy

Given the identified additional retail space of 92,000 square feet exceeds the estimated demand attributable to potential new residents, office workers, and hotel visitors of approximately 47,000 square feet within the primary market area, by 45,000 square feet of space the competition for retail tenancies will be intense. Under the mathematical construct of the retail demand and supply model of the one-mile trade area, retail space at the Site will not serve unmet demand but will need to siphon off demand from competing alternatives.

The primary purpose of including retail space at the Site is to provide both the convenience and sense of place that will facilitate absorption of the planned apartment units for the Site, and enhance the experience of guests of the planned hotel and nearby office space while also providing a buffer between the apartment units and the high volumes of traffic on Coleman Avenue.

It would be advantageous if the commercial space can be positioned so that it is easily accessible to a signalized intersection and highly visible to Coleman Avenue. Providing ease of access and circulation for both automobiles and pedestrians will be important (and a distinct advantage over the future supply alternatives that are designed to be on the ground floors of multi-family buildings). Providing ample parking and drive-throughs for some food uses is important given that pass-by commuters and



area employees will constitute most sales that do not originate from on-site residents and nearby office workers on the adjacent site.

Because (a) the amount of planned additional retail space exceeds the estimated demand attributable to new residents, workers, and visitors likely to be added in the one-mile primary trade area; (b) the broader area contains a relatively complete supply of all retail formats and categories of retailers and eating and drinking establishments; (c) the impacts of the industry trend of retailers closing stores; and (d) the continued growth of ecommerce, allocate a limited amount of building space for retail uses. We believe our original recommendation of 20,000 square feet of retail space is still valid. Therefore, nontraditional uses of ground floor retail space will likely need to be made if the square footage constructed considerably exceeds our initial estimate of the amount of retail space supportable at the Site.

Given nearby centers offer general merchandise, apparel, shoes, big box pet stores, furniture and home décor and other hard and soft goods, the **tenanting strategy for retail space** at the Site should include businesses that help lease the nearby office space and apartment units such as:

- personal service providers (pilates, yoga, gyms, other fitness studios – e.g., Barry’s Bootcamp- which offers group classes with high intensity interval training, weights, and running- already located in Santana Row, and Rumble, a New York-based gym with one San Francisco location featuring boxing-inspired classes involving weights and punching bags; hair/beauty salon; and drycleaner etc.);
- medical services such as optometrists, chiropractors, physical therapists, outpatient clinics, dentists, and a variety of primary care and specialty practices;
- pet services with unique supplies and gifts; and
- eating and drinking establishments (e.g., coffee, tea, yogurt, smoothie, bagel, bakery, wine bar, beer garden, micro-brewery, breakfast and lunch and after workplaces).

The attraction of a unique eating or drinking use such as a wine bar, tap room or small brewery, for example, which despite the competitive constraints that apply to the Site may find the location desirable in part because of its proximity to airport travelers, BART and Caltrain riders, and Avaya Stadium visitors and activities, could function as a “local destination” use that could help to seed other service, retail and eating and drinking tenants and increase the appeal of the Site as a residential location. Such a use though may need to be incentivized with below market rents and favorable tenant improvement allowances.



In addition, consider **designing the commercial space to be able to accommodate "pop-up" stores to help keep the space "fresh" and generate additional revenue** during holiday seasons or incubate local unique businesses. A related approach would be to **design the "pop up" space to accommodate:**

- **Events sponsored by or for office and residential tenants; and**
- **Experience/cultural programming- again designed to distinguish the office and residential building space from competing options.**

If a survey that could be conducted of nearby office tenants (and residential occupants) suggest demand for child-care services and indicates an on-site child-care facility would help tenants recruit and retain employees, **investigate potential options for a child-care facility to operate in space that may otherwise be challenging to lease and keep leased.**



COMPETITIVE ADVANTAGES AND DISADVANTAGES OF THE SITE

One primary purpose of the interviews and field research completed by GG+A was to assess the competitive position of the Site relative to competing retail supply alternatives and to identify the factors that will encourage or discourage the capture of retail demand. Key advantages and disadvantages applicable to the Site are summarized below.

Competitive Advantages

1. Proximity to a growing employment base and therefore daytime population demand for convenience and necessity retail goods, services, and food options during the workday and commute. The local employment base will expand as the 1.5 million square feet of office space on the adjacent Coleman Highline site continues to build out;
2. Exposure to high volumes of traffic on Coleman Avenue (approximately 35,000 vehicles per day at Brokaw Road) at a signalized intersection (Traffic volumes, however, are primarily oriented to commuters which use Coleman Avenue as a bypass around congestion on I-880 and the 101);
3. The approximately 1,600 apartment units planned for the Site will contribute to household expenditure potential growth in the trade area and provide a captive consumer base within walking distance of the retail space;
4. The planned hotel, if successful, will generate demand for eating and drinking establishments or other services (the hotel itself is anticipated to include a restaurant); and
5. Adjacency to the planned Santa Clara BART Station (and associated pedestrian underpass) which may induce greater commuter trips to and from the area.

Competitive Disadvantages and Constraints

1. Population and household density around the Site is limited by the presence of the San Jose International Airport. Limited housing exists north of El Camino Real within about one-half mile of the Site;
2. The presence of major roadways and freeways, the San Jose International Airport, and rail lines serve as actual and psychological barriers to prospective customers. These barriers limit the geographic trade area that retail uses can effectively capture; and



3. Locations near the Site (but not sufficiently close to stimulate sales spillover and cross-shopping) have established positions of market area dominance through their scale (size), tenant mix, and accessibility. Many of the best-in-class general merchandisers and grocers anchor these nearby supply alternatives, such as Target, Sprout's Farmer's Market, and Trader Joe's, which are supplemented by a variety of service, medical, and fast-casual dining options that will help to maintain their positions of market area dominance. Locations on Coleman Avenue west of I-880 are not well-established destinations for shopping. Shopping patterns are oriented to preferred well established and large agglomerations of retail space on Coleman Avenue east of I-880.



RETAIL MARKET CONDITIONS AND EXISTING RETAIL SUPPLY COMPETITION

The Santa Clara retail market remains well-occupied. Occupancy rates and average asking rents have declined slightly over the past three years in the Santa Clara retail submarket as summarized below in Table 1.

TABLE 1: Retail Market Conditions				
	Santa Clara		Silicon Valley Total	
	Vacancy Rate	Average Asking Rent (NNN)	Vacancy Rate	Average Asking Rent (NNN)
2016 ¹	2.3%	\$32.40	5.1%	\$29.04
2019 ¹	3.6%	\$30.50	4.2%	\$33.56
¹ Estimates for first quarter of each year.				
Sources: Cushman & Wakefield; Gruen Gruen + Associates.				

As of first quarter 2019, Cushman and Wakefield reports that more 2,719,000 square feet of retail space in Santa Clara was approximately 96 percent leased. Average annual asking rents for available retail space approximated \$30.50-per-square-foot (triple-net). Our discussions with brokers active in Santa Clara indicate that spaces in the "best locations" are usually leased very quickly at much higher monthly rents – at or exceeding \$5.00-per-square-foot; but the Site is not in one of the best locations. Asking rents in Santa Clara have declined by about six percent since 2016 and the vacancy rate has increased. Throughout the broader Silicon Valley retail market, the opposite has been true. Vacancy rates have declined (albeit very slightly) and average asking rents have increased by more than \$4.50-per-square-foot since early 2016.

The location of the Site does not represent a best-in-class retail opportunity in the context of competing supply alternatives. It is generally betwixt and between well-established community- and regional-serving retail agglomerations, primarily to the south, which include discretionary, destination-oriented retail offerings. Since our original analysis, a national retailer has closed its store locations on Coleman Avenue near the Site (Lowe's in Coleman Landings) due to poor sales performance. Locations within three miles of the Site such as the 1,500,000-square-foot Westfield Valley Fair Mall which is completing a 650,000-square foot expansion, the 884,000-square-foot mixed-use Santana Row district (which is expanding its office space by 1,000,000 square feet of buildings), and the 400,000-square-foot San Jose Market Center provide a significant supply of specialty, shopper or comparison good, and value-oriented retail shopping alternatives in regional mall, community, power center, and mixed-use formats. The trade areas captured by each of these centers include the area within which the Site is located. A variety of entertainment uses, casual dining, and fast-casual restaurants generate daytime traffic and sales spillover to the hard and soft goods retailers in these large retail developments.



The Valley Fair Mall and Santana Row which collectively represent the dominant regional retailing location in Santa Clara County are also currently expanding. A ShowPlace ICON Theater has been completed as part of the approximately 650,000-square-foot expansion and flagship stores for Apple and Bloomingdale's stores will anchor the Valley Fair Mall expansion which also include luxury designer labels, open-air restaurants, and 2,500 additional parking spaces. The Santana Row expansion includes a total of an additional 1,000,000 square feet of office space, a 1,300- space parking structure, a public plaza, and a refresh of the retail and restaurant tenant mix.

Table 2 and Map 3 on the subsequent pages review the existing supply of shopping centers and major freestanding retailers located within approximately three miles of the Site (or about a five to seven-minute drive time).

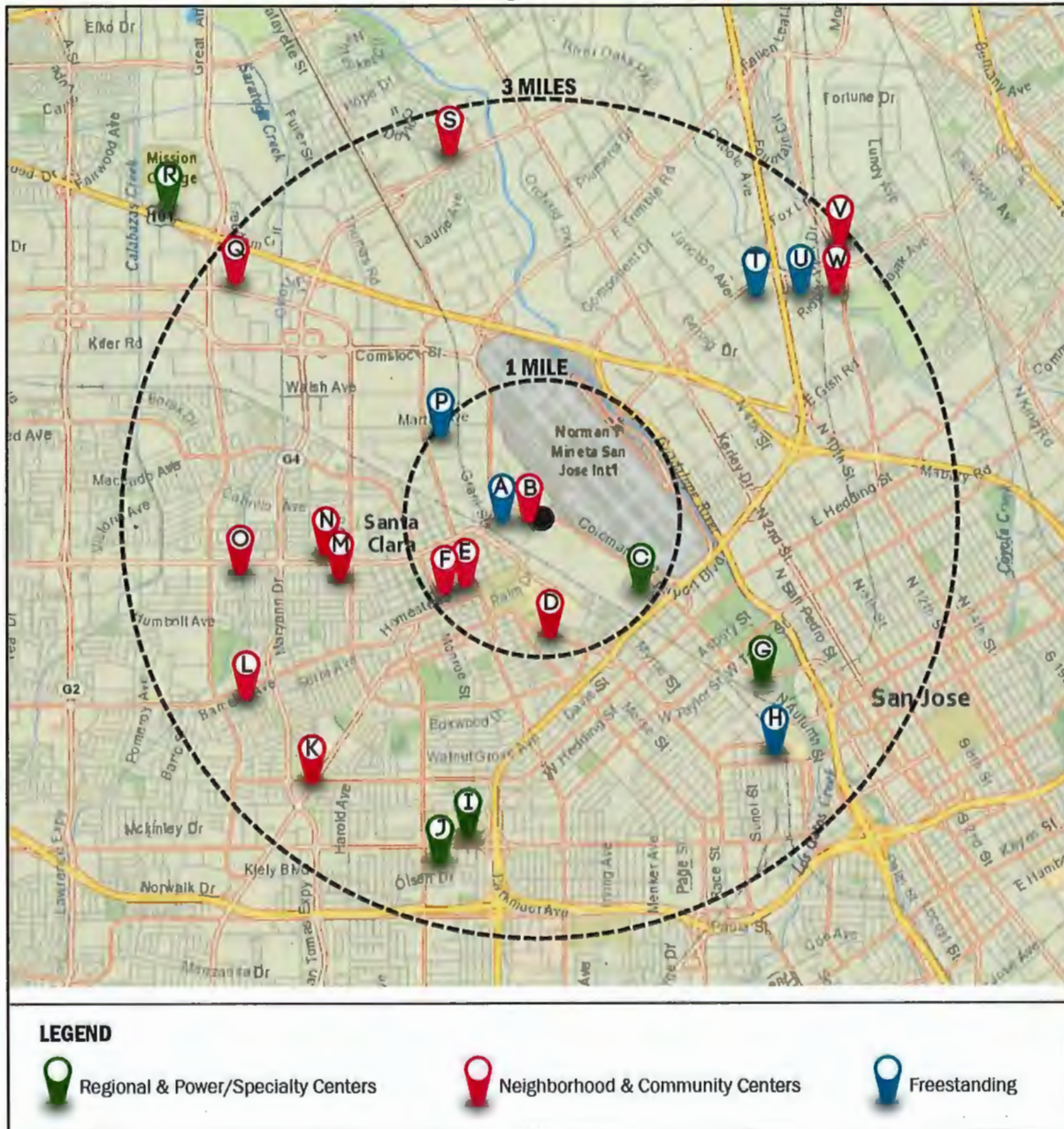


TABLE 2: Existing Shopping Centers and Freestanding Retailers

Map ID	Name	Building Space # Square Feet	Occupancy %	Asking Net Monthly Rent \$ Per Square Foot	Anchor(s)
A	Costco	144,000	100	NA	Freestanding
B	Coleman Crossroads	31,300	100	NA	Patio Furniture BBQ
C	Coleman Landings	250,000	44	NA	City Sports Club
D	Safeway/The Alameda Dist.	70,000	98	3.10	Safeway
E	University Plaza	50,000	95	2.50	Unanchored
F	Franklin Square	56,000	96	2.75	Unanchored
G	San Jose Market Center	360,000	100	NA	Target, Trader Joe's, PetSmart, Marshalls
H	Whole Foods	44,000	100	NA	Freestanding
I	Westfield Valley Fair Mall	1,498,000 Expanding to 2,200,000	99	5.75	Nordstrom, Macy's
J	Santana Row	684,000	100	NA	H&M, Best Buy, Crate & Barrel
K	Pruneridge Shopping Center	47,400	100	NA	Lucky, CVS
L	Mariposa Gardens	124,400	94	NA	Safeway, Ross, CVS
M	Santa Clara Town Centre	283,900	98	2.50	Target, Sprout's
N	El Camino Center	59,000	100	NA	Smart & Final
O	Moonlite Center	169,400	85	1.00	Office Max, Rite Aid
P	Home Depot	120,000	100	NA	Freestanding
Q	Santa Clara Square	152,000	87	NA	Whole Foods
R	Mercado Center	213,100	99	6.00	AMC, Walmart Neighborhood Market, TJ Maxx
S	Rivermark Village	138,000	94	4.75-5.25	Safeway
T	Fry's Electronics	200,000	100	NA	Freestanding
U	Lowe's Store	146,000	100	NA	Freestanding
V	Brokaw Commons	96,000	100	NA	City Sports Club
W	Sprouts @ Brokaw	147,000	100	NA	Sprouts, Ross, HomeGoods, Ulta
Sources: Loopnet; Cushman & Wakefield; GG+A Interviews.					



