

Development Activity Highlights and Five-Year Forecast (2010-2014)



Prepared by:

**City of San Jose
Department of Planning, Building and Code Enforcement
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For more information, please contact:

**City of San Jose
Department of Planning, Building and Code Enforcement
Planning Division
200 East Santa Clara Street
San Jose, CA 95113
(408) 535-3555**

*This report and other information can be found
on the Planning Division web site at:*

<http://www.sanjoseca.gov/planning/data>

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TABLE OF CONTENTS

<u>Section</u>	<u>Title</u>	<u>Page</u>
I	Purpose.....	1
II	Summary.....	1
III	Five-Year Forecast (2010-2014).....	3
IV	Construction Taxes and Exemptions	5
V	Major Development Activity Data.....	6
	<i>Residential</i>	7
	<i>Commercial</i>	11
	<i>Industrial</i>	14
VI	Major Development Activity Maps (Planning Areas)	15
	<i>Alviso</i>	16
	<i>North</i>	17
	<i>Berryessa</i>	18
	<i>Central</i>	19
	<i>Alum Rock</i>	20
	<i>West Valley</i>	21
	<i>Willow Glen</i>	22
	<i>South</i>	23
	<i>Evergreen</i>	24
	<i>Cambrian/Pioneer</i>	25
	<i>Edenvale</i>	26
VII	Appendix: Sources	27

Development Activity Highlights and Five-Year Forecast (2010-2014)

I. PURPOSE

The *Development Activity Highlights and Five-Year Forecast (2010-2014)* is a report issued annually by the Department of Planning, Building and Code Enforcement. The report serves several functions. First, the report assists the Office of the City Manager in estimating future construction-related tax revenues that generate funds for the City's Capital Improvement Program. Second, the report provides City policymakers and staff with key data for periodic assessment of the rate, type, and location of development activity in San Jose. Lastly, the report is a tool for distributing information on major development projects to the general public.

II. SUMMARY

Development activity levels in San Jose are clearly being impacted by the severe recession currently gripping the global economy. Evidence of the downturn first appeared in residential construction, with a 50% decline in fiscal year 2007/08, which is now beginning to cascade into non-residential sectors. New commercial permit valuation is this year experiencing a similar rate of decline, while a comparable drop-off in industrial construction is expected next year. Fortunately, however, alterations activity—consisting of home remodeling and tenant improvements—remains remarkably steady, as in most cases “staying put” seems to present the most feasible and cost-effective strategy for owners and businesses to ride out this challenging economic storm. Regardless, the cascade effect of development hitting the across-the-board, proverbial “bottom” around 2010, provides an undeniably negative outlook, with permit valuation expected to decline to a 15-year low and remain at that or possibly lower levels throughout the five-year forecast period. The following summary discusses current development activity and trends for each major land use category (residential, commercial, and industrial), providing some insight as to what may occur over the forecast period (2010-2014).

Residential Development

- *New housing production in San Jose exceeded 4,000 dwelling units per year during the late-1990's, and then declined to an average of just over 3,000 units per year from 2001-2006. Since that time, however, activity has dropped off sharply, to approximately 2,000 units per year. In fact, total residential construction valuation in 2008 fell to its lowest level since 1982. For fiscal year 2007/08, building permits were issued for just 1,545 units, below the staff forecast (1,750 units).*

- *Staff forecasts that residential construction activity will remain very weak in the near term, as record low builder and consumer confidence, falling home prices and employment, unsold inventory, and widespread foreclosures outweigh demand stemming from improved affordability and low mortgage interest rates. As such, the number of new dwelling units is expected to reach just 1,500 units in fiscal year 2008/09—a modest decline from last year but also a 16-year low. On the other hand, home improvements (alterations) are holding up relatively well, showing little sign of deterioration and are expected to maintain current, moderate levels going forward.*
- *Following the present slowdown, staff anticipates that residential construction activity in San Jose will trend somewhat higher after 2010, albeit to levels well below long-term averages. Over the five-year forecast period, new construction is expected to sustain the moderate, post-2006 activity level of roughly 2,000 units per year. This outlook is based on a combination of factors, including the City’s commitment to construction of affordable housing, improving housing market fundamentals, and ultimate completion of numerous phased or otherwise temporarily stalled projects caught by the current economic slump. Future development will consist primarily of higher density housing in strategic infill locations, including the Greater Downtown area, North San Jose, and Specific Plan areas.*

Commercial Development

- *After a five-year-long boom in commercial construction activity that spanned the late-1990’s to early 2000’s, at which time total permit valuation averaged over \$500 million per year, activity from 2003-2007 consistently amounted to less than half that level. However, in fiscal year 2007/08, a resurgence primarily in office construction pushed activity to a six-year high of \$342 million, consistent with the staff forecast (\$350 million).*
- *Staff forecasts that commercial construction activity during fiscal year 2008/09 will return to the moderate levels of the 2003-2007 time period, with total permit valuation amounting to \$250 million. This activity will be driven by a combination of office and retail developments, which have in fact already pushed year-to-date valuation to roughly two-thirds of the forecast figure.*
- *For the five-year forecast period, commercial construction activity is expected to remain flat. Declining sales revenues, rental rates, and occupancy rates are dampening demand for new space. Even a major expansion of the highly successful Valley Fair Shopping Center, approved in late-2007, is now expected to proceed but at a slower pace. In any case, some bright spots remain, such as a proposed downtown grocery outlet (“The Market”) at one of San Jose’s several new high-rises, a new five-story office building at Santana Row, and*

recent resumption of construction (after a two-year delay) of the 300,000-square foot Vietnam Town Shopping Center on Story Road.

Industrial Development

- *Like its commercial counterpart, industrial construction activity nearly reached an astonishing \$500 million per year in permit valuation over the five-year period of 1997-2001. Since that time, however, activity has registered just a small fraction of that figure, reaching a low point under \$100 million per year in the two years immediately following the “dot com” bust. By comparison, the activity in fiscal year 2007/08, totaling \$272 million, was in a relatively moderate range, yet exceeded the staff forecast (\$225 million). At the same time, tenant improvements were quite robust, edging out last year’s respectable pace and setting a 7-year high.*
- *Staff forecasts that industrial construction activity will remain moderate during fiscal year 2008/09, with total permit valuation reaching \$300 million. In particular, new construction valuation in the first four months (July-October) already exceeded last year’s total, which surge was almost entirely attributed to several mid-rise office buildings underway for Brocade Communications Systems at the southeast corner of North 1st Street and Highway 237. On the other hand, tenant improvements are expected to weaken somewhat from their relatively high level over the past few years.*
- *Activity levels for industrial construction will be likely unable to sustain recent moderate levels over the forecast period. With no new major groundbreakings anticipated in the near term, permit valuation is expected to return to the low levels seen earlier in the decade. As such, tenant improvement activity, even though in decline, should manage to outpace new construction, a pattern common in recent years and typical of recessionary periods.*

III. FIVE-YEAR FORECAST (2010-2014)

The Department of Planning, Building and Code Enforcement’s five-year forecast of development activity is summarized in Tables 1 and 2 (next page). Construction valuation is expected to decline to a 15-year low of \$775 million during fiscal year 2008/09, and roughly remain at that or possibly lower levels throughout the forecast period.

