



Memorandum

TO: CITY COUNCIL

FROM: Mayor Chuck Reed

SUBJECT: DIRIDON STATION AREA
PLAN

DATE: June 10, 2014

APPROVED:

Chuck Reed **DATE:** 6/10/14

RECOMMENDATION

Approve recommendations from the staff report dated May 15, 2014 and the staff report dated June 6, 2014, with the following modifications:

1. Draft Program Environmental Impact Report: Align the response in section titled Downtown Development Capacity in the staff report with section titled Growth Area Amendments (page 104) in the Draft EIR and section titled Changes to the Downtown Growth Area (page 105) in the Draft EIR, both which reference “reallocating and shifting some of the job and housing capacity from east of SR 87 to the west within the Diridon Station Area Plan area.”
2. Diridon Station Area Plan: Make the following changes to make clear that the guidelines are not intended to be rigid.
 - Diridon Station Area Plan, Design Guidelines, Interpretation (page 3-2): Revise to read: “These Guidelines are not intended to be rigid. Alternative measures may be considered.”
 - Diridon Station Area Plan, Design Guidelines, Phasing (page 3-2): Delete: “A master plan for each site or development should be prepared to demonstrate ultimate compliance with the guidelines and show how the phasing strategy achieves the final goal,” and revise the language to better reflect staff’s stated perspective that the guidelines are not intended to be rigid.
 - Diridon Station Area Plan, Design Guidelines Introduction (page 3-1): Add: “The Baseball Stadium will be a unique building and the general urban design and public art guidelines and mandates under this Plan do not apply. Design and public art issues will be considered during the design phase of the project in conjunction with requirements of the owner and Major League Baseball.”

3. Art Master Plan: Defer action on the Implementation Recommendations until an impact can be demonstrated that meets the legal nexus necessary to impose art fees or art requirements on private development and the section is revised to account for the termination of the Redevelopment Agency.
4. Direct staff to work with all developers to ensure that parking studies as described in the staff report are performed for projects within 1/3-mile radius of the SAP Center that may reduce parking supply available to the patrons of the SAP Center, and also work with developers on efficient operational design which considers parking availability and convenience of ingress and egress for daily users and other event use after 6:00 p.m. with a goal to maintain the current parking availability, until the City and Arena Management agree that transit ridership is robust enough to reduce parking supply without negatively impacting SAP Center operations.

BACKGROUND

The lofty goals of this plan and our aspirations for future development cannot be implemented in ways that undercut our decades of efforts and billions of dollars of investment in revitalizing downtown. As we implement this plan, we must protect three things: The Downtown Core Area, the SAP Center, and the opportunity for a Major League Baseball stadium. This plan must accommodate and facilitate our interests in each of those three and our intention to do so must be made clear.

Protect Downtown

The Diridon planning area has unique attributes due to the great transportation infrastructure and it will attract development for that reason. We should not divert investments to this area at the expense of the Downtown Core for which we have planned 10 million square feet of office space, 10,000 residential units, 1.2 million square feet of retail space, and 2,500 hotel rooms. Our downtown plan is far from completion and numerous development opportunity sites exist. We should not sacrifice the Downtown plan for the Diridon plan.

Protect the SAP Center and the Sharks

The SAP Center is an extremely valuable building and a huge asset to the City. Implementation of the Diridon Plan must accommodate the interests of the SAP Center. The City has a long-standing agreement with Sharks Sports and Entertainment to maintain a minimum of 3,175 and 6,350 parking spaces within a 1/3 and 1/2 mile radius of the Arena. We need to be able to account for it, minimize risks, and ensure that the success of this venue remains our highest priority in the Diridon Area. The recommended approach will preserve the current long-term goals relating to parking, allow some flexibility for the City to adapt based on a progressive spirit of change over the next decade, and protect the SAP Center.

Protect the Ballpark

This project will be a privately funded project that will generate millions of dollars of tax revenues and a thousand jobs. The private investment will be in excess of \$400 million. It will have a huge economic impact on the Downtown. It will be a world-class venue that we can be proud of. It is a unique building and the Diridon Plan, urban design guidelines and public art requirements should not stand in the way of it being built.