MAP 3: Existing Area Retail Supply



More than 700,000 square feet of retail space exists within about one mile of the Site. The 31,300-square-foot Coleman Crossroads Center, directly adjacent to the Site, is the best comparable in terms of location, access, and visibility. The property is 100 percent leased although one small 750-square-



foot unit remains unoccupied. The unit was leased last year to a restaurant user who is still working on obtaining approvals and financing for tenant improvements. The broker marketing the property indicates that monthly rents at the center still range from about \$2.00- to \$3.00-per-square-foot, unchanged from approximately three years ago. According to the leasing agent, the property has maintained high occupancy rates but rents were negatively impacted when Staples left the anchor space about five years ago. The broker looked diligently for a mid-scale national box user to back fill the anchor space but efforts were unsuccessful. The anchor space was ultimately leased at a "big discount" to Norcal Patio Furniture and BBQ, a locally owned single-store retailer. The adjacent freestanding Costco store exposes the center's tenancies to the traffic generated by Costco but has not translated into higher sales and rents for nearby tenants. The few in-line restaurants located in the Coleman Crossroads Center are supported almost entirely by weekday lunch hour activity (from nearby workers) and evening commuter traffic.

Coleman Landings located at Coleman Avenue and I-880, adjacent to Avaya Stadium, is the largest center within one mile of the Site. The 250,000-square-foot property is primarily unoccupied. A 45,000-square-foot City Sports Club fitness center still anchors the property but one national retailer Lowe's has recently vacated approximately 140,000 square feet of space. Several shop space buildings on the outlots remain well-occupied. Tenants primarily include food uses, including: Mod Pizza; Chipotle; Smoking Pig BBQ; Which Wich, and Starbucks. Interviews suggest the shop spaces were leased fairly quickly at monthly rents of around \$4.00-per-square-foot. The In-N-Out Burger at Coleman Landings is reported to be one of the restaurant chain's best performing locations. The Coleman Landings property, relative to the Site, is a superior retail location because of its direct access to the Coleman Avenue interchange on I-880 and adjacency to Avaya Stadium visitation and traffic. Even with these relative advantages, the main anchors elected to close their stores at Coleman Landings.

Locations directly south of the Site, across the rail line near Santa Clara University the "Old Quad" area of Santa Clara, are characterized by a smaller and older inventory of retail space. Asking retail rents are much lower than preferred retail agglomerations in the broader market area. A vacant space at Fountain Square is asking monthly rent of \$2.75-per-square-foot. A few small shop spaces on The Alameda adjacent to Safeway are listed at monthly net rents of \$3.10-per-square-foot. Retail uses in and around the Downtown and Santa Clara University area serve a small trade area consisting primarily of local households in the Downtown and students.

The 360,000-square-foot San Jose Market Center on a preferred location on Coleman Avenue west of Highway 87 about two miles southeast of the Site is fully leased with a strong mix of anchor and junior anchor tenants, including Target, Trader Joe's, Marshalls, Cost Plus, and Office Depot, and a variety of fast-food and fast-casual restaurants (Panera Bread, Smashburger, Jamba Juice, Sweet Tomatoes, etc.). The center reportedly enjoys strong sales performance and high rents which has stimulated some redevelopment activity on outlots. BJ's Restaurant and Brewhouse, for example, took over the



lease on an outlot from Chevy's, demolished the building, and built a new 7,500-square-foot restaurant from the ground up.

Another Target-anchored center, the 280,000-square-foot Santa Clara Town Centre, is located less than two miles west of the Site on El Camino Real. The Santa Clara Town Centre has been a successful re-positioning and expansion of the former Mervyn's Plaza completed about five years ago. The \$30 million redevelopment brought in a new 145,000-square-foot Target and a 21,000-square-foot Sprout's grocery store, along with several new outlot buildings now occupied primarily by food uses including Panera Bread, Habitat Burger Grill, Mod Pizza, Peet's Coffee, and Holder's Mission City Grill. The redevelopment also provided on-site plazas, outdoor dining, and enhanced pedestrian amenity areas. The center currently includes about 5,000 square feet of available space with asking monthly rents of \$2.50-per-square-foot. The nearby El Camino Center anchored by a Smart and Final grocery store on the north side of El Camino Real directly across from the Santa Clara Town Centre, while much older with poor ingress/egress and visible signs of deferred maintenance, was 100 percent leased but now has a small amount of vacant space.

Retail supply alternatives in north Santa Clara, although not far from the Site, are located in a distinct geographic market area that is characterized by much more employment density, higher income workers, and higher income households in the core of Silicon Valley. The Rivermark Village center includes about 7,800 square feet of available space with asking rents of \$4.75 to \$5.25 per square foot. The first phase of the Irvine Company's Santa Clara Square development, anchored by a 50,000-square-foot Whole Foods, was leased to a variety of specialty retailers, fitness, and upscale food uses (including Sur La Table, Fleming's Prime Steakhouse, Il Fornaio, Opal, Specialty's Café & Bakery, Corepower Yoga, Lula's Chocolates). Buildings in the second phase of development, completed last year, are reported to contain about 19,000 square feet of available retail space. The older Mercado Center on the north side of Highway 101, anchored by AMC Theatres and a Walmart Neighborhood Market, contains 2,200 square feet of available space at an asking rent of \$6.00 per square foot.

A node of community- and neighborhood-serving retail also exists on Brokaw Road on the east side of the San Jose International Airport, anchored by two large freestanding retailers - Lowe's and Fry's Electronics. The 96,000-square-foot Brokaw Commons center is anchored by a City Sports Club fitness and includes a variety of fast-casual dining options that cater to the local employment base, such as Pieology Pizzeria, Five Guys Burgers and Fries, Extreme Pita, and KoJa Kitchen. On the south side of Brokaw Road, a 147,000-square-foot center anchored by a 30,000-square-foot Sprout's grocery store was completed in 2017. The center has already attracted many new restaurant concepts such as Asian Box, Yalla Mediterranean, Poke Love Habit Burger Grill, MOD Pizza, and Rubio's Coastal Grill. According to the developer, interest from traditional mid-box retailers was also much



stronger than anticipated; the center quickly leased space to Ross Dress for Less, Homegoods, and Ulta.³

PRIMARY TRADE AREA AND ESTIMATED RETAIL DEMAND-SUPPLY BALANCE

Primary Trade Area

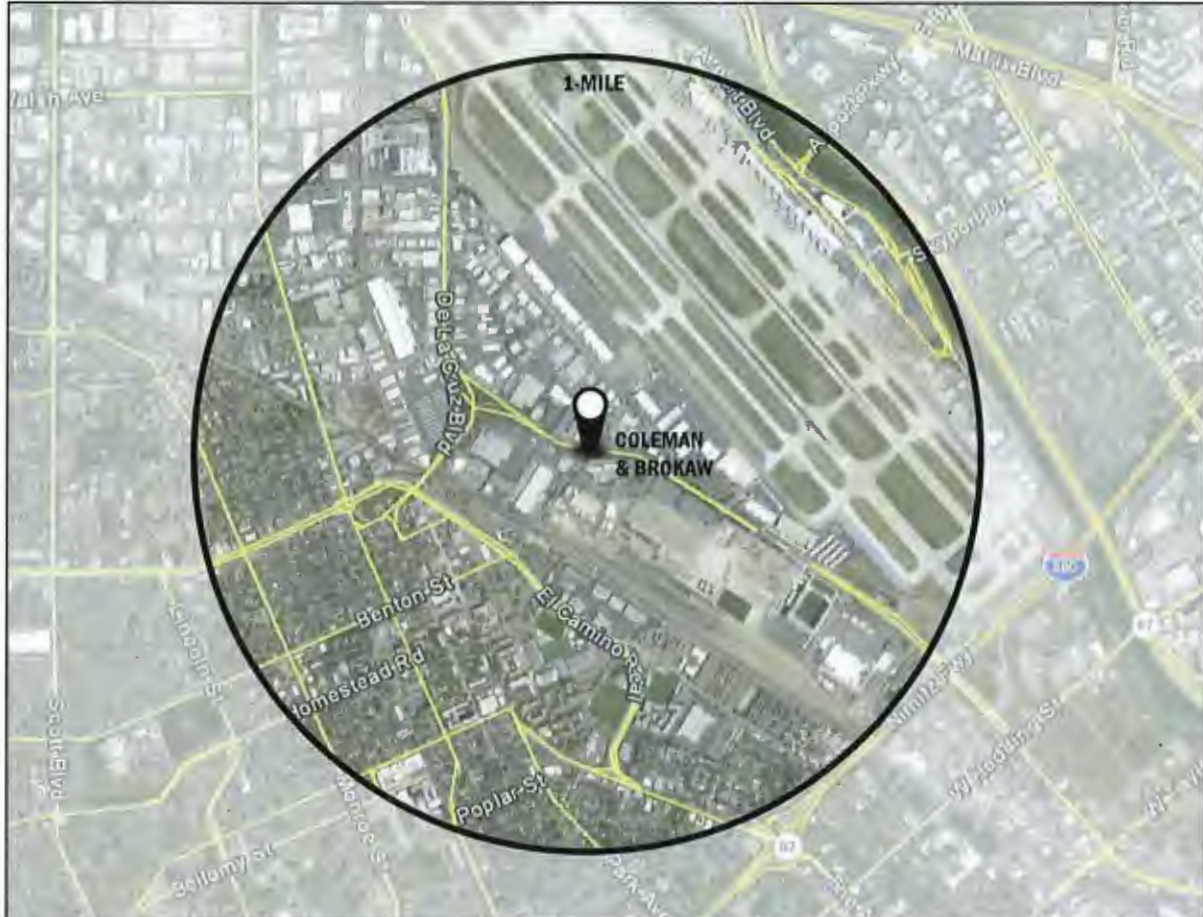
A primary trade area is defined as the geographic area from which most (i.e., 70 percent or more) customers of a store, restaurant or shopping center are drawn. The trade area for any specific center is a function of its size and tenant make-up, accessibility, and the scale and tenancies of competing shopping locations. Therefore, trade areas are dynamic and tend to change as the type, quality and location of retail supply competition changes. The travel time people are willing to expend in order to visit a store or shopping location varies as a function of both the size of the shopping areas and the relative uniqueness of the tenancies and environments available at alternative destinations. The relative accessibility to the shopping area and ease of getting in-, about, and out- of the shopping area also influence the trade area. Uniqueness, attraction, and accessibility are difficult to quantify, but are always relative to the specific competition in the area.

The primary geographic trade area for retail and restaurant space at the Site will be a function of the geographic, visibility, and transportation access factors reviewed previously, and the trade areas currently served by existing neighborhood and community shopping centers near the Site. Based on a synthesis of our interviews, review of supply competition, and consideration of advantages and disadvantages that apply, the primary trade area is likely to not be more than one-mile from the Site with much of the demand originating from residents and office workers of the planned apartment units and office space and existing employment base near the Site as well as guests of the planned hotel.

³ Donato-Weinstein, Nathan. "Why these retailers flocked to new north San Jose shopping center." *Silicon Valley Business Journal*. March 11, 2016. <http://www.bizjournals.com/sanjose/news/2016/03/11/why-these-retailers-flocked-to-new-north-san-jose.html>. <https://www.loopnet.com/Listing/1080-E-Brokaw-Rd-San-Jose-CA/12128579/>.



MAP 4: One-Mile Primary Trade Area



Current Demographics of One-Mile Primary Trade Area

GG+A obtained current demographic and employment data to identify the current composition of people currently living and working in the one-mile primary trade area. Table 3 summarizes estimates of current population, households, income, and employment within the one-mile primary trade area.



TABLE 3: 2019 Demographics of One-Mile Primary Trade Area

	One- Mile Radius ¹
Total Population	14,506
<i>Median Age (in years)</i>	29.7
Total Households	4,539
Average Household Income	\$103,642
Total Employment (# Jobs)	13,716
¹ From Coleman and Brokaw.	
Sources: CoStar Group, Inc., 2019; Gruen Gruen + Associates.	

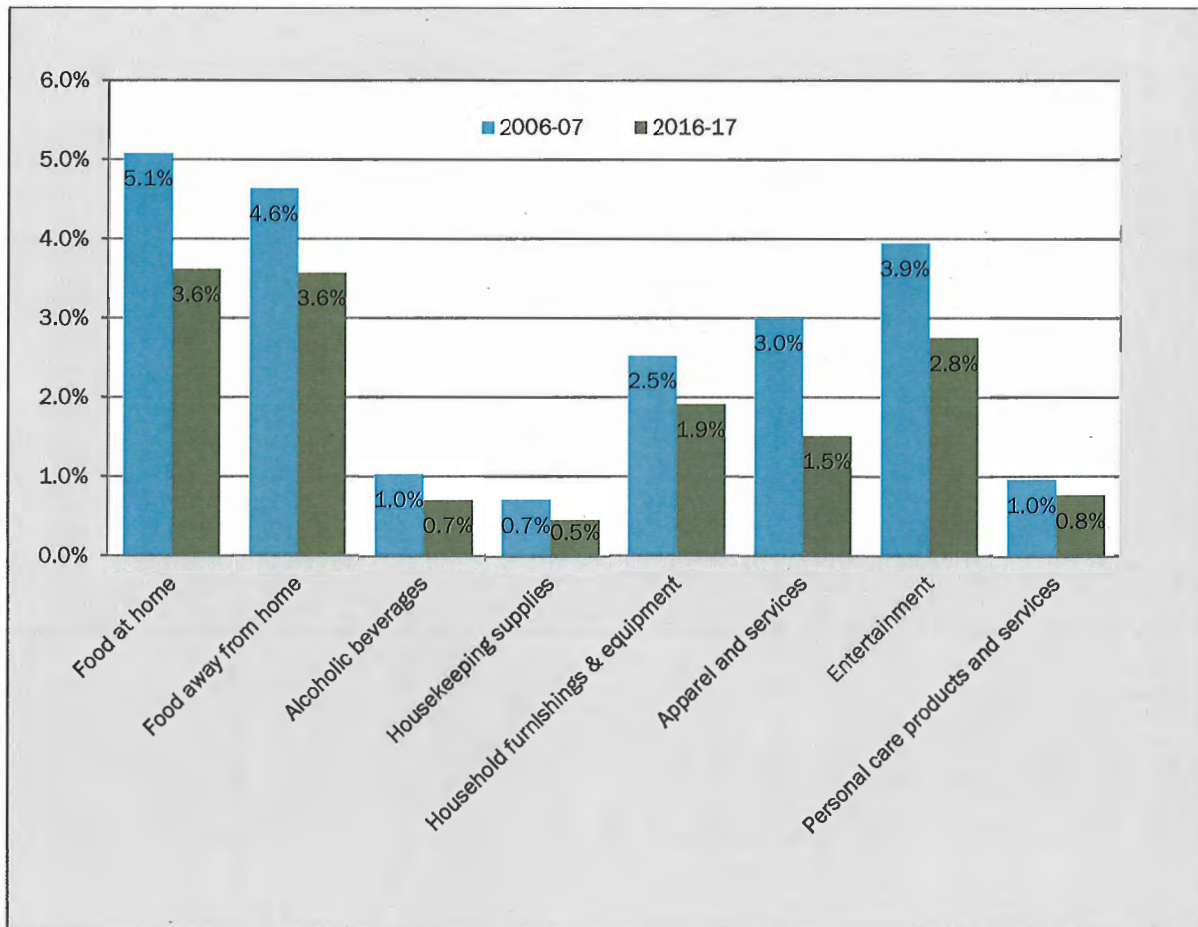
The one-mile primary trade area is estimated to include approximately 14,500 residents, up from an estimated 12,600 residents in 2016. The median age of the trade area population is about 30 years, which reflects the presence of Santa Clara University. The trade area is estimated to currently include about 4,500 households (up from 3,800 households in 2016) with an average household income of approximately \$104,000, up from an average of \$93,000 in 2016.