Table 1
Construction Valuation: FY 03/04 to FY 13/14

Fiscal Year	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14
	<u>Actual Valuation¹ (in millions)</u>					<u>Projected Valuation (in millions)</u>					
<u>New Construction</u>											
Residential	\$417	\$460	\$358	\$375	\$158	\$150	\$150	\$225	\$250	\$250	\$250
Commercial	\$82	\$86	\$105	\$85	\$185	\$100	\$100	\$100	\$100	\$100	\$100
Industrial	\$24	\$35	\$25	\$91	\$110	\$175	\$75	\$75	\$75	\$75	\$75
Subtotal	\$522	\$581	\$488	\$552	\$453	\$425	\$325	\$400	\$425	\$425	\$425
<u>Alterations</u>											
Residential	\$90	\$96	\$92	\$90	\$73	\$75	\$75	\$75	\$75	\$75	\$75
Commercial	\$140	\$143	\$114	\$135	\$157	\$150	\$125	\$125	\$125	\$125	\$125
Industrial	\$66	\$117	\$134	\$151	\$162	\$125	\$125	\$125	\$125	\$125	\$125
Subtotal	\$296	\$356	\$340	\$376	\$393	\$350	\$325	\$325	\$325	\$325	\$325
GRAND TOTAL	\$818	\$937	\$828	\$928	\$846	\$775	\$650	\$725	\$750	\$750	\$750
<u>Tax Exemptions</u>											
Residential	*	*	*	*	*	\$(25)	\$(25)	\$(25)	\$(25)	\$(25)	\$(25)
Commercial	*	*	*	*	*	\$(25)	\$(25)	\$(25)	\$(25)	\$(25)	\$(25)
Industrial	*	*	*	*	*	\$(25)	\$(25)	\$(25)	\$(25)	\$(25)	\$(25)
Net Total (Taxable)						\$700	\$575	\$650	\$675	\$675	\$675

*Note: Data on actual tax exemptions not available at the time of this report.

¹Valuation figures adjusted to 2008 dollars, per Bureau of Labor Statistics Consumer Price Index (CPI), San Jose-San Francisco-Oakland, all items index.

Table 2
Residential Units and Non-Residential Square Footage: FY 03/04 to FY 13/14

Fiscal Year	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14
	<u>Actual¹</u>					<u>Projected</u>					
<u>Residential (Units)</u>											
Single-Family	782	962	814	545	245	250	250	250	250	250	250
Multi-Family	1,927	2,331	1,701	2,669	1,300	1,250	1,250	2,000	2,250	2,250	2,250
TOTAL	2,709	3,293	2,515	3,214	1,545	1,500	1,500	2,250	2,500	2,500	2,500
<u>Non-Residential (sq.ft., in thousands)</u>											
Commercial	500	750	750	1,000	1,250	750	750	750	750	750	750
Industrial	150	250	250	250	250	750	250	250	250	250	250
TOTAL	650	1,000	1,000	1,250	1,500	1,500	1,000	1,000	1,000	1,000	1,000

¹NOTE: Data on residential units based on the Building Division's *Permit Fee Activity Report*.

Data on non-residential square footage estimated based on construction valuation in the Building Division's *Permit Fee Activity Report*.

IV. CONSTRUCTION TAXES AND EXEMPTIONS

The City of San Jose imposes a series of construction-related taxes that are generally used to finance the construction and improvement of facilities and infrastructure systems that provide capacity beyond the needs attributed to a particular development. These taxes are in addition to cost-recovery fees charged for processing and reviewing applications for development approvals and permits. The largest construction-related tax revenue sources are described below.

Building and Structure Construction Tax

The Building and Structure Construction Tax is imposed upon the construction, repair, or improvement of any building or structure where a building permit is required (except for authorized exemptions- see below). The proceeds from this tax are restricted in use to the provision of traffic capital improvements on major arterials and collectors, the acquisition of lands and interest in land, and the construction, reconstruction, replacement, widening, modification and alteration (but not maintenance) of City streets.

Construction Excise Tax

The Construction Excise Tax is imposed upon construction, alteration, repair, or improvement of any residential or commercial structure (except for authorized exemptions- see below). The tax does not apply to industrial development. This is a general purpose tax that may be used for any “usual current expenses” of the City. The City Council has historically used the majority of these funds for traffic infrastructure improvements.

Residential Construction Tax

The Residential Construction Tax is imposed upon any construction of a one-family dwelling unit or multi-family units or any mobile home lot in the City. This tax is collected and placed in a fund used to reimburse private entities that have constructed a portion of an arterial street that is wider than what is normally required in connection with residential development. The funds are also used to construct median landscaping and other street improvements.

Exemptions

Certain construction-related tax exemptions are provided in San Jose. These exemptions apply only in certain areas and/or to certain types of land uses, and are generally designed to accomplish one of the following objectives:

1. Reduce the economic constraints involved in the development of housing in high risk areas and/or housing for very-low income households;

2. Implement a separately administered funding arrangement that finances infrastructure and public service needs in an area only with revenue generated by development in such area (e.g., Evergreen Specific Plan Area); and,
3. Provide exemptions required by State or Federal law (e.g., hospitals, churches).

Planning staff estimates that \$75 million in construction valuation will be exempted each year over the forecast period, or approximately 10% of total valuation during this time (see Table 1 on page 4).

V. MAJOR DEVELOPMENT ACTIVITY DATA

Planning staff has collected a significant amount of data on development activity, which is the foundation for the five-year forecast contained in Section III of this report. These data focus on recent “major” projects with the highest likelihood to have the most significant impact on the forecast. Major projects are defined as residential projects greater than 50 dwelling units, commercial projects greater than 25,000 square feet, and industrial projects greater than 75,000 square feet. This data collection effort has identified approximately 35,000 dwelling units and 15 million square feet of non-residential space submitted for Planning approval since January 1, 2005.

The development activity data on the following pages is first divided into three major land use categories-- residential, commercial, and industrial. Then, individual projects are divided into four subcategories based on project status-- projects completed, projects under construction, approved projects (construction not yet commenced), and projects pending City approval.

**Major Residential Development Activity
Projects of 50+ Dwelling Units, Submitted Since 1/1/05***

File Number	Filing Date	Project Name	Tracking APN	Street Location	Planning Area	Housing Type	No. of Units	Proj. Mgr	Approval Date
PDA01-101-02	5/12/06	Santana Row (Parcel 7)	277-40-012	SE/c Winchester & Stevens Creek	West Valley	SF/MF	259	EM	6/23/06
PD05-011	2/4/05	Altura Townhomes	230-14-031	NE/c Newhall & Campbell	West Valley	SF	220	JR	6/9/05
PD05-005	1/25/05	Del Rosa at Miramonte	678-01-016	Nly side Metcalf, eby Hwy 101	Edenvale	SF	213	JR	12/8/05
HA04-038-01	7/18/05	The 88 Condos (Phase 1)	467-22-157	S/s E. San Fernando bet S. 2nd & S. 3rd	Central	MF	206	LX	9/7/05
PD05-013	2/8/05	Encanto Homes	230-14-007	N/s Campbell, 1000' wly Newhall	West Valley	SF	104	JR	9/6/05
PD05-084	11/14/05	Autumnvale Townhomes	244-31-011	SW/c N. Capitol & Autumnvale	Berryessa	SF	104	JR	3/1/06
PDA05-015-01	8/17/05	Montclair Townhomes	254-17-077	NW/c King & Mabury	Alum Rock	SF	91	SM	2/23/06
PD05-006	1/27/05	Autumn Terrace at Bonita	472-06-034	W/s Hwy 101, sly San Antonio	Central	SF	80	LX	6/15/05
HA03-002-01	2/8/06	The Globe Condos	467-22-134	Bet. S. 2nd & 3rd, 110' sly Santa Clara	Central	MF	76	LX	9/9/03
PD06-062	11/2/06	Siena at Montecito Vista	455-09-030	W/s Monterey, 300' sly Umbarger	South	SF	53	LM	7/3/06
PD05-074	10/20/05	Grandview Terrace Condos	592-06-020	NE/c N. Capitol & Grandview	Alum Rock	MF	45	SM	9/22/06

