

THE LETITIA BUILDING
70 S FIRST STREET
SAN JOSE CA 95113-2406

MAILING ADDRESS
P O BOX 1469
SAN JOSE CA 95109-1469



TELEPHONE:
408.286.9800

FACSIMILE:
408.998.4790

www.hopkinscarley.com

March 8, 2006

JOAN R. GALLO
Of Counsel
jgallo@hopkinscarley.com
408-299-1496

Evergreen Community Task Force
c/o John Baty, City Planning Department
San Jose City Hall
200 E. Santa Clara Street
San Jose, CA. 95113

Re: Canyon Creek Plaza

Dear Task Force Members:

I represent Canyon Creek Plaza which is the shopping center on Silver Creek Road which currently houses the Cosentino's Market. We are asking that the proposed Evergreen Vision Strategy specifically exclude the addition of a supermarket at San Felipe Road and Paseo De Arboles as proposed by the Evergreen Community College.

As the study by MapInfo Corp., prepared for Lunardi's Market shows that in addition to Lunardi's and Cosentino's, plans for an upgrade of the Safeway at Capitol Expressway and Silver Creek Road, a Lion Market and new Manilla Market are underway or complete. The study concludes that addition of a chain supermarket at the San Felipe site would be at the direct expense of Cosentino's and Lunardi's. It is predictable that these stores would not survive with the resultant effect on the shopping centers which will not flourish in the absence of their anchors.

The Metrovation Bay Area Economics Report prepared for the Office of Economic Development concludes in footnote 5 that the supermarket proposed by the Evergreen Community College would be "supportable" based on its market analysis but does not address whether Cosentino's and Lunardi's would be also be "supportable" or what the effect would be on the Canyon Creek Plaza and the Evergreen Village Center. It jumps to the conclusion that the "leakage" dollars that now go elsewhere would come into the retail area but does not analyze where that retail now goes and whether it would really move to the new supermarket. The MapInfo report points to the fact that the leakage goes, in substantial amount, to Costco and that "no conventional supermarket operator seems to impact Costco's phenomenal volume." Indeed, the leakage here would be from Cosentino's and Lunardi's to the new supermarket.

Indeed, the Planning Staff has consistently been aware of the potential retail over-saturation of the area. In 1994, in reviewing a General Plan amendment (GP94-8-4), the staff report pointed out:

A market study prepared for the Evergreen Specific Plan concluded that no additional commercial uses would be needed in the Evergreen area beyond the Village Specific Plan's "Village Center" and the already existing and planned commercial uses elsewhere in Evergreen. A market study recently prepared by the applicant's consultant, indicates adequate market demand for an additional shopping center in this area. The applicant's study, however, appears to underestimate the amount of retail commercial development that can be expected in the Evergreen area during the life of San Jose 2020 General Plan. ...As such, it (the GP amendment) would undermine the commercial strategy of the Evergreen Specific Plan, an integral component to the specific plan.

And, again in 1995 (GP95-8-2), when the Evergreen Community College first made its retail proposal, Planning Staff pointed out that an integral component of the Evergreen Planned Residential Community is the Village Center. A retail demand market study was prepared for the Evergreen Specific Plan task force. The market study analyzed the balance between supply and demand for retail space in the Evergreen Specific Plan study area.

The conclusion of that study found that the area is not only presently overserved with neighborhood serving commercial but would continue to be significantly overserved when the Evergreen Specific Plan area is built out. If this current request for neighborhood commercial use on 16 acres were to be approved, much of the commercial component of the Evergreen Specific Plan would become useless. Since a new commercial center on the Evergreen College site would contain many of the same types of retail uses, the stores in the specific plan would become unfeasible. In addition, a new commercial center at this time could dilute existing consumer markets, thereby, impacting existing shopping centers along White/ San Felipe Road to the north. There is also land designated for neighborhood oriented commercial development as a part of the Silver Creek Planned Community and some existing neighborhood commercial uses in the Villages to the south of the site.

And again in 1996, in response to Evergreen Community College's application (GP96-8-1);

Seven existing commercial centers were identified in studies prepared for this market area. Two other commercial centers have been extensively

planned and are expected to be constructed in the near future. These include up to 50,000 square feet of neighborhood commercial development as part of the Silver Creek Planned Residential Community, and the Village Commercial Center component of the Evergreen Planned Residential Community.

In 1990, a retail demand market study was prepared for the Evergreen Specific Plan Task force. The market study analyzed the balance between supply and demand for retail space within a three mile radius of the Evergreen Specific Plan project area..... The conclusion of that study found that the area is not only presently overserved with neighborhood-serving commercial but would continue to be significantly overserved when the Evergreen Specific Plan area is built out. If this current request for neighborhood commercial use on 16 acres were to be approved, much of the commercial component of the Evergreen Specific Plan could become infeasible.

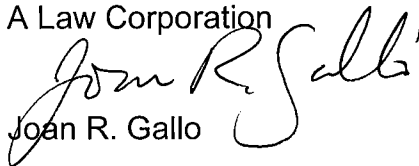
The College responded, in a letter from Michael Hill, then Vice Chancellor of the San Jose/ Evergreen Community College District dated October 23, 1996 by revising its General Plan request to remove the supermarket from its proposal stating "Very importantly, by excluding a full service grocery operation, the revised amendment is intended to complement and not adversely impact the commercial Village Center in the Evergreen planned residential community."

The area is now served by Canyon Creek Plaza and the Evergreen Village Center, two very well designed and well run shopping centers. If competition drives Cosentino's and/or Lunardi's out of business, Evergreen will undoubtedly be faced with the impact on the community which arises when shopping centers do not thrive.

The Vision Strategy should protect, rather than adversely impact, the existing shopping centers by precluding a supermarket at the San Felipe site.

Sincerely,

HOPKINS & CARLEY
A Law Corporation


Joan R. Gallo

JRG/bm