Approximately 13,700 jobs are currently estimated to be located within one mile of the Site. The industries employing the majority of people within one mile of the Site include educational services, construction, administrative and support services, and manufacturing. Relative to the broader Silicon Valley employment base, the composition of jobs located in the one-mile primary trade area is much less oriented to technology and professional and technical service sectors. Tenants signing leases at the nearby Coleman Highline development, such as Roku and 8x8, however, are changing the employment makeup.

Retail Expenditure Potential

Figure 1 summarizes estimated expenditure rates on various non-automotive retail goods and services for households in the Bay Area as a function of before-tax income. The data is drawn from the most recent United States Bureau of Labor Statistics *Consumer Expenditure Survey*. A 10-year comparison is also presented to illustrate how consumer spending patterns are shifting.

FIGURE 1: Non-Automotive Retail Expenditure Rates for Bay Area Households



Non-automotive retail expenditure rates in the Bay Area have continued to decline. According to the most recent 2016-2017 survey data, Bay Area households spent an average of 15 percent of household income on most non-automotive retail goods and services, including eating and drinking away from home. Two years prior, the expenditure rate was estimated to approximate 18 percent of income. In the 2006-2007 survey, the non-automotive expenditure rate for Bay Area households was 22 percent. All categories of retail expenditure have declined over 10 years. The largest declines have related to spending on food at home, apparel and services, and entertainment.⁴ The decline in the expenditure rate for retail goods is attributable to an increase in household income and housing costs.

Table 4 summarizes an estimate of expenditure potential attributable to future household growth in the one-mile primary trade area on the kinds of food and convenience goods and services offered by

⁴ The "entertainment" category includes spending on a broad array of discretionary retail goods (e.g., pet supplies, sporting goods, personal and home electronics, toys, etc.) and entertainment activities such as movie theatre admissions.



the types of tenancies likely to represent target candidates for commercial space at the Site. We estimate an expenditure rate of six percent of household income and assume that one-half of household expenditures on eating and drinking and convenience goods and services are spent within the one-mile primary trade area. Table 4 also presents an estimate of expenditure potential associated with future office space workers and hotel visitors.

TABLE 4: Potential Future Retail Demand in One-Mile Primary Trade Area	
Future Household Demand	
Total Additional Households ¹	2,110
Average/Total Household Income	\$175,000 / \$369,250,000
Retail Expenditure Rate	6.0%
Primary Trade Area Capture	50%
Retail Expenditure Potential Growth	\$11,077,500
Future Worker Demand	
Non-Local Coleman Highline Workers ²	4,200
Daily Retail Expenditure Per Worker	\$10
Retail Expenditure Potential Growth ³	\$10,500,000
Hotel Visitors	
Annual Visitor-Days ⁴	131,400
Daily Retail Expenditure Per Visitor	\$50
Retail Expenditure Potential Growth	\$6,570,000
Total Additional Retail Expenditure @ Build-out	\$28,147,500
¹ Includes the 1,600 apartment units planned for the Site. ² Assumes 250 square feet of office space per worker and 1,160,000 square feet of remaining office space build-out. Estimate of total employment is reduced by 10 percent to account for workers that may also live in new housing in the trade area. ³ Based on 250 workdays per year. ⁴ Based on 225 hotel rooms at 80 percent annual occupancy with assumed average party size of 2.0 persons.	
Sources: City of Santa Clara; Bureau of Labor Statistics; International Council of Shopping Centers; Gruen Gruen + Associates.	

The one-mile trade area contains approximately 2,100 housing units under construction or planned for future development. Development at the Site represents about three-quarters of these potential future housing units. At full build-out of these units, we estimate that local household expenditure potential will increase by approximately \$11.1 million.



Future office space workers in the remaining build-out of the adjacent Coleman Highline development are estimated to potentially support an additional \$10.5 million of expenditure potential in the one-mile primary trade area. The estimate of worker expenditure potential is based partially on the International Council of Shopping Center's 2012 publication "Office Worker Spending in a Digital Age", which provides survey estimates of office worker spending patterns for various types of retail goods and services. The most recent survey data indicates that suburban office space workers spend an average of \$7.92 per day (during the workday or commute near their place of employment) on restaurants, eateries and delis, and personal care goods and services. For purposes of this analysis, we assume office workers expend on average of \$10 per workday (for 250 days per year).

Potential eating and drinking expenditures of on-site hotel visitors are also estimated. At an annual occupancy rate of 80 percent, visitors to the planned hotel use could generate approximately \$6.6 million of dining-related demand assuming these expenditures are entirely captured within the project Site. The estimate reflects an average travel party size of two persons and daily spending of \$50 per person on food and beverage.⁵

The total retail expenditure potential of the three sources of demand (future residents and hotel visitors plus adjacent Coleman Highline office workers) at full build-out approximately \$28.2 million annually.

Estimated Supportable Amount of Retail Space Demand Attributable to New Trade Area Residents, Office Space Workers, and Hotel Visitors at Build-Out

In order to convert estimates of estimated retail expenditure potential attributable to new residents, workers, and hotel visitors at build-out, an assumption must be made as to the average sales per square foot threshold needed for tenants to viably operate and for landlords to obtain high enough rents to amortize development costs and provide a satisfactory return on investment. We utilize a high average sales-per-square-foot threshold of \$600-per-square-foot to convert retail expenditure potential within the primary trade area to on-the-ground space demand.⁶

⁵ Visitor spending estimate reflects review of secondary data included in tourism impact studies such as the "Economic Impact of Travel in California 2010-2018" by Dean Runyan Associates, Inc. and visitor impact studies solicited by the San Jose Convention & Visitors Bureau.

⁶ Data from the Urban Land Institute's *Dollars and Cents of Shopping Centers* publication indicates that average rents at community and neighborhood shopping centers in the Western United States approximate 6.1 and 5.5 percent of sales respectively. At six percent of sales, a monthly net rent of \$3.00- to \$4.00-per-square-foot would imply an annual sales requirement of \$600- to \$800-per-square-foot. The \$600 sales-per-square-foot assumption is applied as the benchmark that represents the likely minimum sales performance required by retailers or restaurants to feasibly pay rents that will amortize new retail space development costs.



Table 5 presents the estimated relationship between potential future retail space demand and planned, under construction, or recently completed retail supply within the one-mile primary trade area, excluding retail uses that could be developed at the Site.

TABLE 5: Relationship Between the Potential Retail Space Demand and Planned Supply Balance in the One-Mile Primary Trade Area	
	@ Full Build-out of Supply Pipeline # Square Feet
ESTIMATED FUTURE SUPPORTABLE RETAIL SPACE DEMAND¹	
Households/Residents	18,500
Office Space Workers	17,500
Hotel Visitors	11,000
Total Space Demand	47,000
ESTIMATED FUTURE (NEW) RETAIL SPACE SUPPLY	
Coleman Highline	50,000
Mission Town Center	22,000
Downtown Gateway	14,500
Madison Place	5,500
Total Retail Supply	92,000
POTENTIAL UNMET DEMAND (OR SUPPLY SURPLUS)	(45,000)
¹ Based on sales threshold of \$600 per square foot. Figures are rounded.	
Source: Gruen Gruen + Associates	

Under the sales threshold assumption of \$600 per square foot, we estimate the primary trade area retail expenditure potential attributable to future resident, office space worker, and hotel visitor growth can support approximately 47,000 square feet of additional eating and drinking and convenience-personal service retail space.

The additional new or future retail supply within the one-mile primary trade is estimated at 92,000 square feet, excluding retail space included at the Site. The new or future retail space is part of mixed-use projects. The Downtown Gateway project at Franklin Street and Monroe Street is substantially unleased. Only 3,000 square feet of space has been leased to a destination use: Orange Theory Fitness. Asking net rents of \$3.50 to \$3.75 per square foot may be too high to induce businesses to rapidly lease space at the development. The Madison Place development at Monroe Street and El Camino Real includes 24 units above an additional 5,530 square feet of retail space. The residential units have been sold out. The retail space has not been leased and according to a real estate broker may be at least temporarily utilized as office space by the developer. Additionally, the Mission Town Center mixed-use development at 575 Benton Street is under construction with 355 apartment units and



22,000 square feet of ground floor retail space on the six-acre site at El Camino Real and Benton Street across from the Santa Clara Station.

The relationship between estimated retail and estimated supply indicates an excess or surplus of 45,000 square feet of retail space. This relationship suggests for retail space at the Site to succeed, it will need to siphon sales from existing retail space to capture sales from the nearby households and workers commuting to places of employment within one mile of the site as well as visitors to the planned hotel. The likely intensely competitive conditions for both attracting users and customers suggest scaling the amount of space and carefully curating it to appeal to the residents of the Site and adjoining workers and hotel guests.

While future growth in the trade area household and employment base will also increase spending potential for other comparison shopper and discretionary-type goods, for the reasons noted throughout this report, this potential future demand is likely to leak out of the one-mile trade area to the well-established, preferred community- and regional-serving retail nodes located nearby that are likely to maintain market area dominance (e.g., Valley Fair Mall/Santana Row, San Jose Market Center).

Gruen Gruen + Associates (GG+A) is a firm of economists, sociologists, statisticians and market, financial and fiscal analysts. Developers, public agencies, attorneys and others involved in real estate asset management utilize GG+A research and consulting to make and implement investment, marketing, product, pricing and legal support decisions. The firm's staff has extensive experience and special training in the use of demographic analysis, survey research, econometrics, psychometrics and financial analysis to describe and forecast markets for a wide variety of real estate projects and economic activities.

Since its founding in 1970, GG+A has pioneered the integration of behavioral research and econometric analysis to provide a sound foundation for successful land use policy and economic development actions. GG+A has also pioneered the use of economic, social and fiscal impact analysis. GG+A impact studies accurately and comprehensively portray the effects of public and private real estate developments, land use plans, regulations, annexations and assessments on the affected treasuries, taxpayers, consumers, other residents and property owners.

San Francisco:
(415) 433-7598

Denver:
(720) 583-2056

Chicago (Deerfield):
(847) 317-0634

www.ggassoc.com

APPLYING KNOWLEDGE, CREATING RESULTS, ADDING VALUE

7/9/2019

City of Santa Clara

July 9, 2019

Item 7 – 1205 Coleman Avenue Gateway Crossings

PLN2016-12318, PLN2016-12321, PLN2017-12481, and
CEQ2016-01025



**City of
Santa Clara**
The Center of What's Possible



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1205 Coleman – Gateway Crossings

Proposed Land Use Actions

- General Plan Amendment to Santa Clara Station Very High Density Residential (51-120 du/acre) with a minimum commercial FAR of 0.2
- Zoning Code Amendment to add a new zoning designation of Very High Density Mixed-Use (VHDMU)
- Rezone project site from Light Industrial (ML) to VHDMU zoning district
- Vesting Tentative Subdivision Map
- Development Agreement





**City of
Santa Clara**
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1205 Coleman – Gateway Crossings

May 21, 2019 City Council

- Council Action – Continue Project to July 9, 2019
- Council Requests
 - Additional Retail
 - Include options for extensions of lease for space to the Police Activities League (PAL)
 - Provide a pedestrian connectivity diagram
- Community Comments
 - Shading of park by buildings
 - Reduce block size and provide smaller building footprints
 - Create a placemaking destination at the project site

3



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1205 Coleman – Gateway Crossings

July 9, 2019 – Revised Project

- Increased retail from 25,000 sq. ft. to 45,000 sq. ft.
- 20-year lease with a 10 year option and additional 4-year, 11 month option (total of ~35 years)
- Reduced residential units from 1,600 units to 1,565 units
- Reconfigured tower location to reduce shade on park site and provide more view connections





City of Santa Clara
The Center of What's Possible

1205 Coleman – Gateway Crossings

July 9, 2019 – Commercial Areas

- Increased at-grade retail space from 25,000 sq. ft. to 45,000 sq. ft.
- Includes 7,500 sq. ft. for lease to PAL at \$1 per month
- Reduced hotel area from 162,000 sq. ft. to 152,000 sq. ft. with no change number of hotel rooms or other program spaces



City of Santa Clara
The Center of What's Possible

1205 Coleman – Gateway Crossings

Pedestrian Connectivity Diagram





1205 Coleman – Gateway Crossings

Recommendation

- Approve and Certify EIR, adopt CEQA Findings and SOC's and MMRP;
- Approve GPA #87 from Regional Commercial, High Density Residential and Very High density Residential to Very High Density Residential with minimum commercial FAR of 0.2; amendment to the General Plan Land Use Map for the Santa Clara Station Focus Area to reflect the General Plan change; and revision to the CAP to add TDM goals for the new land use designation;
- Adopt an Ordinance to approve the Development Agreement;

7



1205 Coleman – Gateway Crossings

Recommendation

- Approve Rezone from ML to Very High Density Mixed-Use to allow phased construction of a mixed-use development consisting of 1,565 residential units, 152,000 square foot hotel, 45,000 square feet of supporting retail, park and open space, surface and structured parking facilities, private streets, and site improvements; subject to conditions that include additional pedestrian, decorative paving and landscape enhancements to the 30-foot wide north – south private street on the west side of the public park and Building 2 that connects Brokaw Road to Champions Way; and
- Approve the Vesting Tentative Subdivision Map for the purpose of developing 2 commercial parcels, 4 mixed-use parcels, 2 dedicated park parcels and 6 common lots for site access/circulation and utility corridors to serve the development

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City of Santa Clara

July 9, 2019

**Item 7 – 1205 Coleman Avenue
Gateway Crossings Project**

PLN2016-12318, PLN2016-12321, PLN2017-12481, and
CEQ2016-01025



**City of
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BACKUP SLIDES

PLN2016-12318, PLN2016-12321, PLN2017-12481, and
CEQ2016-01025



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**City of
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1205 Coleman – Gateway Crossings

May 21, 2019 City Council

- 1,600 multi-family dwelling units
- 25,000 sq.ft. ground floor retail
- 162,000 sq.ft. full service hotel
 - 225 rooms
 - 5,500 sq. ft. food & beverage uses
 - 36,100 sq. ft. amenity space
 - 8,300 sq. ft. conference space
- 2.6 acre park
- 2,588 parking spaces
- Street network



**City of
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1205 Coleman – Gateway Crossings

July 9, 2019 City Council

- 1,565 multi-family dwelling units
- 45,000 sq.ft. ground floor retail
- 152,000 sq.ft. full service hotel
 - 225 rooms
 - 5,500 sq. ft. food & beverage uses
 - 10,900 sq. ft. amenity space
 - 8,000 sq. ft. conference space
- 2.6 acre park
- 2,332 parking spaces
- Street network





City of Santa Clara
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1205 Coleman – Gateway Crossings

Summary of Design Changes



- Hotel Phase 1
- "Tavern on the Green" restaurant
- Breaks in building at podium level
- Increase in retail
- 0.46 acre linear park
- Street connection
- Updated building architecture
- PAI lease – 20 year term

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City of Santa Clara
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1205 Coleman – Gateway Crossings