Total

1,451

Projects Under Construction

PD07-025	3/26/07	Race Street Housing (Phase 1)	264-09-043	E/s Race, nly UPRR tracks	Central	MF	385	RO	7/23/07
PD03-079	12/17/03	Monte Vista Condos	264-15-005	NE/c Auzerais & Sunol	Central	SF/MF	383	EM	2/15/06
PD04-074	9/29/04	The Villas/Courtyards Condos	244-20-025	SW/c Lundy & McKay	Berryessa	MF	304	MM	2/4/05
PD04-085	11/24/04	Fifty One Condos	261-33-038	SE/c The Alameda & Bush	Central	MF	265	EM	3/25/05
PDA07-026-01	2/6/08	Parkmoor Apts	264-09-051	NE/c Race & Parkmoor	Central	MF	243	MD	4/16/08
PD04-021	4/1/04	Skyline at Tamien Station	434-13-015	NE/c W. Alma & Hwy 87	Central	MF	240	CH	8/13/04
PD04-084	11/24/04	Paseo Senter Family Apts	477-20-050	E/s Senter, 600' sly Needles	South	MF	218	LM	3/18/05
HA05-037-01	9/27/06	Three Sixty Condos	264-29-053	NE/c Market & San Salvador	Central	MF	213	LX	11/22/06
PD05-041	6/7/05	Willow Glen Place	442-44-018	W/s Meridian, both sides Foxworthy	Willow Glen	MF	206	RB	9/19/05
PD05-082	11/2/05	Parkwood Homes	421-07-021	Bet. Hwy 85 & Samaritan, 1000' wly Union	Cambrian/Pioneer	SF/MF	202	SS	6/23/06
PDA03-006-01	5/23/07	Fairgrounds Senior Apts	497-38-020	S/s Tully, 750' wly Senter	South	MF	201	MD	11/30/07
PD05-032	5/2/05	Modern Ice Townhomes	249-68-001	NE/c Berryessa & Oakland	Central	SF	200	LX	7/27/05
PD05-075	10/20/05	Messina Gardens Condos ¹	254-06-037	SW/c N. Capitol & Mabury	Alum Rock	MF	199	SM	7/21/06
PD04-024	4/14/04	Venetian Terrace Condos	455-32-012	E/s Almaden Expwy, 500' sly Curtner	South	MF	170	EM	2/25/05
PD04-103	5/10/04	Fiesta Senior/Vista on San Carlos	274-14-142	NE/c W. San Carlos & Buena Vista	Central	SF/MF	127	EM	8/25/04
PD05-044	6/16/05	Hampton Park Townhomes	237-01-022	NW/c Oakland & Rock	Berryessa	SF	98	SM	12/22/05
PD06-070	12/15/06	Merrill Gardens Assisted Living	284-03-020	SW/c Meridian & Curci	Willow Glen	MF	95	RR	4/24/07
PD06-042	8/15/06	Village Square Condos	274-14-077	N/s W. San Carlos, 650' wly Meridian	Central	MF	95	SM	10/27/06
PD06-016	2/9/06	Fruitdale Apts	284-01-005	NE/c Southwest Expwy & Fruitdale	Willow Glen	MF	91	EM	9/1/06

**Major Residential Development Activity
Projects of 50+ Dwelling Units, Submitted Since 1/1/05***

File Number	Filing Date	Project Name	Tracking APN	Street Location	Planning Area	Housing Type	No. of Units	Proj. Mgr	Approval Date
PD05-078	10/24/05	Fairways at San Antonio Apts	481-46-010	E/s Hwy 101, wly term San Antonio	Alum Rock	MF	86	CH	6/29/06
PD05-056	7/27/05	Crimson Townhomes	497-31-001	N/s Lewis, 1500' ely Monterey	South	SF	80	LM	5/3/06
PD06-001	1/3/06	Monterey Family Apts	497-33-001	E/s Monterey, 600' sly Umbarger	South	MF	72	LM	4/12/06
PD06-047	9/11/06	Casa Feliz SRO	472-28-101	W/s S. 9th, 90' sly E. William	Central	MF	60	RE	11/14/06
PD07-042	5/1/07	Monta Vista Place Townhomes	359-35-008	NW/c S. De Anza & Hwy 85	West Valley	SF	57	MD	6/29/07
PD05-094	12/19/05	Almaden Walk Townhomes	455-31-023	E/s Almaden, opp Malone	South	SF	56	RR	6/7/06
PD05-089	11/28/05	Oakland Road Condos	237-01-011	W/s Oakland, 550' nly Rock	Berryessa	MF	53	SM	8/18/06

Total

4,399

Approved Projects (Construction Not Yet Commenced)

PD05-087	11/18/05	Hitachi Site Mixed Use	706-04-013	NE/c Cottle & Hwy 85	Edenvale	SF/MF	2,930	JR	6/2/06
PDC03-108	12/23/03	Flea Market Mixed Use	254-17-084	Both sides Berryessa, wly UP railroad	Berry./Alum Rock	SF/MF	2,818	RB	8/14/07
PDA07-006-03	12/12/08	Crescent Park Apts	097-33-113	SE/c Zanker & River Oaks	North	MF	1,750	MD	1/15/09
PD07-090	10/23/07	Riverview Mixed Use	097-06-038	W/s N. 1st, 450' sly Rio Robles	North	SF/MF	1,579	JB	4/4/08
PDC07-015	2/15/07	Newbury Park Mixed Use	254-04-076	NE/c N. King & Dobbin	Alum Rock	SF/MF	972	AB	12/18/07
PD06-062	11/2/06	Montecito Vista Mixed Use ²	455-09-030	W/s Monterey, 300' sly Umbarger	South	SF	783	LM	7/3/06
PD08-056	8/29/08	Seely Apts	097-15-026	SE/c River Oaks & Seeley	North	MF	777	ES	1/23/09
PD07-033	4/13/07	Northpointe Mixed Use	097-07-086	NW/c Zanker & Tasman	North	SF/MF	704	JB	11/30/07
PD07-091	10/11/07	Tasman Apts	097-52-013	B/s Vista Montana, bet Tasman & N. 1st	North	MF	554	ES	10/24/08
PDA06-048-01	11/8/07	Hyundai Site Mixed Use ³	097-06-055	N/s Montague, 550' wly N. 1st	North	MF	528	JB	12/14/07
PD07-043	5/7/07	Airport Parkway Condos	230-29-065	SE/c Airport & Hwy 101	North	MF	528	CB	4/21/08
PD07-082	9/20/07	Vista Montana Park	097-52-028	B/s Vista Montana, bet Tasman & N. 1st	North	MF	444	JB	3/21/08
PD08-001	1/7/08	Green Acres Mixed Use	254-15-072	SE/c Berryessa & Jackson	Alum Rock	SF	371	RM	10/10/08
PDC07-095	11/9/07	Santana Row	277-33-004	SE/c Winchester & Stevens Creek	West Valley	SF/MF	369	SM	5/13/08
H07-008	2/16/07	The Carlisle Condos	259-35-007	SW/c N. Almaden & W. St. John	Central	MF	347	MS	12/7/07
PDA08-036-01	11/4/08	River Oaks Housing	097-33-036	NE/c Zanker & River Oaks	North	MF	293	MD	12/19/08
PD08-053	8/19/08	Rosemary Housing	235-05-012	SE/c N. 1st & Rosemary	North	MF	290	RM	1/28/09
PD07-007	1/10/07	Fruitdale Station (Phase 2)	284-02-008	SE/c Southwest Expwy & Fruitdale	Willow Glen	SF	256	SM	3/21/08
PD07-088	10/9/07	Morrison Park Townhomes	261-01-054	SW/c Cinnabar & Stockton	Central	SF	250	LM	8/1/08
PD08-039	6/16/08	Campbell Avenue Housing	230-14-026	E/s Campbell, 2000' nwly Newhall	West Valley	SF/MF	248	ES	12/12/08
PD05-066	9/19/05	Santana Row (Parcel 8B)	277-46-001	SE/c Winchester & Stevens Creek	West Valley	SF/MF	238	EM	1/31/07
PD08-029	4/16/08	Virginia Terrace Condos	472-18-051	SW/c E. Virginia & S. 6th	Central	MF	238	RM	10/24/08
PD08-023	3/11/08	Baypointe Mixed Use	097-07-072	NE/c Baypointe & Tasman	North	SF	229	JB	8/1/08
PDC07-096	11/13/07	San Carlos Mixed Use	277-20-006	SW/c W. San Carlos & Meridian	Central	SF	218	ES	9/23/08
H05-029	6/21/05	Park View Towers	467-01-118	N/s St. James, bet N. 1st & N. 2nd	Central	MF	194	LB	5/23/08