Summary of Design Changes

	December 4	May 21	July 9
Housing Units	1600	1600	1,565
Retail (SF)	15,000	25,000	45,000
Hotel Rooms	225	225	225
• Food/Bev (SF)	5,500	5,500	5,500
• Amenity (SF)	4,400	10,900	10,900
• Conference (SF)	6,300	8,000	8,000
Park (Acres)	2.1	2.6	2.6
Parking	2,783	2,588	2,332

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1205 Coleman – Gateway Crossings

Residential Design Changes

- Unit count reduced
- Unit size unchanged
- Change in massing and building breaks

	December 4	May 21	July 9
Studio	230	198	184
1 Bedroom	633	673	684
1 Bedroom + Den	127	42	108
2 Bedroom	562	612	504
2 Bedroom + Den	48	58	90



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1205 Coleman – Gateway Crossings

Development Agreement

- Hotel construction in Phase 1
- Maintenance of two public parks totaling 2.6 acres
- Payment of Local Transportation Fees (\$250/bedroom; \$2.50/com. sq. ft.)
- Payment of Regional Transportation Fees (\$250/bedroom, \$400/hotel room, \$2.50/com. sq. ft.)
- Fair Share Traffic Fees of \$1,680,194
- Bicycle and Pedestrian Improvement Fees of \$825,000
- Brokaw Road street improvements
- 10% Affordable Housing Contribution
- LEED Silver or better

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**City of
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1205 Coleman – Gateway Crossings

Planning Commission – Project Changes

Approved Project Components with Modifications (Agreed to by Applicant)

- 10% affordable housing units on-site (5% at 80% AMI; 5% at 100% AMI)
- 20% VMT reduction increases to 30% when BART is operational
- Increase Zoning District density range to 51-120 DU/AC
- Additional TDM measures (increased bicycle parking, electric outlets in bicycle garages, bike and car share programs, electric scooter parking)
- Park maintenance to be consistent with City park standards
- Provide 6% of parking spaces with electric vehicle charging and pre-wire an additional 9%

17

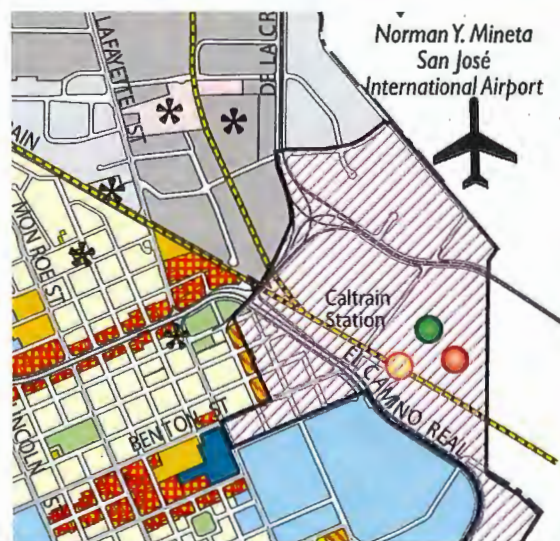


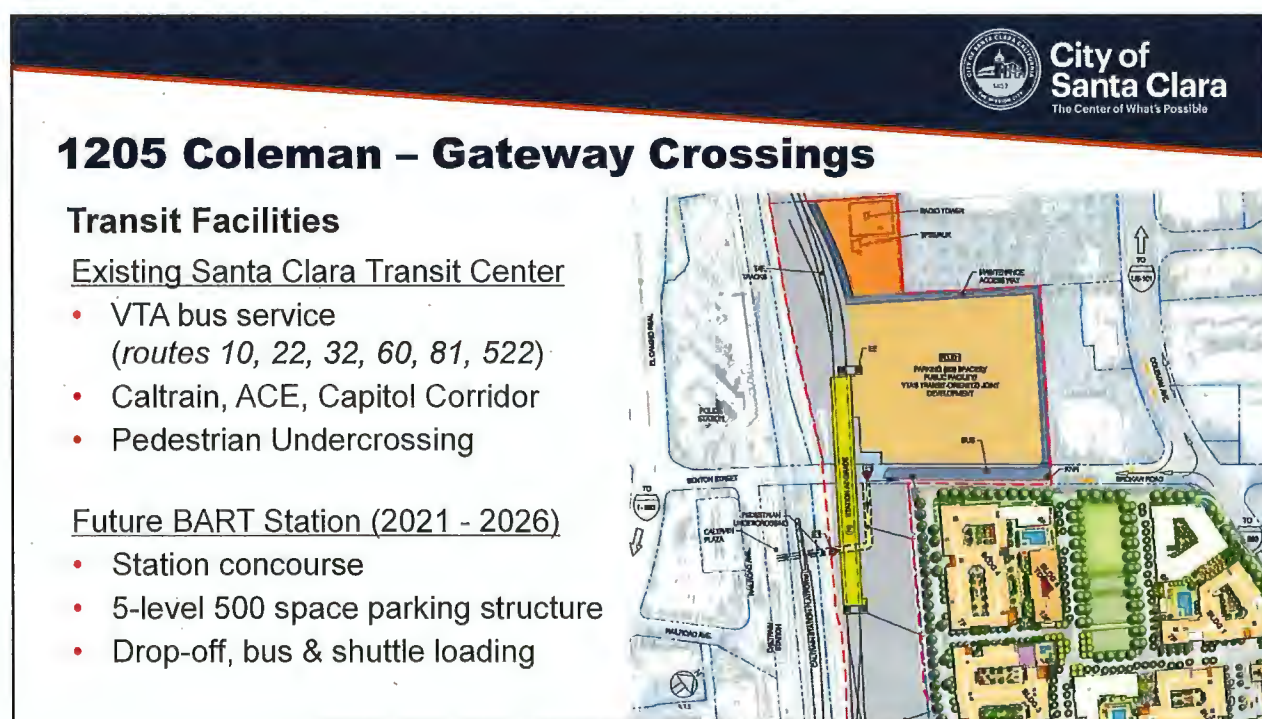
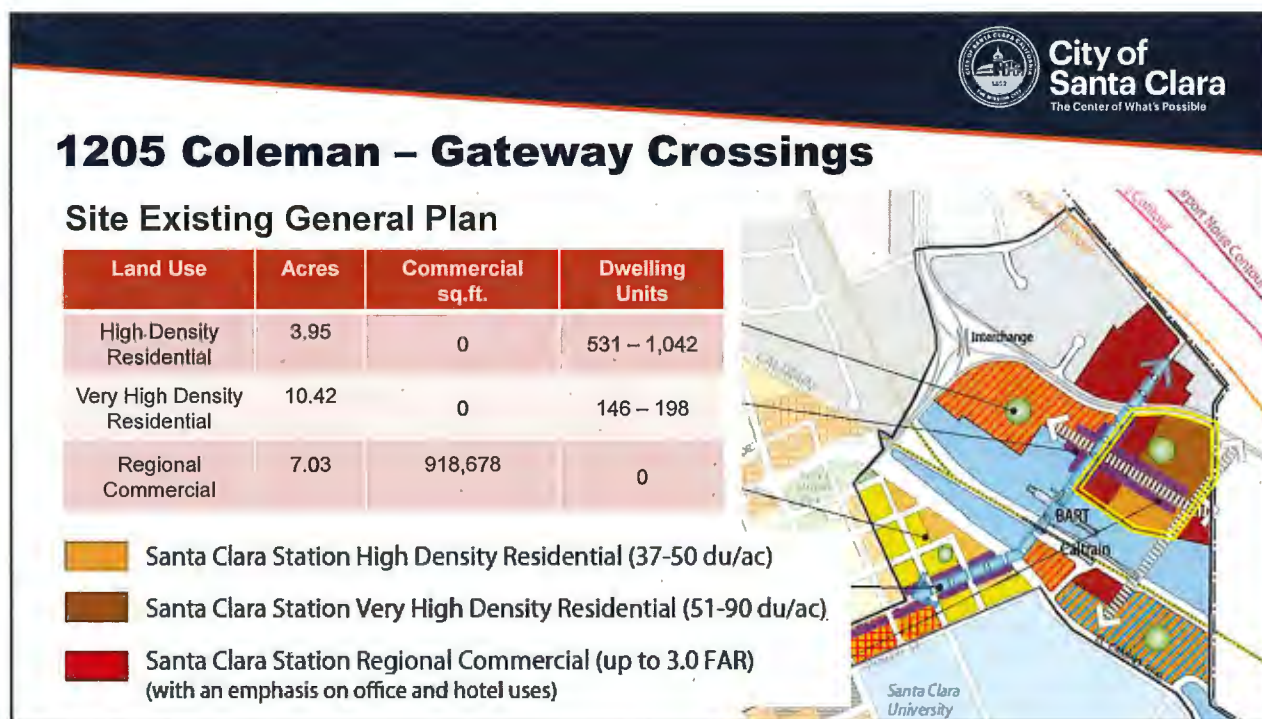
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1205 Coleman – Gateway Crossings

Santa Clara Station Focus Area

- 244 acre Phase 1 Focus Area
- Gateway into the City
- Pedestrian and transit oriented
- 1,650 residential units
- 2,000,000 sq. ft. non-residential uses

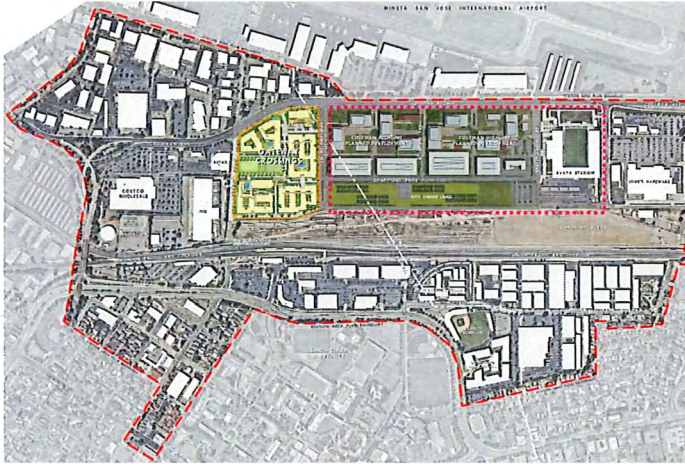






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1205 Coleman – Gateway Crossings



Coleman Highline Project

- Phased development
 - Phase 1 complete
 - Phase 2 under construction
 - Phases 3 & 4 construction 2021
- 1,500,000 sq.ft. of office, retail, hotel uses, Avaya Stadium, & street network
- 4 – 7 story buildings
- City of San Jose practice soccer fields

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JULY 9, 2019

ITEM#7

**MEMORANDUM OF UNDERSTANDING REGARDING FUTURE LEASE
BETWEEN TOD BROKAW, LLC AND SANTA CLARA
POLICE ACTIVITIES LEAGUE, INC.**

THIS MEMORANDUM OF UNDERSTANDING REGARDING FUTURE LEASE ("**MOU**"), entered into as of July 9, 2019 (the "**Effective Date**"), is by and among TOD BROKAW, LLC, a California limited liability company ("**Landlord**"), and SANTA CLARA POLICE ACTIVITIES LEAGUE, INC., a California nonprofit corporation ("**Tenant**"). Each of Landlord and Tenant may be referred to herein as a "**Party**" and collectively as the "**Parties**."

RECITALS

- A. TOD Brokaw, LLC is the fee owner of approximately 21.369 gross acres of real property located in the Cities of Santa Clara and San Jose, County of Santa Clara, commonly known as 1205 Coleman Avenue, as depicted in Exhibit A attached hereto (the "**Property**"). The Property is comprised of "**Phase 1**" and "**Phase 2**", each as depicted in Exhibit A attached hereto.
- B. Landlord and Tenant desire for Landlord to lease to Tenant, and for Tenant to lease from Landlord (such lease, the "**Lease**"), to-be-determined ground floor retail space within Phase 1, on the terms and conditions set forth herein.

AGREEMENT

- 1. **Term of MOU.** The term ("**Term**") of this MOU shall begin on the Effective Date and end January 1, 2020, unless earlier terminated. This MOU shall immediately terminate if the Gateway Crossings Project ("**Project**") is not approved by the Santa Clara City Council.
- 2. **Key Lease Terms.** Upon the issuance of all necessary Project approvals, Landlord and Tenant shall thereafter promptly enter into the Lease, whereby Tenant shall lease from Landlord (i) an approximately 7,500 rentable square foot ground floor retail space, and (ii) a shared, approximately 1,000 rentable square foot ground floor conference room, each in Phase 1 of the Project in a location designated by Landlord in its sole discretion (collectively, the "**Premises**"). The Lease (i) shall be for a primary term of twenty (20) years, with two successive options to extend on the part of Tenant, the first option being for ten (10) years and the second option being for four (4) years and eleven (11) months, on terms mutually agreed upon, and (ii) shall be on a triple net basis. The base rent for the Premises shall be \$1.00 per month. The Lease shall also contain a right on the part of the Landlord to, at Landlord's sole cost and expense, relocate the Premises to Phase 2 of the Project on substantially the same terms and conditions as the Lease. In addition, the Lease shall terminate if Tenant is unable to reasonably timely obtain the requisite approvals from applicable governmental authorities for Tenant's intended use of the Premises as a gym/boxing/fitness facility. The Lease shall otherwise be prepared by Landlord's counsel on Landlord's standard lease form (which includes, among other things, Landlord's requirements for insurance), and the Parties shall conduct any negotiations in good faith.

3. **No Assignment.** Tenant shall not assign or otherwise transfer this MOU or any right hereunder without the prior written consent of Landlord, which may be withheld in Landlord's sole and absolute discretion.
4. **Governing Law; Exclusive Jurisdiction.** The parties hereto expressly agree that this Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of California, without regard to any principles of conflicts of laws thereof to the extent they would result in the application of the laws of, or direct a matter hereunder to, another jurisdiction. The exclusive venue for any legal proceeding arising out of or related to this Agreement shall be in Santa Clara County, California.
5. **Counterparts.** This MOU may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

WITNESS THE EXECUTION HEREOF the day and year first hereinabove set forth.

TENANT:

SANTA CLARA POLICE ACTIVITIES LEAGUE, INC.,
a California nonprofit corporation

By: KM WALKER
Name: KM Walker
Its: PRESIDENT

LANDLORD:

TOD BROKAW, LLC
a California limited liability company

By: H/S Brokaw, LLC
a California limited liability company
Its: Manager

By: Derek K. Hunter, Jr.
Name: Derek K. Hunter, Jr.
Its: Manager

By: Edward D. Storm
Name: Edward D. Storm
Its: Manager

EXHIBIT A

DEPICTION OF PROPERTY, PHASE 1 AND PHASE 2

18121 KIMBARK AVE. SUITE 200, CUPERTINO, CA 95014
Phone: (408) 255-1100 Fax: (408) 805-8426

STORM CENTER

DATE:	06-03-2010
PROJECT #:	
SCALE:	1" = 60'-0"
	25 100

NORTH

PHASING
PLAN -
INFRASTRUCTURE

SHEET NUMBER
SP3.03

MVE

1900 Main Street, Suite 200
Irvine, California 92614
69.809.3300

EXHIBIT A

**SIDEWALK IMPROVEMENTS
ARE NOT INCLUDED ON THIS
SIDE OF THE STREET**

VTA TUNNEL

	PHASE 1	PHASE 2
1. Identify the problem.	1. Identify the problem.	1. Identify the problem.
2. Analyze the problem.	2. Analyze the problem.	2. Analyze the problem.
3. Develop a plan.	3. Develop a plan.	3. Develop a plan.
4. Implement the plan.	4. Implement the plan.	4. Implement the plan.
5. Evaluate the results.	5. Evaluate the results.	5. Evaluate the results.



**City of
Santa Clara**
The Center of What's Possible

AGENDA ITEM #:

7

AGENDA REPORT

Date: July 9, 2019

To: City Manager

From: Acting Executive Assistant to the Mayor & City Council

Subject: Correspondence received regarding Item #7 on July 9, 2019 City Council Meeting Agenda

From Wednesday, June 26, 2019, at 12:00 p.m., through Tuesday evening, July 9, 2019, at 5:00 p.m., the Mayor and City Council Offices received the attached communications regarding Item #7 – Public Hearing: Actions on Gateway Crossings project located at 1205 Coleman Avenue including General Plan Amendment to Santa Clara Station Very High Density Residential (51-120 du/ac) with a minimum commercial Floor Area Ratio (FAR) of 0.20, revision to the Climate Action Plan to add Transportation Demand Management (TDM) goals for the new land use designation, creation of a new Very High Density Mixed Use Zoning District and Rezoning to that District, Vesting Tentative Subdivision Map, Development Agreement, Environmental Impact Report (EIR), and Mitigation Monitoring and Reporting Program (MMRP).

Genevieve Yip
Acting Executive Assistant to the
Mayor & City Council

Documents Related to this Report:

- 1) Communications received

L:\Agenda Reports & Memos\Communications Received Memos\07-09-2019\Item7

POST MEETING MATERIAL

7/9/2019

ITEM 7

Genevieve Yip

From: Jonathon Evans <jonathon.evans@gmail.com>
Sent: Tuesday, July 9, 2019 3:11 PM
To: Mayor and Council
Cc: Old Quad Residents Association
Subject: Gateway Crossings Project - 07/09/2019 Council Agenda Item #7

Categories: POST MEETING MATERIAL

Dear Mayor and Council,

I am writing you in regards to the Gateway Crossings Project.

The site of the Gateway Crossings Project is a key site within Santa Clara for development. It's a large undeveloped lot in the most transit connected site in our City. What we build at this location will set the tone for development around the Santa Clara station and the future downtown.

While improvements have been made to the project since last December, I ask that the council deny the Gateway Crossing project as put before you. The project as proposed is still flawed, and needs to start over with community feedback from the beginning.

There are three key elements which any project on this site must have:

1. Dense Housing
2. Neighborhood Retail
3. Walkability and Community Spaces

This project falls short on achieving all of these three elements:

1. Housing

- Project is only building 73.1 du/acre, and BART recommends a minimum of 75.
- Podium + 5 has done as high as 195 du/acre in other municipalities, such as LA.
 - Densities, even with retail can be much higher than we are achieving with this project:
<https://www.woodworks.org/wp-content/uploads/17NW05-SMITH-Multi-Story-Podiums-WSF-170425.pdf>
- We're already changing the general plan for this project, and we could do more.

2. Retail

- All retail, including the "Tavern on the Green", should be co-located to create a neighborhood retail district.
- Amenities, and services for the buildings should be outside the main retail corridor.
 - Leasing offices should move off the "main street".
- All retail spaces need to be designed for flexible use, and for potential use as a food-service location.
 - Minimum depths of 50'-60'
 - Minimum width of 16'-20'
 - Built in design accommodations for food service hoods, and grease trap installation.
- There should be some initial on-street "teaser" parking for the retail to show it's in business and available.
 - Should be designed to be repurposed into seating or extra sidewalk space in the future such as Lincoln street in Willow Glen.
- The linear park breaks up the retail and hides store-fronts on the west side of the street.
 - The park needs to be incorporated into the retail corridor.
 - Park could be designated such that it can be put to retail uses such as seating for restaurants, or pop-up shops.
 - Park could have the street split around it to create a boulevard rather than a barrier.

3. Walkability and Community Spaces

- Blocks longer than 350' create barriers which discourage walking.
- Buildings along the key walking routes have 500'-600' blocks and should be broken up to allow pedestrian access.
 - The Santa Clara Station area plan from VTA shows this area as a 3x3 grid to maximize walkability.
- Need to leverage PUBLIC community spaces as much as possible.
 - Rooftop amenities should be preferred to large podium deck amenities.

Santa Clara can do better than what is being put forth for Gateway Crossings. The Hunter Storm Properties is not building the best project they can in Santa Clara. The Council should deny the project outright, or at the very least only approve an initial phase 1, so that the design issues can be fully addressed.

Sincerely,

Jonathon Evans
Vice President, Old Quad Residents Association

7/9/2019

ITEM 7

Genevieve Yip

From: Patricia Leung <patriciaoqra@gmail.com>
Sent: Tuesday, July 9, 2019 3:13 PM
To: Mayor and Council
Cc: contactoqra@gmail.com
Subject: Comments on Gateway Crossing Proposal. Agenda Item #7 for City Council Meeting 9 Jul 2019

Categories: POST MEETING MATERIAL

RE: Comments on Gateway Crossing Proposal. Agenda Item #7 for City Council Meeting 9 Jul 2019

Dear Mayor and Council Members,

I have come before you multiple times in the public hearing setting to make my view be known on the project. I am continuing my sentiment that the Gateway Crossings proposal currently being considered should be denied.

- This is a backwards thinking proposal that does not suit the City's placemaking visions of today, and much less for the future.
- Without a true station area specific plan to maximize the usage of this Gateway to the heart of the city, we are shortchanging ourselves with parcel by parcel work dictated by the developers drive for a greater margin at the expense of Santa Clarans. This is the exact type of proposal and process that lost us the Downtown at the first place.
- We need a vision, and we need a proposal that can be adaptable to our changing demographics and how people work/live/play.
- The parties involved have spent so much time arguing the numbers that no one ever got around to refining the design. Without your push to better design, we are going to get the apartment equivalent of a big box store. I want to remind the Council that concept art is not the equivalent of careful design for execution.
- We need to move past this flawed proposal to let more forward thinking developers to step in to create a plan that will effectively use the site to enrich the South Bay and make Santa Clara truly the Center of What's Possible.

Reasons for Denial

- The traditional podium deck construction resulting in a "garden apartment" for privacy and safety is inward thinking.
 - This type of mediocre design boasts an effective use of "upgraded" private space for the residents. But when was the last time you hung out in one? It doesn't matter how nice the amenities are, there are severe restrictions on what you can put on a podium. You can't plant shade trees, and you are effectively putting lawn furniture on top of concrete. It is exposed, uncomfortable, and isolating. I've included a couple pictures of one such example in the city for reference.
 - I personally feel unsettled when I sit by myself in an empty courtyard. It's even worse when there is somebody else around since I feel like I'm encroaching on their private space.
 - This type of design may look good on paper, but it does not foster the vibrancy of a community in practice.
- Hunter Storm does not recognize the importance of the station area.
 - This is the most transit rich site in Santa Clara with Caltrain, ACE Train, Amtrak, VTA bus hub, free shuttle to San Jose Airport, and future BART stop. We also found out last week that High Speed Rail will adopt plans to use the Caltrain infrastructure.

- A good project should give transit riders, office workers, and Avaya Stadium event attendees reasons to stop in Santa Clara to investigate and explore the area instead of passing through to our closest transit neighbors in San Jose and Sunnyvale.
- A good project should plant the question in anyone who passes through the area, “What else is there?”
- A good project should leverage the City’s placemaking efforts from the last couple of years to create an urban village with dynamic retail and public amenities that complements the great Downtown to come.

Items for Mayor and Council Members to Consider

1. Limit the Approvals to “Phase #1” Only

1. Remove Building #3 & #4 from the project and allow further time to accommodate the changes in housing needs, public transportation options/usage, retail changes, and downtown planning.
2. PAL space is located in the Phase 1 buildings and would remain in the project.
3. This allows the developer a stepped approach to build and lease in order to avert flooding the market.

2. Architectural Input From the Community

1. The discussions since December revolved around the macro project components and configuration. We never got far enough to work on design components.
2. The architecture is important to define a community’s identity. We should provide a pleasant and interesting environment for residents instead of stuffing them into undifferentiated boxes.
3. District 2 constituents deserve to feel like they are part of a vibrant community as we do in the Old Quad.
4. We need to make Santa Clara’s train station identifiable, interesting, and inspiring.

3. Retail Viability

1. The changes in retail and the need to provide flexible spaces is key to the success of this project.
2. The joint planning commission/El Camino CAC meeting with the retail expert was valuable and informative
 1. At the June 12, 2019 Planning Commission Study Session, the retail expert stated that brick and mortar retail is not going away, it is evolving <https://www.youtube.com/watch?v=fiEnYqXOhw0>
 2. When retail fails, it is because it is built as an afterthought with spaces that are not usable and unattractive.

3. Proposed Changes to the Current Plan

1. Relocate all non-retail spaces to alternate sides of the building away from “Paseo Way”
 1. A good project should have retail spaces that are clustered together to amplify foot traffic.
 2. No Lobby, Leasing Office, Amenities, Entrances on the Paseo
2. Provide “teaser” parking along the retail corridors
 1. These spaces can provide movement and interest in front of the stores.
 2. If needed, these spaces can be converted into pocket patio spaces for the retailers - some examples are of Castro Street in Mountain View or Downtown Willow Glen
3. Correct retail spaces to expert standards dimensions
 1. Each space should be 16-20ft wide, 50-60ft deep, with pillars at least 20ft apart.
4. Provide all retail spaces (Including Pal) with the MEP (Mechanical/Electrical/Plumbing) utilities needed to be a food-service location (ventilation for a hood through the building, space to install a grease trap, etc.)
 1. This is key as most retail is moving to service/experience type model
4. When retail fails, it is because it is built as an afterthought with spaces that are not usable and unattractive.

4. Tavern on the Green

1. Relocate the building to South-East end of the main park to align with the Paseo
2. More inclusion and visibility (see clustered retail point above)

3. Entrance should be from the train not Brokaw Rd. It needs to be part of the heart of the community, not on the outskirts.

5. **Pop-Up Retail Along Paseo**

1. In order to allow for more flexible use of space, the Paseo Open Space should **NOT** be considered a "park".
2. Paseo area should be equipped with MEP utilities for a minimum of (10) "pop-up" stores roughly 600-800 square feet. This does not require the development of shops right away, but it primes the space until the time is right.
3. Provide public restrooms around the paseo to allow patrons/bystanders to use
4. Provide outdoor seating and activities between potential pop-up shop locations
5. Examples of successful popup spaces
 1. The freestanding building by the pocket park in Santana Row that houses a very popular ice cream shop and a poke quick service restaurant.
 2. The container park in Hayes Valley (SF) by Patricia's Green. It has a mini outdoor walk-in theater, bike rental, ice cream shop, and coffee stand.
 3. Las Vegas Downtown Container Park. It is hailed as one of the best startup places for home grown businesses as Las Vegas revitalizes it downtown.

6. **Relocate the tower to Brokaw Rd. (Per our attached alternative plan)**

1. Allows a more human scale experience along the Paseo
2. No changes to building massing/parking ratios

I truly hope we can build a great community that will complement the Downtown revitalization efforts. I want to be part of the legacy that allows future generations to build upon instead of having them fix our mistakes as we are doing now with Downtown. Thank you for your consideration.

Sincerely,
Patricia Leung
Board Member, Old Quad Residents Association

Example of podium amenities





Only a small corner of the project is in San Jose. Hunter Storm should probably update their website.

NEW PROJECTS

HUNTER STORM

CITYLINE

(Sunnyvale Town Center)

Sunnyvale, CA



Retail

COLEMAN HIGHLINE

San Jose, CA



Office

ALMADEN RANCH

San Jose, CA



Retail

EVERGREEN

San Jose, CA



GATEWAY CROSSINGS

San Jose, CA



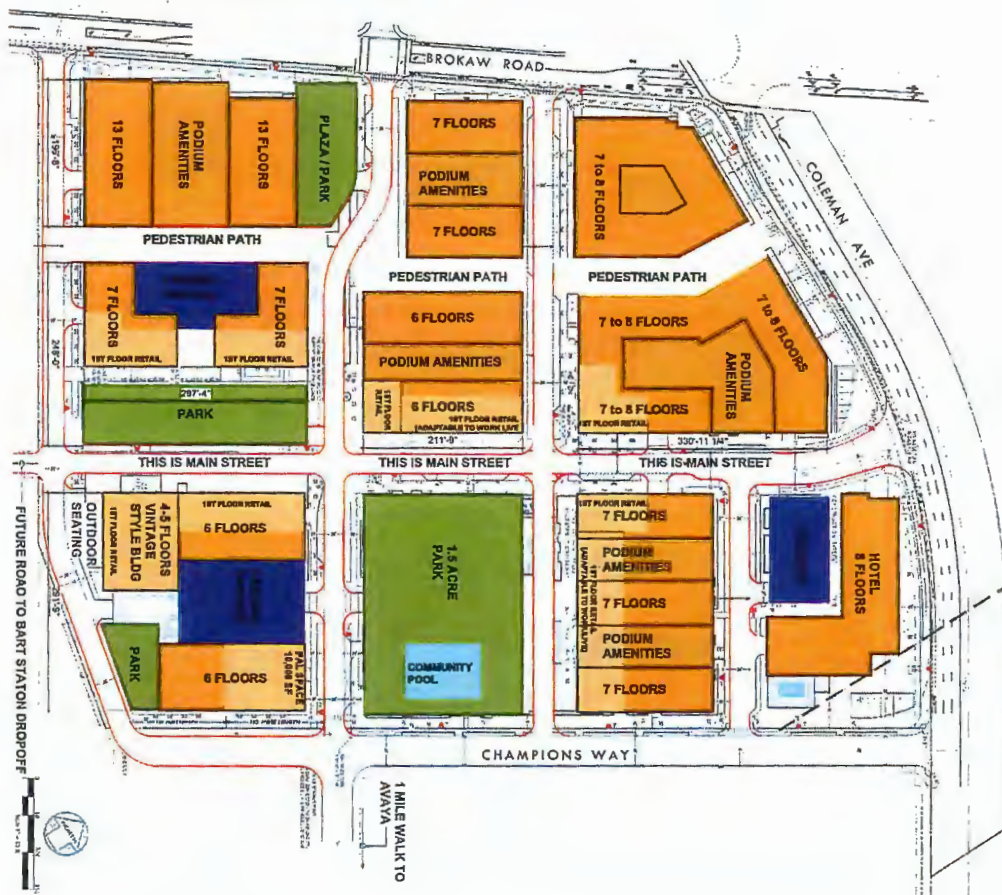
SUNNYVALE RETAIL

Sunnyvale, CA



Retail

Plan alternative for consideration



7/9/2019

IRM 7

Genevieve Yip

From: Ted Pettigrew <Ted.Pettigrew@headway.com>
Sent: Tuesday, July 9, 2019 9:22 AM
To: Mayor and Council
Subject: RE: PAL Wrestling

Good Morning All,

Correction in email sent out earlier. Note in RED text below. Thanks

Have a great day, Ted

From: Ted Pettigrew
Sent: Tuesday, July 09, 2019 8:23 AM
To: 'MayorAndCouncil@santaclaraca.gov'
Subject: PAL Wrestling

Mayor Gillmor and City Council,

My name is Ted Pettigrew and am very involved with Santa Clara youth programs in Santa Clara; I currently Coach Wrestling at Wilcox High School (1985-Present) and I Coached Water Polo at Wilcox High School for 14 years (1999-2013).