**Major Residential Development Activity
Projects of 50+ Dwelling Units, Submitted Since 1/1/05***

File Number	Filing Date	Project Name	Tracking APN	Street Location	Planning Area	Housing Type	No. of Units	Proj. Mgr	Approval Date
PD07-099	11/19/07	Belovida Senior Apts	254-04-076	NE/c N. King & Dobbin	Alum Rock	MF	185	AB	8/29/08
PD07-036	4/13/07	Baypointe Housing	097-07-031	W/s Baypointe, 370' nly Tasman	North	SF	183	JB	11/30/07
PD07-094	10/23/07	South 2nd Mixed Use	477-01-082	SE/c S. 2nd & Keyes	Central	MF	134	ES	11/14/08
PD07-067	7/23/07	Kings Crossing Apts/Shelter	254-04-076	NE/c N. King & Dobbin	Alum Rock	MF	130	AB	10/22/08
PDA05-057-01	12/19/07	Park Avenue Lofts	261-36-062	N/s Park, 450' ely Sunol	Central	SF	125	MD	4/21/08
PD06-011	4/11/06	Fourth Street Apts	235-04-005	E/s N. 4th, 600' nly Gish	North	MF	100	CB	6/29/07
PD04-071	11/17/04	Blackwell Condos	481-18-013	W/s McCreery, 230' sly Alum Rock	Alum Rock	MF	93	MD	9/9/08
PD05-045	6/22/05	Oakwood Apts (annex)	299-37-031	SE/c Saratoga & Blackford	West Valley	MF	84	RR	9/28/05
CP07-101	12/6/07	Bascom Senior Assisted Living	412-24-009	SW/c Bascom & Surrey	Willow Glen	MF	69	MD	6/11/08
PD07-013	2/9/07	22nd & William Housing	472-01-021	S/s William, 350' wly S. 24th	Central	SF	67	MS	6/29/07
PD07-097	11/13/07	Cornerstone at Japantown Condos	249-08-002	SW/c N. 10th & E. Hedding	Central	MF	53	LM	6/13/08

Total

19,131

Projects Pending City Approval

PDC08-049	8/29/08	Communications Hill Mixed Use	455-19-101	N/s Hillsdale bet Monterey & Hwy 87	South	SF/MF	2,389	MD	---
PDC07-098	11/21/07	iStar Site Housing	706-08-008	NW/c Monterey & Hwy 85	Edenvale	SF/MF	1,500	AT	---
PDC08-061	11/3/08	Ohlone Mixed Use	264-14-131	SW/c W. San Carlos & Sunol	Central	MF	825	LM	---
PDC07-010	1/25/07	Markovits & Fox Mixed Use	237-03-070	SW/c E. Brokaw & Oakland	Berryessa	SF	750	JB	---
PDC07-073	9/12/07	Corp Yard Mixed Use	249-39-039	NE/c Jackson & N. 6th	Central	SF	600	LM	---
PDC07-060	8/8/07	River Oaks Condos	097-33-102	N/s River Oaks, 200' ely Research	North	MF	490	JB	---
PD08-046	7/16/08	Century Center Mixed Use	230-29-022	SW/c N. 1st & Century Center	North	MF	460	CB	---
PDC05-101	10/14/05	Vendome Place	259-05-024	NW/c N. 1st & Taylor	Central	MF	433	ES	---
H06-040	8/29/06	City Front Square Condos	259-42-080	NE/c S. Market & E. San Carlos	Central	MF	414	RE	---
PDC08-036	6/20/08	Libitzky Mixed Use	249-09-001	NW/c N. 10th & E. Taylor	Central	MF	384	ES	---
H06-082	10/23/06	Market Street Mixed Use	259-40-093	SW/c Market & Santa Clara	Central	MF	309	LM	---
PDC06-116	10/25/06	Renaissance Housing	097-52-027	SW/c Renaissance & Vista Montana	North	SF	263	JB	---
H08-001	1/2/08	San Pedro Condos (Tower 1)	259-32-044	SW/c N. San Pedro & Bassett	Central	MF	240	ES	---
HA04-038-04	11/21/07	The 88 Condos (Phase 2)	467-22-156	S/s E. San Fernando bet S. 2nd & S. 3rd	Central	MF	204	ES	---
PDC06-069	6/29/06	North Tenth Street Housing	249-08-004	W/s N. 10th, bet Vestal & E. Mission	Central	SF	166	LM	---
PDC06-125	11/14/06	Delmas Place Condos	264-26-006	W/s Delmas, 300' sly W. San Carlos	Central	MF	164	ES	---
PDA04-076-01	3/14/08	Ajisai Gardens Condos	249-37-006	SE/c E. Taylor & N. 7th	Central	MF	126	ES	---
PDC08-034	6/18/08	Sunol Court SRO	261-39-009	N/s W. San Carlos, bet Sunol & McEvoy	Central	MF	123	MD	---
PD08-071	12/17/08	Santana Row (Parcel 6B)	277-40-011	NW/c Olin & Hatton	West Valley	SF/MF	118	ES	---
PDC06-117	10/31/06	Riverpark Condos	259-43-072	NE/c W. San Carlos & Hwy 87	Central	MF	99	LM	---
PDC08-067	12/23/08	Summerwind Apts (annex)	477-19-060	NW/c McLaughlin & Summerside	South	MF	91	MD	---

**Major Residential Development Activity
Projects of 50+ Dwelling Units, Submitted Since 1/1/05***

File Number	Filing Date	Project Name	Tracking APN	Street Location	Planning Area	Housing Type	No. of Units	Proj. Mgr	Approval Date
PDC08-010; PI	2/11/08	Japantown Senior Apts	249-39-011	W/s N. 6th, 200' sly E. Taylor	Central	MF	85	ES	---
PD09-001	1/20/09	San Antonio Apts	472-05-032	S/s E. San Antonio, opp. S. 28th	Central	MF	84	LB	---
PDC06-121	11/3/06	Las Brisas Condos	481-19-003	S/s Alum Rock, 350' eby McCreery	Alum Rock	MF	79	AT	---
PD07-089	10/10/07	Leigh Senior Housing	284-32-014	SE/c Southwest Expwy & Leigh	Willow Glen	MF	64	MD	---
PDC08-066	11/25/08	Westmount Square	249-09-009	SE/c E. Mission & N. 10th	Central	SF	62	ES	---
PDC07-017; PI	5/19/08	Lincoln Avenue Condos	261-41-096	SW/c Lincoln & Pacific	Central	SF	53	BR	---
PDC08-035	6/23/08	Edwards Mixed Use	264-37-060	SW/c Edwards & S. 1st	Central	MF	<u>50</u>	LM	---
Total							10,625		
GRAND TOTAL							35,606		

Footnotes: (1) Includes PD06-029 (110 units)
(2) Includes PDA06-062-01 (743 units)
(3) Includes PD06-051 (104 units), PD06-052 (50 units), and PD06-068 (127 units).