In addition of coaching at the High School level, I been coaching the Santa Clara Police Activity League Wrestling youth program for 2 decades. I volunteer coach the 5-9 year old class and the 10-17 year old class during the spring and summer at Wilcox High School Wrestling Room.

The 5-9 year old class is once a week for 6 weeks and the 10-17 year old class is once a week for 12 weeks (Classes in Spring & Summer).

As a student growing up in the SCUSD, I had special needs from Elementary through High School; I was in special education all through school and was considered a hyperactive child.

In ~~1976~~ **1972**, at the age of 9, my father enrolled me into the Santa Clara PAL wrestling program. This program gave me a path to redirect my energy and help me succeed in life.

My junior year at Buchser High School (1980) Santa Clara Police Activity League dropped the Wrestling program because my High School Coach Mr. Aragon, who ran the program at the time for PAL, retired and no one volunteer to take the responsibility to coach the program.

About 20 years ago, I approached Santa Clara Police Activity League (PAL) in quest to restart the PAL program to introduce the sport to boys and girls in Santa Clara. I wanted to commit my time and effort in volunteering to something that made me who I am today.

The PAL wrestling program instills accountability, responsibility, strength, work ethic, determination, integrity, honesty, focus etc. for even the youngest athletes. More importantly we create a fun environment for all ages with support of the PAL administrators.

For our youth 5-9 year old boys and girls, we get our High School wrestling students-athletes involved helping in teaching the kids in drills, live wrestling, games and teaching technique etc. Students initially do it for

community service hours.... But more than some continue to come back every year during their stint in High School to help because they learn the values of giving back to wrestling and the community that I instill into them.

PAL wrestling has not only made an impact on me, but I know it makes an impact on the youth and parents who experience the PAL wrestling program. My personal favorite time during the summer and spring classes, is graduation day with the 5-9 year olds. Uniform PAL Officer Wali Aminyar comes in full uniform to pass out certificates of participation and seeing the kids expressions on their face as they shake Officer Wali Aminyar hand and poses with him for pictures in a wrestling stance with parents snapping pictures for memories is priceless.

Any support the City of Santa Clara can work with supporting the Santa Clara Police Activity League is a positive to make an impact in our community and with our youth.

Thank you for taking the time to read my letter. Very appreciated

Continue Success, Ted Pettigrew

Ted Pettigrew

Production Logistics

Headway Technologies, Inc.

497 S. Hillview Drive

Milpitas, CA 95035

Telephone: (408) 934-5641

Cellular: (408) 726-3702

Fax: (408) 934-5591

e-mail: ted.pettigrew@headway.com

"People matter most - more than equipment, investors, inventions, momentum, or X's and O's. People are the heart of achieving organizational greatness." ~ Bill Walsh

 please consider the environment before printing this email.



7/9/2019

ITEM 7

Genevieve Yip

From: Jesse <jaydubb08@yahoo.com>
Sent: Sunday, July 7, 2019 6:40 AM
To: Mayor and Council
Subject: PAL

Categories: POST MEETING MATERIAL

To Whom It May Concern,

My name is Jesse Walker, and I have 3 kids that have been brought up through the Santa Clara PAL sports programs. My two daughters' played a combined 13 years of softball, and 4 years of soccer. My son also played Soccer, and is currently in the PAL wrestling program. If it weren't for Santa Clara PAL, my children wouldn't have had the opportunity to play such sports. The fees that PAL charges are second to none, and give opportunities to many kids who wouldn't normally get a chance to play. My children have learned how to be great teammates, learned responsibility, how to be punctual, manage their time, and even how to get stains out of their uniforms. To sum it up, Santa Clara PAL has taught my children many life skills, as well as many life lessons. My 2 daughters are both straight A students, while juggling competitive softball practices and tournaments. Two things that wouldn't be possible together if it weren't for PAL.

I hear that Santa Clara PAL may have the chance to get their own facility. I am writing this letter to tell you all my experiences through the PAL organization, in hopes that it will give you a small glimpse of how it has affected 3 Santa Clara kids lives. There are hundreds more out there, though you may not here their story, but PAL is helping mold the future Santa Clara residents. To have their own facility, and add more programs to their schedule would greatly benefit the city and its future.

Thank you for your time.

Sincerely,

Jesse Walker

7/9/2019

ITEM 7

Genevieve Yip

From: Ian Champeny <champeny@yahoo.com>
Sent: Tuesday, July 9, 2019 12:22 PM
To: Mayor and Council
Subject: Gateway Crossings

Categories: POST MEETING MATERIAL

Dear Mayor and Councilmembers,

I want you to know that I still do not support the development as proposed by the developer. I think that there have been very reasonable alternatives from qualified members of the community. I would have hoped for considerably more changes. I still believe the retail at 45,000sf is still far inadequate for the size of the site and the layout can be improved.

I would wish for a continuance in order to give the developer time to make further changes. Alternative proposals have been presented to you. I would also recommend that if this is continued, it is continued open ended, NOT at a date certain. I understand that it would need to get re-noticed, but that is not a large effort. I write staff reports frequently and have to notice my agenda items, even when they are on consent. The advantage is that there is not a time-crunch to rush changes. This is a very large project that will take time to develop even after approval.

If it is not continued, I would at least like to see this broken into phases as has been suggested. PAL can get their space, and there is still a chance for additional improvements this way.

This is a one-time opportunity to make the most out of the project, and its unique situation by a transit hub is very important.

Thanks for your consideration.

Ian

7/9/2019

ITEM 7

Genevieve Yip

From: Erika Boles <patrickboles@yahoo.com>
Sent: Monday, July 8, 2019 9:43 PM
To: Mayor and Council
Subject: Santa Clara Pal

Categories: POST MEETING MATERIAL

Hello my name my Erika Pimentel and i am a single mom of three boys 13, 8 and 5. It is very difficult to live in the Bay Area and raise my sons alone. I had a troubled past with the law when i was teenager just like my kids father. I completely turned my life when i became another. I signed up my boys up with pal almost 2 years ago and it was the best thing i ever did. They are an amazing organization. They do an amazing job with the kids. Please consider granting this project. If they had the space to do more for the kids it would benefit all our kids. Thank you so much.

Sent from my iPad

7/9/2019

ITEM 7

Genevieve Yip

From: Denard Fegans <denardfegans1000@gmail.com>
Sent: Monday, July 8, 2019 10:00 PM
To: Mayor and Council
Subject: New developments in Santa Clara

Categories: POST MEETING MATERIAL

I support new development in Santa Clara. And Gateway Crossings is the best of both worlds.

I've been following the progress of Gateway Crossings and think Hunter Properties has done a great job updating their plans based on feedback from the community and City Council.

Since the meeting in May, I know they have nearly doubled the retail space, including adding a neighborhood grocery store. This, coupled with 1,500 new homes right next to public transit at Santa Clara station, is the best possible development.

They cannot make every single change proposed to them, but I think they have done a great job listening and adjusting the plan as they can.

Thank you for your time and consideration. I hope you approve Gateway Crossings.

Thanks,

Shedrick D. Fegans

7/9/2019

ITEM 7

Genevieve Yip

From: Todd Waltz <todd@waltz.org>
Sent: Monday, July 8, 2019 10:20 PM
To: Mayor and Council
Cc: contactoqra@gmail.com
Subject: eComment on Agenda Item #7

Categories: POST MEETING MATERIAL

Mayor and Council of the City of Santa Clara,

The Gateway Crossing project is aptly named for its location, however, its design lacks the features expected from a project in this location. Please ask this developer to bring a good project that enhances the city image beyond simply providing housing and creates a much needed urban village. A good project in this space should give visitors a reason to get off the train and explore our city. It should give residents in the area a place to meet other residents and friends. It should give the office workers and residents services they need to carry them through their day.

The Gateway project provides the housing that the city needs, yet needs to be re-imagined in a way that provides viable retail which includes features like adequate retail space for the overall building size, grouping of retail to promote a vibrant public space, the facilities (back corridors, grease traps, etc.) to attract restaurants and set asides for roving food services.

The Santa Clara train station is a central point for visitors, transit riders, Avaya Stadium event visitors, and office workers who will pass through the "Gateway Crossing Project" on the way to their destination. This makes it a key element of the "face of Santa Clara".

At the last meeting, the developer offered to increase the retail space during the construction phase. These promises will get lost in the fray once the project is underway and fall short of a truly good project. Please send the message to this and other developers that Santa Clara demands good projects that enhance our City by approving the Phase I entitlements, which allow the PAL organization to have their portion of the retail space, while requiring the developer to return with a reimagined plan that includes viable retail on the property closest to the train station that is worthy of the name "Gateway Crossing".

Todd Waltz
Santa Clara resident

7/9/2019

ITEM 7

Genevieve Yip

From: Kaushal Varshney <kaushalv@hotmail.com>
Sent: Tuesday, July 9, 2019 8:29 AM
To: Mayor and Council
Subject: Support for Gateway Crossings Project

Categories: POST MEETING MATERIAL

Hon. Mayor and City Council

It is time to approve the plan for Gateway Crossings.

The plan perfectly aligns with the Santa Clara General Plan, a plan years and years in the making, with substantial input from community members.

As I observed so far, Gateway Crossings has not shield-away from public input. They have been listening, taking feedback from the community and you at the City Council. The latest iteration of the plan proves that; almost doubling the amount of retail space and expanding parks. No one could or would expect them to bend to the demands of known opponents to the project, but the people behind Gateway have gone out of their way to make sure they take all the suggestions they have gotten under consideration. The developers have gone above and beyond, and we now have in hand a plan that is perfect for the area, and all of Santa Clara. Because if Santa Clara and neighboring cities are allowing gigantic campuses of Google, Apple, Facebook and many more companies, then residences for employees also to be considered.

I am an alumnus of Santa Clara University, and 20-year resident of Santa Clara, and support the Gateway Crossing project.

Kaushal Varshney
3068 McKinley Dr, Santa Clara

7/9/2019

ITEM 7

Genevieve Yip

From: Chris O <chris@zumipin.com>
Sent: Tuesday, July 9, 2019 9:29 AM
To: Mayor and Council
Subject: I support ongoing community development

Categories: POST MEETING MATERIAL

Dear City Council Members,

As a resident of Santa Clara, the issues in our community are a daily reality. I am sure you can agree that concerns regarding housing and traffic are constant hot topics when discussing the quality of life here. While there are no simple solutions to these problems, I feel that you have an extremely viable start with the Gateway Crossings project

This project is a well-thought-out response to the crushing traffic problems, as well as a great step towards providing the level of housing needed to support a growing community. The entire area would benefit from the pedestrian-focused, mixed-use approach to planning seen with this endeavor. I personally feel everyone in our community would benefit.

I have little sympathy for arguments against development. The realities of our current environment demand we take action, and delays at the behest of a vocal minority must be stopped. There are many residents of our community, like myself, who want common sense to prevail.

Please take the action needed to approve the Gateway Crossings project, our community desperately deserves relief.

Thank you for your time and consideration.

Sincerely,
Christopher O'Brien
Santa Clara resident

7/9/2019

ITEM 7

Genevieve Yip

From: Leila Ghardashem <leila.ghardashem@gmail.com>
Sent: Monday, July 8, 2019 3:41 PM
To: Mayor and Council
Subject: Gateway Crossings Project Proposal

Categories: POST MEETING MATERIAL

Santa Clara City Council:

Thank you for your time and consideration on the proposed Gateway Crossings project. I agreed that a project like this needs plenty of time for planning, review, and changes based on input. And the team behind Gateway has gone above and beyond when it comes to this process. They had more than fifteen meetings with community groups to hear input and concerns, and made multiple major project redesigns in response. And just recently at your meeting in May, they took feedback and made even more changes, to make it the best plan it can be. Some may complain that they haven't made every single change proposed to them by every single community member, but they are the experts, and know what will and won't work. And I think they have done a fantastic job.

I'm excited to welcome Gateway Crossings to the City of Santa Clara, and hope you will join me in welcoming them.

Thank you,
Leila Ghardashem

7/9/2019

ITEM 7

Genevieve Yip

From: Ellie Yampolskaya <Ellie.Yampolskaya@rackspace.com>
Sent: Monday, July 8, 2019 4:05 PM
To: Mayor and Council
Cc: Viviana Szakacsy
Subject: Please Support Gateway Crossings

Categories: POST MEETING MATERIAL

Honorable City Council Members,

Housing challenges are one of the greatest risks we face to our exceptional quality of life in Santa Clara. Lack of affordable housing is making it harder and harder for local workers, forcing many to commute longer and longer distances contributing our unbearable traffic.

We all know that we need more housing and we need to produce it in a way that won't add to local traffic.

Gateway Crossings is just the type of project that meets our needs. Gateway is carefully planned for a perfect balance of retail, quality rental homes, and community parks all in close proximity to public transit.

While some argue Gateway provides too much housing and others say it provides too little, I think it is just right and we must stop wasting our time and start to actually address our problems of housing in the community before it's too late.

Thank you,

Ellie Yampolskaya

7/9/2019

ITEM 7

Genevieve Yip

From: Shu, Emily <Emily.Shu@alston.com>
Sent: Monday, July 8, 2019 4:15 PM
To: Mayor and Council
Subject: Gateway Crossings

Categories: POST MEETING MATERIAL

Santa Clara City Council,

I've been fortunate to live in Santa Clara for more than 13 years. I've seen it change and grow.

Now, as I look to the future I wonder if we will continue to make smart choices to ensure we maintain our quality of living while also addressing our important challenges like our lack of affordable housing options.

Recently, I've become aware of a smart project called Gateway Crossings that would be adjacent to Caltrain Station Clara Station. Gateway represents the type of smart balance I hope our community is known for – with the right amount of residential density and retail so it fits well with the surrounding neighborhood.

Not only will Gateway help ease our housing crisis, it will certainly take cars off the road by providing ample pedestrian and public transit options.

Please support a smarter future for Santa Clara by approving the Gateway Crossings project.

Sincerely,

Emily Shu
Residence of Santa Clara
116 Arcadia Ave,
Santa Clara, CA

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7/9/2019

ITEM 7

Genevieve Yip

From: Mark Jacobson <mjacobson1111@yahoo.com>
Sent: Monday, July 8, 2019 4:27 PM
To: Mayor and Council
Subject: Gateway Crossings & City Parks

Categories: POST MEETING MATERIAL

Dear Santa Clara City Council,

Our community parks are one of the special amenities that contribute to our excellent quality of life in Santa Clara.

That is why the \$35 million contribution pledged for city parks by the Gateway Crossings developers is so exciting. These much needed funds will help improve and expand our parks for all city residents as well as for us who live close to the project in the Old Quad neighborhood.

We all know some development is inevitable to meet our lack of housing, but it's critical those projects be designed in a manner that fits our community and contribute in a way that benefits the entire city.

The Gateway Crossings project succeeds on both those fronts and should have more than earned your vote.

Thank You,

Mark Jacobson

7/9/2019

ITEM 7

Genevieve Yip

From: Farm 1880 <1880farm@gmail.com>
Sent: Monday, July 8, 2019 10:48 AM
To: Mayor and Council
Subject: Reject current Gateway plan;

Categories: POST MEETING MATERIAL

attn City Council,

Please consider other failed projects and consider successful ones.