File Number Prefixes: PDC= Planned Development Rezoning; PD= Planned Development Permit; H= Site Development Permit; CP= Conditional Use Permit

**Major Commercial Development Activity
Projects of 25,000+ Square Feet, Submitted Since 1/1/05**

File Number	Filing Date	Project Name	Tracking APN	Street Location	Planning Area	Square Footage (approx.)	# of New Guest Rooms	Proj. Mgr	Approval Date
<u>Projects Completed</u>									
CP05-034	6/9/05	The Home Depot	484-33-057	NE/c Story & McGinness	Alum Rock	149,000		HL	3/22/06
CP05-046	7/29/05	Costco Wholesale	244-14-014	NW/c Hostetter & Automation	Berryessa	147,000		JR	5/24/06
CP06-062	11/9/06	Beshoff Infinity	491-04-046	SW/c Capitol & Tully	Evergreen	35,000		RM	2/12/07
PD05-065	9/9/05	Senter/Quinn Retail	477-73-039	E/s Senter, 200' nly Quinn	South	34,000		LM	6/9/06
PD05-024	3/21/05	Gold Street Office	015-34-063	SW/c Gold & Guadalupe River	Alviso	24,000		SM	7/6/05
PD06-060	11/1/06	Silver Creek Valley Retail	678-93-016	S/s Silver Creek Valley, 750' sly Hellyer	Edenvale	24,000		JR	4/27/07
Total						413,000	-		
<u>Projects Under Construction</u>									
PD07-060	6/20/07	America Center	015-45-026	NW/c Hwy 237 & Gold	Alviso	981,000	176	CB	11/8/07
PD05-058	8/4/05	The Plant Shopping Center	455-05-011	NW/c Curtner & Monterey	South	646,000		RM	6/7/06
PD05-016	2/14/05	Vietnam Town Shopping Center	472-11-065	N/s Story, 700' swly McLaughlin	Central	300,000		LM	9/5/06
PD84-123	11/13/84	Riverpark Towers II	259-43-074	SE/c Park & Hwy 87	Central	293,000		JW	2/6/85
H07-025	7/2/07	Lowe's Home Improvement	237-05-053	SE/c Hwy 880 & Brokaw	Berryessa	195,000		JB	2/29/08
CPA02-048-01	11/16/06	Harker School (Upper Campus)	303-25-001	NE/c Saratoga & Hwy 280	West Valley	169,000		AB	4/11/07
CP07-072	9/18/07	Whole Foods Market	567-50-012	SW/c Blossom Hill & Almaden	Cambrian/Pioneer	81,000		ES	4/8/08
PD07-100	11/19/07	Santana Row (Office)	277-33-004	SE/c Winchester & Stevens Creek	West Valley	76,000		SM	4/11/08
H06-035	7/18/06	Lenfest Self Storage	254-02-037	SW/c Mabury & Lenfest	Alum Rock	60,000		LX	5/10/07
PD07-105	12/20/07	Bellarmino (Humanities Building)	261-11-005	NE/c Elm & Emory	Central	53,000		ES	7/11/08
HA04-038-01	7/18/05	The Market	467-22-157	S/s E. San Fernando bet S. 2nd & S. 3rd	Central	41,000		LX	9/7/05
CP06-011	2/7/06	Tully/Monterey Retail	477-22-017	NE/c Old Tully & Monterey	South	40,000		LM	9/13/06
H07-045	11/6/07	Umbarger Square	497-38-002	NE/c Monterey & Umbarger	South	29,000		ES	7/3/08
Total						2,964,000	176		
<u>Approved Projects (Construction Not Yet Commenced)</u>									
H06-027	5/10/06	Valley Fair Shopping Center	274-43-035	NW/c Hwy 17 & Stevens Creek	West Valley	525,000		AB	11/19/07
PD05-087	11/18/05	Hitachi Site Mixed Use	706-04-013	NE/c Cottle & Hwy 85	Edenvale	460,000		JR	6/2/06
PD07-049	5/21/07	Lowe's Home Improvement	230-46-064	NW/c Coleman & Newhall	North	251,000		ME	5/2/08
PDC03-108	12/23/03	Flea Market Mixed Use	254-17-084	Both sides Berryessa, wly UP railroad	Berry./Alum Rock	245,000		RB	8/14/07

**Major Commercial Development Activity
Projects of 25,000+ Square Feet, Submitted Since 1/1/05**

File Number	Filing Date	Project Name	Tracking APN	Street Location	Planning Area	Square Footage (approx.)	# of New Guest Rooms	Proj. Mgr	Approval Date
PD07-063	7/10/07	Lowe's Home Improvement	706-06-015	SE/c Monterey & Cottle	Edenvale	201,000		SS	9/19/08
PDC07-095	11/9/07	Santana Row	277-33-004	SE/c Winchester & Stevens Creek	West Valley	198,000		SM	5/13/08
PD05-095	12/22/05	Calif. Center for Health Care	678-07-029	SE/c Silver Creek Valley & Hwy 101	Edenvale	178,000		SS	9/21/07
PD07-001	1/3/07	Smythe European	296-38-012	SW/c Stevens Creek & Palace	West Valley	170,000		RR	6/15/07
H07-030	8/2/07	Extra Space Storage	455-07-012	NW/c Curtner & Stone	South	135,000		CB	6/6/08
CP08-071	8/29/08	Hotel Sierra	097-03-138	SE/c N. 1st & Hwy 237	North	116,000	160	CB	12/10/08
PDC06-059	5/31/06	Aborn Storage Center	670-13-002	NW/c Aborn & King	Evergreen	104,000		RM	1/9/07
CP08-057	6/26/08	Oakland/Brokaw Commercial	237-03-074	NW/c Oakland & Brokaw	Berryessa	100,000		ES	10/22/08
PDC07-072	9/7/07	Bellarmine College Preparatory	261-11-005	NE/c Elm & Emory	Central	83,000		ES	6/17/08
PDC06-019	3/16/06	Public Storage	462-19-013	N/s Capitol, 200' w Snell	South	83,000		LX	10/3/06
H07-053	5/25/07	Retail @ First	097-03-138	NE/c N. First & Headquarters	North	73,000		CB	4/4/08
PD07-071	8/21/07	Senter Office/Retail	477-73-043	E/s Senter, 1200' nly Tully	South	60,000		MD	11/30/07
PD08-018	2/20/08	Orchard Supply Hardware	447-05-018	E/s Yucca, bet Foxworthy & Hillsdale	Willow Glen	51,000		ES	8/15/08
PD07-090	10/23/07	Riverview Mixed Use	097-06-038	W/s N. 1st, 450' sly Rio Robles	North	45,000		JB	4/4/08
PD07-039	4/25/07	Whole Foods Market	261-01-098	NW/c The Alameda & Stockton	Central	44,000		HL	9/28/07
H05-006	2/7/05	Westgate West Shopping Center	381-36-012	NE/c Prospect & Lawrence	West Valley	42,000		RM	9/27/06
PD06-036	7/24/06	Evergreen Village Square	659-56-002	SW/c Ruby & Classico	Evergreen	37,000		RM	1/12/07
PD08-001	1/7/08	Green Acres Mixed Use	254-15-072	SE/c Berryessa & Jackson	Alum Rock	30,000		RM	10/10/08
PD08-040	7/1/08	Coleman Retail	230-46-068	NW/c Coleman & Newhall	North	25,000		ES	10/24/08
PD07-033	4/13/07	Northpointe Mixed Use	097-07-086	NW/c Zanker & Tasman	North	25,000		JB	11/30/07
PD07-007	1/10/07	Fruitdale Station (Phase 2)	284-02-008	SE/c Southwest Expwy & Fruitdale	Willow Glen	25,000		SM	3/21/08
PDC07-015	2/15/07	Newbury Park Mixed Use	254-04-076	NE/c N. King & Dobbin	Alum Rock	25,000		AB	12/18/07
Total						3,331,000	160		

Projects Pending City Approval

PDC08-037	6/23/08	Marriott Residence Inn	230-29-109	SW/c N. 1st & Skyport	North	216,000	321	JD	---
CP07-070	9/7/07	Target Stores	097-03-140	SE/c N. 1st & Hwy 237	North	165,000		SD	---
PDC06-089	8/9/06	Public Storage	670-41-007	SW/c E. Capitol & Quimby	Evergreen	128,000		RM	---
PD08-027	4/4/08	Flea Market Mixed Use (North)	254-17-084	Both sides Berryessa, wly UP railroad	Berry./Alum Rock	121,000		JB	---
PD08-054	8/12/08	Samaritan Medical Center	421-37-012	NE/c Samaritan & S. Bascom	Cambrian/Pioneer	75,000		ES	---
PDC08-049	8/29/08	Communications Hill Mixed Use	455-19-101	N/s Hillsdale bet Monterey & Hwy 87	South	65,000		MD	---
PD07-085	10/1/07	Silicon Valley Club	015-34-059	W/s Gold term El Dorado	Alviso	60,000		JD	---
PDC07-010	1/25/07	Markovits & Fox Mixed Use	237-03-070	SW/c E. Brokaw & Oakland	Berryessa	56,000		RB	---