Monroe street--failure Up to the curb, no green space and underground parking and the large red zone without curbside parking has determined a non existent retail area and more empty buildings. Probably we will get a knitting store or stamp collecting instead of a normal retail like even Starbucks because no business is dumb enough to place themselves where there is no parking.

Franklin Mall_Failure_ some nice landscaping but allowing a bar, a liquor store and two other drinking facilities is not where families will want to be walking. Putting the liquor store and bar next to the bus stop was bad planning. The entire corner where Wilsons Bakery was is usually closed. Narrow hallway type corners are very creepy and prevents people wanting normal retail. Maybe another catering store that will not be open to the public except for a few hours at odd times again.

The list is too long for the "up to the curb" units that are built poorly. Square designs fit more people, but give them a dorm type feeling that lends itself to a temporary feeling.

Saying there will be retail, placing as much rentable space and disregarding quality of life in planning and also having NO promises from normal retailers only gives the Old quad residents greedy, tightly placed housing for short term workers and impacted traffic patterns.

The traffic on Lafayette with all the streets that have been closed by Saint Claire school and Santa Clara University were not great for long term traffic flow. Not putting in retail or normal businesses people need will just make it worse. The issue is not "walkability" but rather placement of actual retail that is useful.

If you look at the stop in SF near AT and T park , there is very nice Safeway and it is very popular to pick up things for tourists but is available to residents. Having it right on the path from the train station makes is very easy.

USC-It is not in Santa clara, but their village concept and openness to the neighborhood surrounding their space is doing well. They placed a Trader Joes and Target between their campus and the city and made it accessable to students to walk to and for the City to park or walk and it is booming. They placed student housing in a "Village" with a main street, a grocery store and some other useful business. I like comic book stores and gaming sites, but most people just need a grocery store and some affordable restaurants. If the city wants just bars and boutique retail, they will not attract families.

If nothing else, get an actual promise of some actual normal retail instead of builing too many units that are blocked off and leaving empty retail.

7/9/2019

ITEM 7

Genevieve Yip

From: Mark and Kathy Kelsey <ltmk@me.com>
Sent: Sunday, July 7, 2019 7:14 PM
To: Mayor and Council
Cc: Old Quad Residents Association
Subject: No on Gateway Crossings project as currently planned

Categories: POST MEETING MATERIAL

Mayor and Councilmembers,

We recommend that you not approve the Gateway Crossings project at the Council meeting on July 9. This project is important to the future of Santa Clara. It will impact the Old Quad neighborhood and it will impact our downtown. It is the most transit rich site in our city. We need not just a good project but a great project that takes full advantage of the location and is a complement to the Old Quad and to our downtown.

We appreciate that Hunter Storm has been holding community feedback sessions and has listened to the community. The improvements in the design are welcome and improve the project incrementally over the original plans. There is more needed. While Hunter Storm has invested in the current plan and the additional changes need would represent more investment, we truly believe that the significance of this project requires an updated plan that addresses the needs of our community.

We support the ideas the Old Quad and other community members have put forward for an improved plan for Gateway Crossing. We need a project that is a real gateway to transit and a gateway to downtown Santa Clara. This project has access to Caltrain, the ACE Train, a VTA bus hub, a shuttle to San Jose airport and in the future to BART. It needs to be attractive and inviting to those who will use these transit options.

We need a project with more and more viable retail space. This project and the adjacent office complex is similar in size to Santa Clara Square yet this project has only a fraction of the retail space of Santa Clara Square. Further the proposed retail is not focused and is not clustered together to promote walkability.

We need a project that promotes a walkable neighborhood. The podium decks and the massive building forms are not inviting and not walkable. We have great examples in the Old Quad of walkable neighborhoods. We also have great examples of what does not work as we see El Camino being developed with large housing complexes with no street side amenities.

The current plan is not enough. Lets take the time now to develop a forwarding looking plan that complements the Old Quad neighborhood and will be a true gateway to downtown Santa Clara.

Mark and Kathy Kelsey
740 Hilmar St
Santa Clara, CA 95050

7/9/2019

ITEM 7

Genevieve Yip

From: Rick Rafey <rick.rafe@gmail.com>
Sent: Sunday, July 7, 2019 4:21 PM
To: Mayor and Council
Cc: contactoqra@gmail.com
Subject: Gateway Crossing Community Input

Categories: POST MEETING MATERIAL

As over 25 year residents of Santa Clara, living in the Old Quad, we have a vested interest in Santa Clara's growth taking the best possible course to continue to make this a great city for us and our community.

We were at the original planning sessions for what is now happening on El Camino, and while we agreed at that time that live-work buildings made for a better direction, it's been interesting to see how that's been evolving when put in practice. As you're considering the Gateway Crossing Plan in the Council Meeting on Tuesday night, we'd really appreciate it if you would give fair consideration to the alternative plan that Adam Thompson and the Old Quad Residents Association have put forth before literally casting the current plan in stone.

This type of engaged, constructive community feedback that's aiming to fulfill the same objectives as the current plan, but offers clear enhancements on several fronts, should be a dream scenario for a city council planning for the future. I'm afraid that the inertia of just trying to put a plan through without giving this proposal deep consideration risks making long term mistakes when it would likely take very little time to agree on which, if not all, of the suggested modifications could be better alternatives.

In particular, we admire the rationale and creativity around just about every aspect of the alternative plan. Making the space more walkable, being mindful of best practices in distribution and space for successful retail, capitalizing on the city's heritage, and the clever approach to park space with the ability to have it evolve as "open space" (like the strip through the center of Santana Row) reflects tremendous vision. Also there are major changes in how people use cars both now and over the lifetime of this project, and the alternative proposal recognizes this so that the parking plan would likely be far more suitable as people shift to ride shares (already a massive disruptor to traditional city planning) and autonomous vehicles (inevitable over the next 10-20 years), and the alternative plan is mindful of how these space needs could inevitably evolve.

All we ask is that you extend the period to move forward to give each aspect of this alternative plan a fair review and honestly decide, in open discussion, what is truly best for this development and for the city going forward. I'd love to see as much of the alternative as possible move forward, but if we could at least know that there was a good reason (besides rushing to start the project) that any of these ideas were not accepted, it would give us more faith in the City Council and our city's growth as a reflection of an engaged community.

Thanks,
Rick & Laura Rafey
1467 Lexington Street
Santa Clara, CA 95050

7/9/2019

1 PM 7

Genevieve Yip

From: Dan Lavelle <danlavelle@gmail.com>
Sent: Sunday, July 7, 2019 2:55 PM
To: Mayor and Council
Subject: RE: Hunter Storm Project

Categories: POST MEETING MATERIAL

Dear Mayor and Council,

I am writing in support of the Gateway Crossings project proposed by Hunter Storm.

The Hunter Storm company has shown they are good corporate neighbors by carefully listening to the community and revising their plans no less than seven times based on that feedback.

The result is a strong plan that fulfills the vision of the city's General Plan. But while some wish to continue to tinker with the project, second-guessing decisions by experts on what is feasible and marketable, other Old Quad residents like myself are ready to move forward with the project.

Our community housing needs are not going away so we cannot continue to stand on the sidelines, the city needs to take action. The Gateway Crossings project is that answer.

On July 9th please vote yes to approve Gateway Crossings.

Yours Truly,

Daniel Lavelle

7/9/2019

ITEM 7

Genevieve Yip

From: Becca Fung <ptdrbecca@gmail.com>
Sent: Saturday, July 6, 2019 8:46 AM
To: Mayor and Council
Subject: Oppose Agenda Item #7 at upcoming City Council Meeting

Categories: POST MEETING MATERIAL

As a Santa Clara resident and homeowner working in Santa Clara, I oppose the current proposal of Gateway Crossings. It does not allow for community engagement and development and growth as we desire in the community. My areas of concern mirror those of the Old Quad Resident's Association (see outline below) as a resident and homeowner in the Old Quad neighborhood. Thank you for your attention to this matter and for considering our community's future.

Best Regards,
Rebecca Fung
834 Main Street

Areas of Concern:

- A good project should create a true Gateway to Downtown Santa Clara
 - This is the most transit rich site in Santa Clara with Caltrain, ACE Train, Amtrak, VTA bus hub, free shuttle to San Jose Airport, and future BART stop.
 - A good project should give transit riders, office workers, and Avaya Stadium event attendees reasons to stop in Santa Clara to investigate and explore the area instead of passing through to our closest transit neighbors in San Jose and Sunnyvale.
 - A good project should leverage the City's placemaking efforts from the last couple of years to create an urban village with dynamic retail and public amenities that complements the great Downtown to come.
- A good project should have viable retail spaces
 - At the June 12, 2019 Planning Commission Study Session, the retail expert stated that brick and mortar retail is not going away, it is evolving <https://www.youtube.com/watch?v=fiEnYqXOhw0>
 - When retail fails, it is because it is built as an afterthought with spaces that are not usable and unattractive.
 - A good project should have retail spaces that are clustered together to amplify foot traffic.
 - The spaces should be flexible to accommodate for a variety of services.
 - Each space should be at least 16ft wide, 50-60ft deep, with pillars at least 20ft apart.
 - Proper ventilation and space for a grease trap is needed to adapt retail spaces into neighborhood restaurants.
 - Public space should be set aside to accommodate for temporary retail venues such as food trucks, kiosks, and popup shops should the appetite for retail increases.
 - The proposed project does not consider any of the factors listed above.
- A good project should have great walkability
 - The proposed design centers around a hotel and 4 large podium deck buildings with sides up to 2 football fields long. These do not provide much ground level connectivity.
 - The Old Quad grid serves as an amazing template to a highly walkable neighborhood. With blocks spanning between 250' - 300', our neighborhood provides great opportunities to roam and explore.
 - Dividing the large podium decks would allow shorter blocks, making the site more walkable and inviting. Santa Clara has watched El Camino Real being developed with large wastelands of housing and no amenities. As we try to correct the errors along El Camino Real, we need to stop projects that would replicate those errors.

7/9/2019

ITEM 7

Genevieve Yip

From: Judy Tucker <judytucker@pacbell.net>
Sent: Thursday, July 4, 2019 12:24 PM
To: Mayor and Council
Subject: Gateway Crossings Project

Categories: POST MEETING MATERIAL

?????? Please reconsider the project that Hunter Storm (HS) has proposed as "Gateway Crossings" (GC). It appears this reputable Company designed GC based on decades old experience with Santa Clara (SC) when they developed a nearby commercial project that at least considered the Mission City look - note that I agree they are reputable for this one commercial project developed with consideration of its location. Since HS has developed commercial projects along Coleman, and they are not in the residential-development business, it appears they simply designed a commercial look for this project. Unfortunately for HS, Santa Clara has evolved into a more "involved" community that they should have collaborated with from the beginning (is this an idea that Planning could suggest to developers before they invest too much??). The late outreach HS has done only reinforces the perceived attitude of HS that minions should appreciate their fabulous expertise and project and quit meddling.

?????? The GS location is extraordinarily valuable to Santa Clara and a future Downtown in many ways:?? It's perfect for desired extreme density being close to the airport, commute routes and existing and future rail transit.

?????? Its daily visibility to thousands supports the name Gateway Crossings into Santa Clara and needs to be architecturally compatible with it's closest SC neighborhoods?? (the historic train depot, University and Old Quad) - though there is currently a tunnel, it is conceivable that Brokaw will eventually bridge the tracks making the proposed "tenement looking" GC seem like it's in another City if not another planet. Perhaps a design like New York's row houses could be adapted to achieve everyone's desired goals, including attract local residents and transit riders going to work or Avaya Stadium to stop at adequate, attractive, efficiently clustered shops or a pop-up area to buy coffee, snacks, a meal or even a bandaid. "Reclaim Our Downtown" resists what they perceive as competition to the eventual Downtown businesses, but many of the above-described people will not walk from the train to Downtown and back to walk to destinations on Coleman just to buy quickly desired things, and inefficiently separated retail doesn't work well as proved by many projects along the El Camino.

?????? For dozens of reasons this project needs to be developed like the jewel it is. Please don't let the cries of many non-permanent residents eager for housing choices and those zealous for tax money to spend obliterate the incredible possibilities of this significant project as the Gateway to Santa Clara and a successful future Downtown.

Thank you for your consideration. Judy Tucker

7/9/2019

ITEM 7

Genevieve Yip

From: eureka5255@aol.com
Sent: Thursday, July 4, 2019 10:43 PM
To: Mayor and Council; khardyca@comcast.net; debid56@comcast.net; attypatty@comcast.net; eureka5255@aol.com
Subject: Gateway Crossings project
Categories: POST MEETING MATERIAL

Santa Clara Councilmembers,

Now is the time to address our serious housing crisis by approving the transit-oriented Gateway Crossings project.

Gateway supports the use of public transportation, easing the burden on our roads and proving affordable housing options for local workers.

The Gateway Crossing developers have listed to the community through numerous public meetings and crafted a plan that is right for Santa Clara.

Let's make sure we address our housing and transportation needs now by approving Gateway Crossings at the upcoming City Council meeting.

Marilee Dunn

7/9/2019

ITEM 7

Genevieve Yip

From: STEVE SORICH <ssorich@comcast.net>
Sent: Wednesday, July 3, 2019 10:53 AM
To: Mayor and Council
Subject: Support Gateway Crossings project

Categories: POST MEETING MATERIAL

Subject: Please Support Gateway Crossings

Dear Santa Clara City Council,

As a 22-year resident of Silicon Valley, I've witness as our region's affordable housing needs grow. I've also seen time and again small vocal groups standing in the way of needed solutions.

Addressing our housing crisis takes action. Fortunately, you have a win-win option before you that provides transit friendly housing without unduly burdening our infrastructure.

The Gateway Crossings project is the right project for Santa Clara and should be strongly supported at your upcoming council meeting.

Kind Regards,

Steve Sorich
1-408-858-1306 (cell)

7/9/2019

ITEM 7

Genevieve Yip

From: Scott CIV Jason E <Jason.Scott2@marines.usmc.mil>
Sent: Tuesday, July 2, 2019 6:06 PM
To: Mayor and Council
Subject: Yes to smart development in Santa Clara

Categories: POST MEETING MATERIAL

Dear City Council,

Over the past few months Hunter Storm the developers of the proposed Gateway Crossings project in Santa Clara have been engaging the community to shape a project to ensure its not only good for their business but also met the needs of our community.

The result is the Gateway Crossings plan before you on July 9th. To use a much-overused phrase, this is the perfect example of "smart growth".

Gateway Crossing is carefully planned to provide needed affordable housing but not to over burden the community, encourage public transportation, and not created unnecessary competition for downtown retail.

This is an excellent plan and an example of what we should be looking for in Santa Clara.

V/R
Jason E. Scott
Human Resources Manager
USMC San Jose Officer Selection Team
12th MCRD, RS San Francisco
152 N. 3rd Street, Suite 708
San Jose, CA 95112
Office# 408-282-1051/1052
Email: Jason.Scott2@marines.usmc.mil

"Lead me, follow me, or get out of my way!"
-General George S. Patton

7/9/2019

ITEM 7

Genevieve Yip

From: Amy Peabody Ingram <apeabody@msn.com>
Sent: Tuesday, July 9, 2019 5:01 PM
To: Mayor and Council
Subject: Input into the Old Quad - Gateway Crossings Project

Dear Mayor and Council.