**Major Commercial Development Activity
Projects of 25,000+ Square Feet, Submitted Since 1/1/05**

File Number	Filing Date	Project Name	Tracking APN	Street Location	Planning Area	Square Footage (approx.)	# of New Guest Rooms	Proj. Mgr	Approval Date
PDC08-061	11/3/08	Ohlone Mixed Use	264-14-131	SW/c W. San Carlos & Sunol	Central	50,000		LM	---
H08-014	3/26/08	Stevens Creek Chrysler/Dodge	294-41-003	S/s Stevens Creek, 260' ely Kiely	West Valley	50,000		ES	---
PDC08-056	9/30/08	Valley Christian Schools	684-05-019	Ely term. Skyway	Edenvale	45,000		SS	---
H06-040	8/29/06	City Front Square Condos	259-42-080	NE/c S. Market & E. San Carlos	Central	33,000		RE	---
PDC08-031	6/6/08	Morrill/Landess Commercial	092-20-008	SE/c Morrill & Landess	Berryessa	31,000		BR	---
PDC07-073	9/12/07	Corp Yard Mixed Use	249-39-039	NE/c Jackson & N. 6th	Central	30,000		LM	---
HA04-038-04	11/21/07	The 88 Condos (Phase 2)	467-22-156	S/s E. San Fernando bet S. 2nd & S. 3rd	Central	27,000		ES	---
H08-025	5/28/08	Stevens Creek Gateway	274-57-022	NE/c Stevens Creek & DiSalvo	Central	26,000		ES	---
H08-044	12/5/08	Askari Self Storage	241-12-012	E/s Oakland, 350' sly Service	Berryessa	25,000		SD	---
PDC08-015	3/7/08	Almaden Mixed Use	451-06-068	NW/c Almaden & Hillsdale	Willow Glen	25,000		MD	---
Total						1,228,000	321		
GRAND TOTAL						7,936,000	657		

Footnotes:

File Number Prefixes: H= Site Development Permit; CP= Conditional Use Permit; PDC= Planned Development Rezoning; PD= Planned Development Permit

**Major Industrial Development Activity
Projects of 75,000+ Square Feet, Submitted Since 1/1/05**

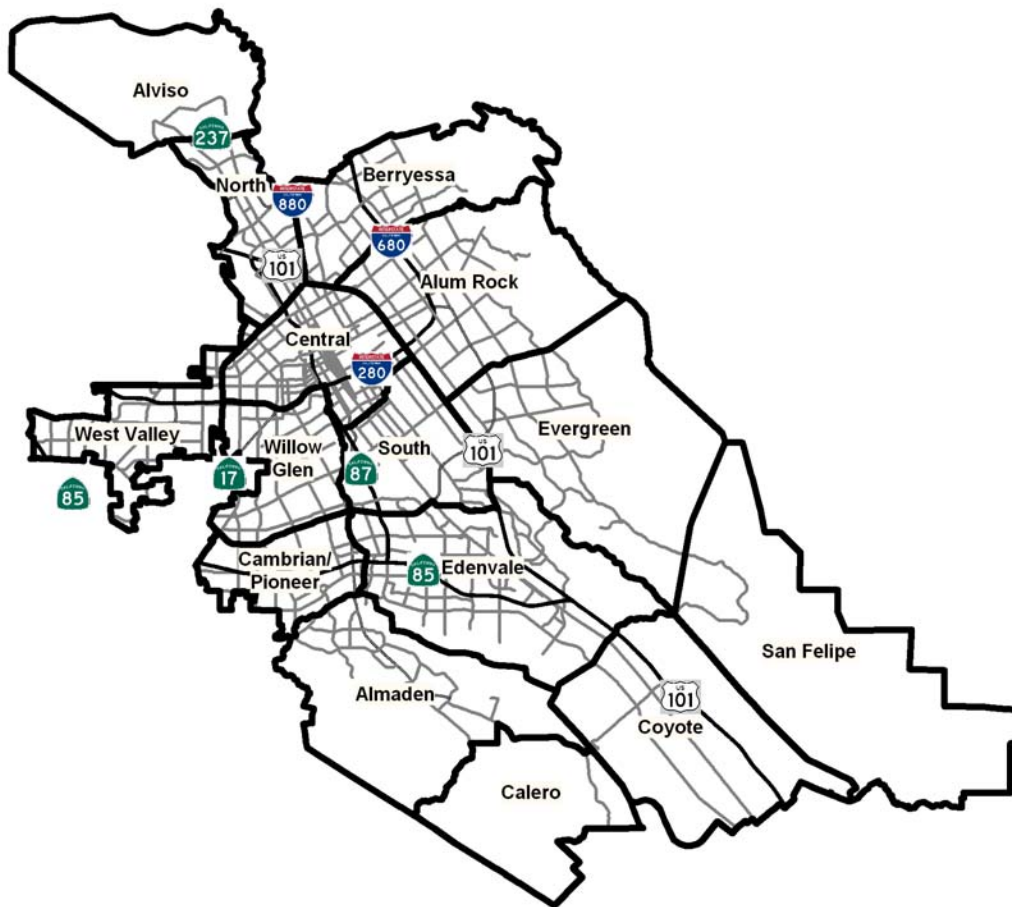
File Number	Filing Date	Project Name	Tracking APN	Street Location	Planning Area	Square Footage (approx.)	Proj. Mgr	Approval Date
<u>Projects Completed</u>								
SPA04-064-01	4/27/05	Hellyer Commons	678-08-038	SE/c Piercy & Hellyer	Edenvale	98,000	JR	7/1/05
Total						98,000		
<u>Projects Under Construction</u>								
H07-018	5/3/07	Brocade Communications	097-03-139	SE/c N. 1st & Hwy 237	North	889,000	CB	10/19/07
H05-053	10/28/05	Cadence Design Systems	097-66-005	N/s Montague at Trimble	North	208,000	JR	10/13/06
HA02-040-01	3/19/07	ACM Aviation Hangar/Office	230-46-042	SE/c Coleman & Aviation	North	78,000	CB	6/22/07
Total						1,175,000		
<u>Approved Projects (Construction Not Yet Commenced)</u>								
H03-039	7/3/03	eBay	101-04-005	SW/c N. 1st & Charcot	North	1,279,000	MM	12/12/03
PD08-030	4/22/08	Skyport Plaza (Phase 2)	230-29-056	W/s N. 1st bet Skyport & Sonora	North	558,000	JB	8/8/08
H08-002	1/8/08	Boston Properties (Zanker)	097-33-104	NE/c Zanker & Montague	North	533,000	CB	12/17/08
PD07-081	9/18/07	Legacy on 101 Office	101-02-015	W/s Orchard, 750' nly Charcot	North	398,000	JB	12/21/07
Total						2,768,000		
<u>Projects Pending City Approval</u>								
PD08-064	11/3/08	Campus @ North First	101-02-011	SW/c N. 1st & Component	North	2,800,000	JD	---
SP08-046	8/14/08	Equinix	706-09-102	NW/c Great Oaks & Hwy 85	Edenvale	160,000	SD	---
Total						2,960,000		
GRAND TOTAL						7,001,000		

File Number Prefixes: H= Site Development Permit; CP= Conditional Use Permit; PDC= Planned Development Rezoning; PD= Planned Development Permit

VI. MAJOR DEVELOPMENT ACTIVITY MAPS (PLANNING AREAS)

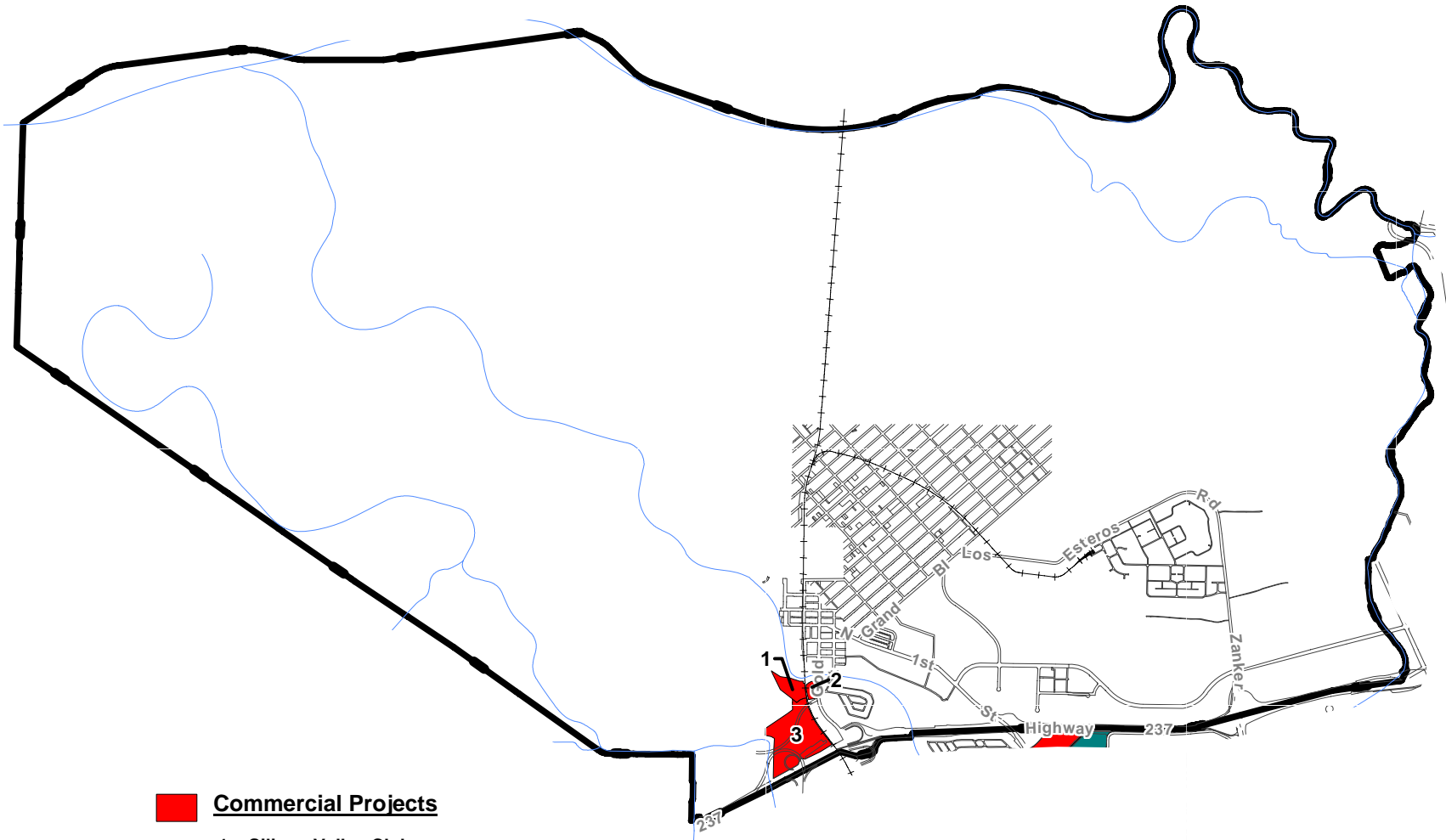
San Jose is divided into a total of fifteen (15) planning areas (see Figure 1, below). The individual planning area maps that follow include projects in all status categories submitted since January 1, 2005. These maps can be used in conjunction with the data contained in Section V of this report to allow closer analysis of the rate, type, and location of major development activity in the City. (Note: map exhibits are not provided for the Almaden, Calero, Coyote, or San Felipe planning areas, as no major development activity occurred there and/or these areas are outside the City's Urban Service Area and Urban Growth Boundary).

Figure 1: San Jose Planning Areas



Alviso Planning Area Major Development Activity

16



Commercial Projects

- 1 Silicon Valley Club
- 2 Gold Street Office
- 3 America Center

Total Commercial Sq.Ft.= 1,065,000

North Planning Area Major Development Activity

- Residential Projects**
- 1 Vista Montana Park
 - 2 Renaissance Housing
 - 3 Tasman Apts
 - 4 Baypointe Housing
 - 5 Baypointe Mixed Use
 - 6 Northpointe Mixed Use
 - 7 Riverview Mixed Use
 - 8 River Oaks Housing
 - 9 Crescent Park Apts
 - 10 River Oaks Condos
 - 11 Hyundai Site Mixed Use
 - 12 Seely Apts
 - 13 Airport Parkway Condos
 - 14 Century Center Mixed Use
 - 15 Fourth Street Apts
 - 16 Rosemary Housing