I live in the Northside of Santa Clara in Rivermark in Councilmember Kathy Watanabe's District. We are a vibrant community that brings families, seniors, students, and people of all ages together.

Our anchors are retail, including Safeway, restaurants, and service providers, who have been tenants since Rivermark was built.

Rivermark has a broad reach from people across the community with a fantastic new library and plenty of open space. I served on the Library Foundation & Friends' Capital Campaign Committee and am immensely proud of the community that came together to build this jewel of Rivermark. The librarian has often shared that they can hardly keep up with the demand for children's love of books and reading.

Upon review of the latest plan for Gateway Crossings, I was disappointed to see another cookie-cutter business park that I see more and more in our city. These developments are very inward facing with a primary goal of merely serving the residents within the complex rather than creating a regional destination that takes advantage of the transit station, Avaya, and the adjacent offices.

This proposal creates yet one more siloed - inward-looking commuter community that does not offer the high square footage of retail we need to revive our downtown with an urban village next to our city's main train station

I am very concerned that by missing out on making this the best option for Santa Clara will set a precedent to more cookie-cutter high-density sub-urban communities

This project misses the opportunity to create a true city gateway and a go-to destination for Santa Clarans and our neighbors as well.

I encourage the council to reject this proposal or as a last resort only grant entitlements for phase 1 at this time. Our city deserves better.

Thank you for listening. I wish I was able to be there with you tonight and look forward to hearing the good news that you have made the right decision for our community and city.

Best,
Amy Ingram

Cell: 415-203-2113

JULY 9, 2019

ITEM#7

Council and Authorities Concurrent Meeting on 2019-07-09 6:00 PM

Meeting Time: 07-09-19 18:00

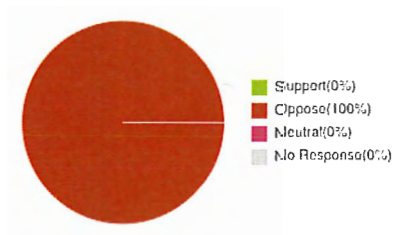
eComments Report

Meetings	Meeting Time	Agenda Items	Comments	Support	Oppose	Neutral
Council and Authorities Concurrent Meeting on 2019-07-09 6:00 PM	07-09-19 18:00	42	1	0	1	0

Sentiments for All Meetings

The following graphs display sentiments for comments that have location data. Only locations of users who have commented will be shown.

Overall Sentiment



POST MEETING MATERIAL

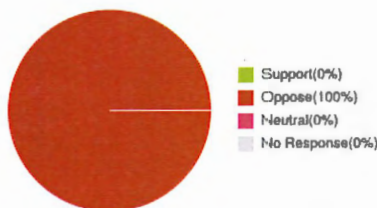
Council and Authorities Concurrent Meeting on 2019-07-09 6:00 PM
07-09-19 18:00

Agenda Name	Comments	Support	Oppose	Neutral
7. 19-763 Public Hearing: Actions on Gateway Crossings project located at 1205 Coleman Avenue including General Plan Amendment to Santa Clara Station Very High Density Residential (51-120 du/ac) with a minimum commercial Floor Area Ratio (FAR) of 0.20, revision to the Climate Action Plan to add Transportation Demand Management (TDM) goals for the new land use designation, creation of a new Very High Density Mixed Use Zoning District and Rezoning to that District, Vesting Tentative Subdivision Map, Development Agreement, Environmental Impact Report (EIR), and Mitigation Monitoring and Reporting Program (MMRP)	1	0	1	0

Sentiments for All Agenda Items

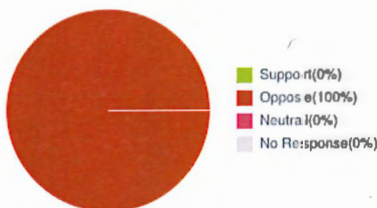
The following graphs display sentiments for comments that have location data. Only locations of users who have commented will be shown.

Overall Sentiment



Agenda Item: eComments for 7. 19-763 Public Hearing: Actions on Gateway Crossings project located at 1205 Coleman Avenue including General Plan Amendment to Santa Clara Station Very High Density Residential (51-120 du/ac) with a minimum commercial Floor Area Ratio (FAR) of 0.20, revision to the Climate Action Plan to add Transportation Demand Management (TDM) goals for the new land use designation, creation of a new Very High Density Mixed Use Zoning District and Rezoning to that District, Vesting Tentative Subdivision Map, Development Agreement, Environmental Impact Report (EIR), and Mitigation Monitoring and Reporting Program (MMRP)

Overall Sentiment



Richard Boucher

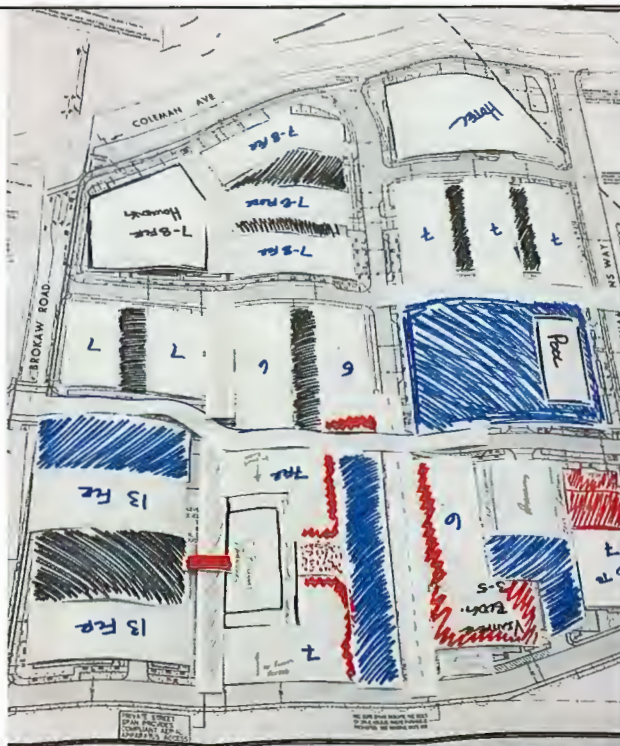
Location:
 Submitted At: 8:16pm 07-09-19

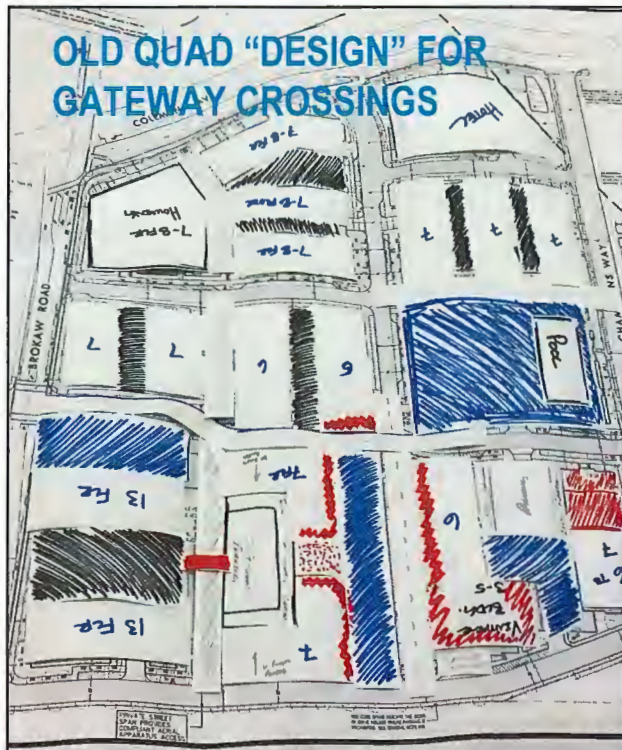
As 40yr residents of Santa Clara we are dismayed with recent construction of massive residences built with no apparent coherent vision. The architecture of residential, retail and public spaces should reflect a walkable urban

village as opposed to another high density housing project consisting of massive buildings of imposing architecture. We ask you to take a visionary and cohesive view of Santa Clara's future and to NOT approve the development of this project as it is currently proposed.



OLD QUAD "DESIGN" FOR GATEWAY CROSSINGS





LOCAL SUPPORT

Gateway Crossings + PAL: A great future for Santa Clara and its children



LOCAL SUPPORT

Valley Transit Authority

Santa Clara Unified School District

Santa Clara University

Santa Clara City Staff

Santa Clara Police Activities League

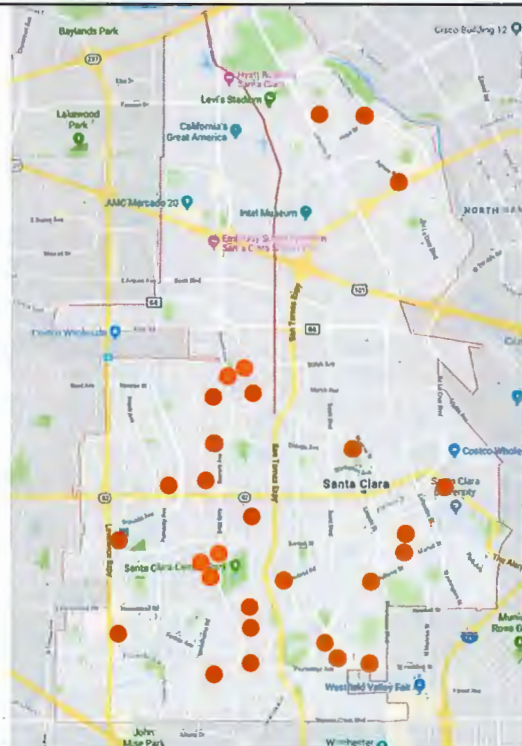
Mission College

Community at Large

LOCAL SUPPORT

More than 40

letters and emails of support from Santa Clara community members



Go

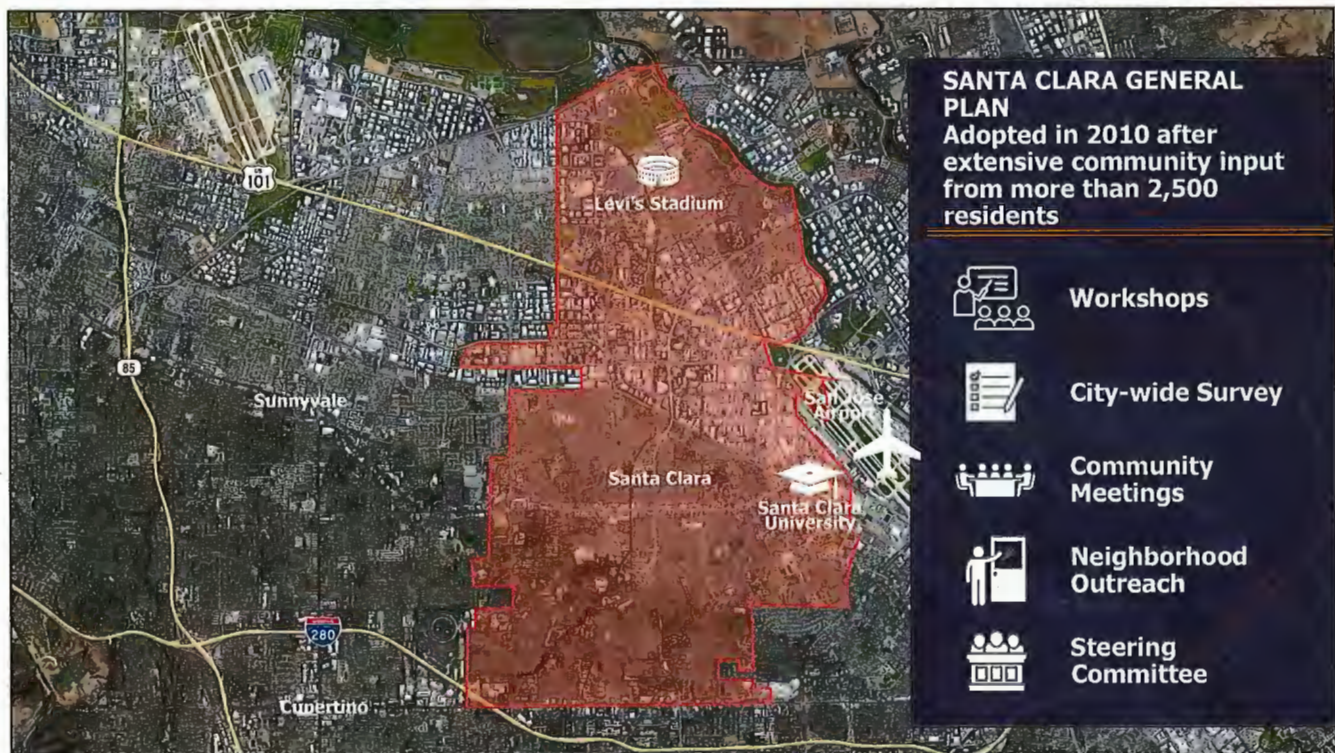
WALKABILITY

MORE RETAIL

PAL AGREEMENT

No-Go











REQUESTS FROM MAY 21 CITY COUNCIL MEETING

- 1 Walkability
- 2 More Retail
- 3 Longer PAL Agreement









MORE RETAIL



Gruen Gruen + Associates

HUNTER STORM

1. Hunter/Storm has been one of the Top 3 largest retail developers in Santa Clara County over the last ten years
2. Commissioned a retail report with Gruen & Gruen in 2016 for the site – conclusion no more than 20K SF of retail was needed
3. Updated their retail report in June 2019 for the site – conclusion remains **no more than 20K SF of retail**
4. Within 1 mile the perspective retail includes 47K SF of excess space including approximately 180K SF of vacant retail within 2 miles
5. Outside of our residents, we will likely need to siphon patronage from other locations



PAL AGREEMENT

1

Primary term from
10 years to 20 years

2

Options to extend
up to 35 years

\$

Only \$1/month for the
entirety of the lease

PAL AGREEMENT



OLD QUAD

We've met with the Old Quad leadership or the entire organization more than 15 times since the start of the project.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15





Tavern on the Green



Created a new ½ acre paseo with
liner retail on both sides



Moved the tower to the paseo



Improved the architecture and
experience from the station

GATEWAY CROSSINGS

Improvements made since
December 4, 2018



Broke up the massing throughout the site
to address the desire for better site lines

35

Negotiated up to a 35-year lease with PAL



Increased retail SF from
25,000 to 45,000



Moved the construction of the
hotel into Phase 1

GATEWAY CROSSINGS

Improvements made since
December 4, 2018



GATEWAY
CROSSINGS

COMMUNITY BENEFITS



GATEWAY
CROSSINGS

10% affordable housing (including half at 80% AMI)

Two dedicated parks (2.6 acres) maintained into perpetuity

\$34 million in one-time fees for city parks

\$20 million in street improvements

\$7.7 million in school fees

\$3.5 million each year to the city

\$1.7 million in fair share traffic fees

\$825,000 in bicycle and pedestrian improvement fees

A NEW GATEWAY INTO SANTA CLARA

Addresses the region's greatest
challenges: Traffic & Housing

“

Collectively, the Greater Silicon Valley
region lost \$5.4 billion in economic value,
due to traffic congestion in 2014.

Silicon Valley Competitiveness and Innovation Project