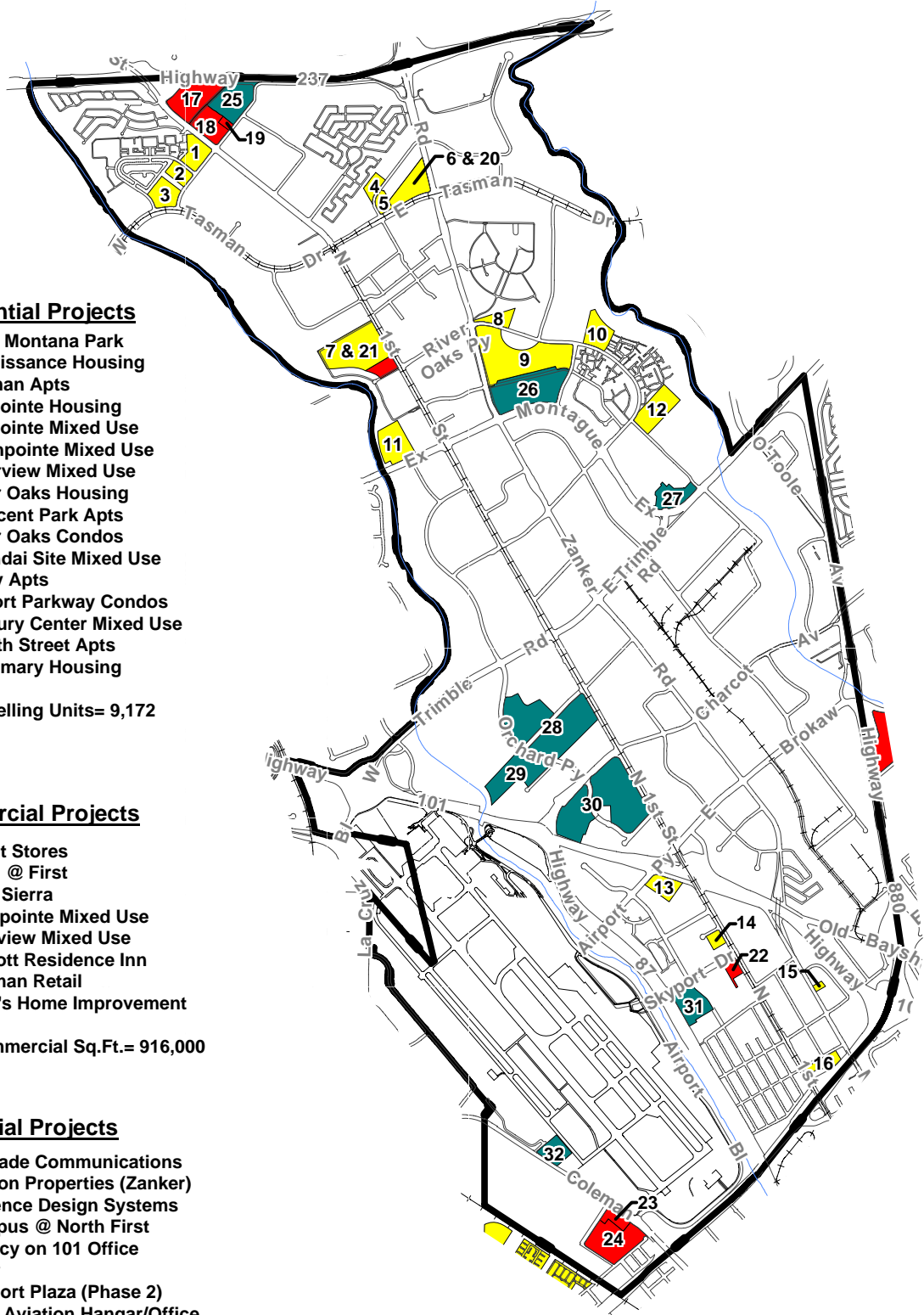
Total Dwelling Units= 9,172

- Commercial Projects**
- 17 Target Stores
 - 18 Retail @ First
 - 19 Hotel Sierra
 - 20 Northpointe Mixed Use
 - 21 Riverview Mixed Use
 - 22 Marriott Residence Inn
 - 23 Coleman Retail
 - 24 Lowe's Home Improvement

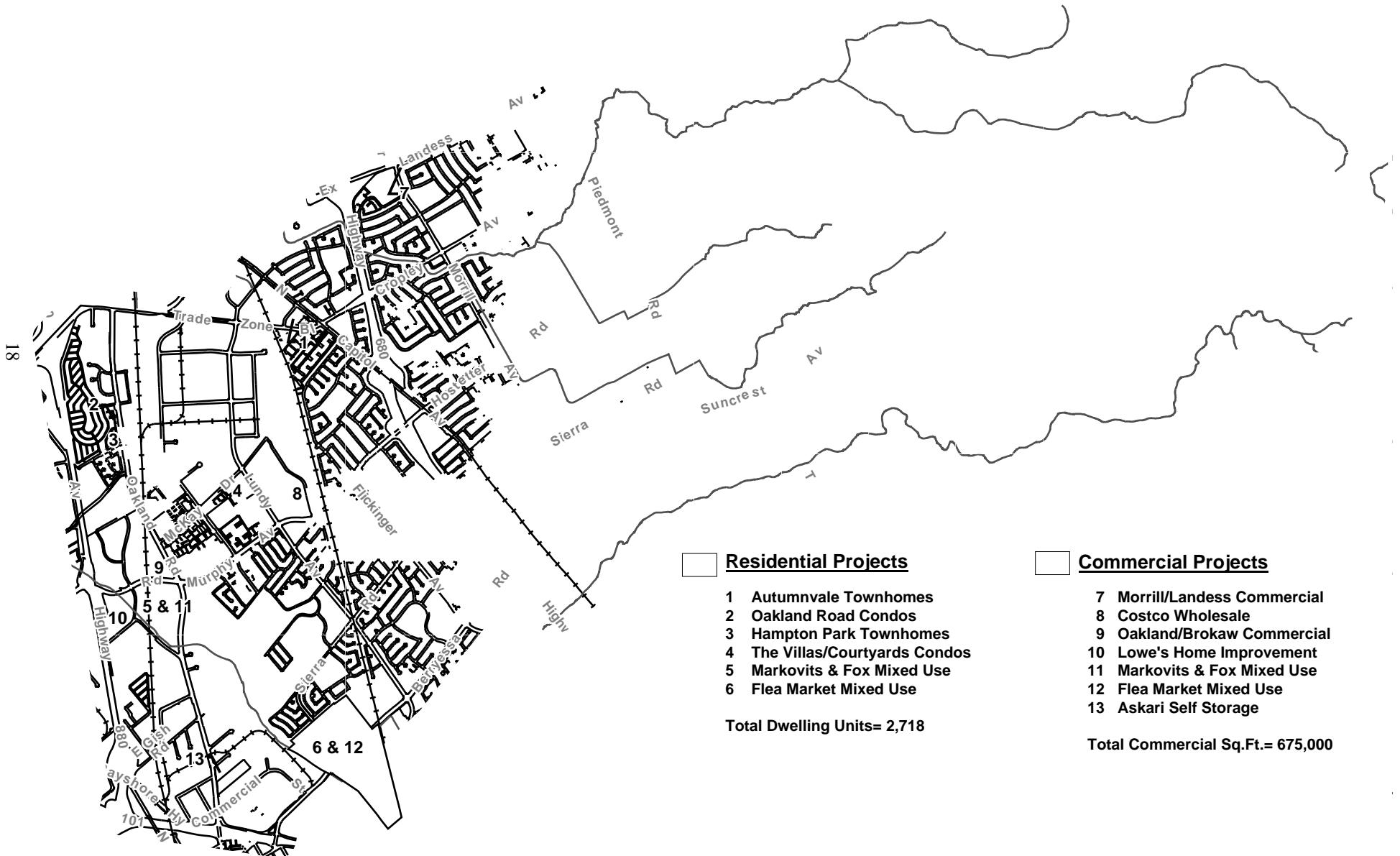
Total Commercial Sq.Ft.= 916,000

- Industrial Projects**
- 25 Brocade Communications
 - 26 Boston Properties (Zanker)
 - 27 Cadence Design Systems
 - 28 Campus @ North First
 - 29 Legacy on 101 Office
 - 30 eBay
 - 31 Skyport Plaza (Phase 2)
 - 32 ACM Aviation Hangar/Office

Total Industrial Sq.Ft.= 6,743,000



Berryessa Planning Area Major Development Activity



Residential Projects

- 1 Autumnvale Townhomes
- 2 Oakland Road Condos
- 3 Hampton Park Townhomes
- 4 The Villas/Courtyards Condos
- 5 Markovits & Fox Mixed Use
- 6 Flea Market Mixed Use

Total Dwelling Units= 2,718

Commercial Projects

- 7 Morrill/Landess Commercial
- 8 Costco Wholesale
- 9 Oakland/Brokaw Commercial
- 10 Lowe's Home Improvement
- 11 Markovits & Fox Mixed Use
- 12 Flea Market Mixed Use
- 13 Askari Self Storage

Total Commercial Sq.Ft.= 675,000

VII. APPENDIX: SOURCES

The Department of Planning, Building and Code Enforcement utilized a variety of information sources in the preparation of this report. These sources are described below.

Data Collection and Analysis

The Department's development project database was the primary initial resource for information on applications submitted to the City. Spreadsheets and Geographic Information Systems (GIS) were also used to manage and display this empirical information in a format that was more readily comprehended. Architectural drawings, aerial photographs, and fieldwork were also used to evaluate site-specific issues that could have affected the anticipated cost or timing of a project's construction.

Planning staff conducted and/or participated in a series of interviews/discussions with a variety of persons, including City staff processing development applications, developers or their representatives, and others working in the development industry or related fields, such as the City's Office of Economic Development and Redevelopment Agency. These discussions surfaced important information on specific development projects as well as provided a forum for review of the economic assumptions underlying the report's five-year forecast.

Review of Publications

Planning staff consulted several publications that made an important contribution to the preparation of this report, including: San Jose Business Journal and San Jose Mercury News (various articles), the Silicon Valley Leadership Group's *Projections 2009*, Joint Venture Silicon Valley Network's *2008 Index of Silicon Valley*, the Association of Bay Area Governments' (ABAG) *Projections 2009* (draft) and *Regional Economic Outlook 2009-10*, Beacon Economics' *2008 South Bay Economic Forecast*, Marcus & Millichap's *Market Research Reports* (periodic), and Commercial Property Service's (CPS) *RealNews* (quarterly).