

# Memorandum

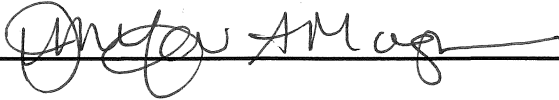
**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Kim Walesh  
Lee Wilcox

**SUBJECT:** SEE BELOW

**DATE:** June 8, 2018

Approved



Date

6/12/18

## INFORMATION

**SUBJECT: EXTENSION OF EXCLUSIVE NEGOTIATIONS AGREEMENT  
WITH GOOGLE AND COMMUNITY ENGAGEMENT UPDATE**

The purpose of the memorandum is to update the City Council of the extension of the initial one-year term of the Exclusive Negotiations Agreement with Google for acquisition of Successor Agency to the Redevelopment Agency and City properties from June 20, 2018 to June 20, 2019, and to update the Council on the community engagement process related to the Diridon Station Area and the potential Google development.

## BACKGROUND

On June 20, 2017, the City Council adopted a resolution authorizing the City Manager to negotiate and execute an Exclusive Negotiation Agreement (ENA) with Google for the acquisition of properties in the Diridon Station Area owned by the City of San Jose (7 parcels comprising 2 main sites) and properties owned by the Successor Agency to the Redevelopment Agency (SARA) (9 parcels comprising 5 main sites). The parcels under consideration total about 20 acres in the Central Zone of the 240-acre Diridon Station Area. This action marked the first step in a multi-step, multi-year process that may lead to the design and approval of a potential transit-oriented, mixed-use, master-planned Google development near Diridon Station.

In early 2018, the City embarked on a significant public engagement process, including forming a Station Area Advisory Group (Advisory Group) and planning other engagement methods (e.g., community forums) to seek input that will help shape the Administration's discussions surrounding the proposed development and recommendations to Council. The initial phase of the Advisory Group's work, from March to September 2018, focuses chiefly on opportunities and issues related to the potential Google development, and will culminate in a Comprehensive Report. Following this initial phase, the Advisory Group will continue to meet and assist the City in areas such as the Diridon Intermodal Station Concept Plan, infrastructure improvement projects, and ongoing development in the Diridon Area.

## **Google Negotiations Update**

Pursuant to the Exclusive Negotiations Agreement (ENA), City staff and Google have been identifying the topics and mutual goals that must be addressed in a Memorandum of Understanding (MOU) and discussing the terms of the Purchase and Sales Agreement (PSA) for public properties. The topics and goals will be based on input from the community through the Advisory Group and other public engagement methods, and on input from City departments.

The ENA envisioned that the original Schedule of Performance created last summer may need to change, and authorized the City Manager to extend the date of any specific task in the original Schedule, and to extend the initial one-year term of the ENA by one year. A December 19, 2017 Information Memo<sup>1</sup> conveyed that the City Manager had extended the anticipated date to bring the MOU and PSA tasks to City Council to August 31, 2018. The initial one-year term expires on June 20, 2018— one year from the date of final execution of the ENA.

Because it is important to respect the civic engagement process and recognizing that the initial engagement effort will not be complete until September 2018, the City Manager has extended the anticipated date to bring the MOU and PSA to City Council from August 31, 2018 to December 31, 2018 and has extended the initial one-year term of the ENA from June 20, 2018 to June 20, 2019.

Reaching closure on the MOU/PSA by the December timeframe is also important because, pursuant to the Compensation Agreement related to the Successor Agency properties, the SARA properties are to be conveyed to the City by December 31, 2018 to sell for economic development purposes. Thirteen of the fourteen taxing entities have signed the Compensation Agreement, which specifies the agreed on fair market value sales price the City must sell the SARA properties for. Sales proceeds will then be distributed to the 14 taxing entities.

## **Community Engagement Update**

To date the Advisory Group has met five times in public sessions to discuss the potential Google development and other topics related to the Diridon Station Area. To assist the Advisory Group in its discussions, five Solutions Groups were formed as ad hoc subcommittees. These Groups are taking a focused look at:

- Housing, Displacement, and Gentrification
- Jobs, Education, and Economic Development
- Land Use and Design
- Parks, Public Spaces, Neighborhood Quality of Life, and Sustainability
- Transportation, Access, and Traffic

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<sup>1</sup> <https://www.diridonsj.org/december2017infomemo>

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**Subject: Google Exclusive Negotiations Agreement and Community Engagement**

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Each of the subcommittees has met at least once and is scheduled to meet at least twice before reporting to the Advisory Group in late-June and July 2018. The ideas coming out of the Solution Groups will help inform the discussion of opportunities, concerns, and potential solutions in the Comprehensive Report.

City staff also led two walking tours of the Diridon Area to assist Advisory Group members and the public in understanding ongoing private development in the area, as well as the locations likely to be affected by the large public transit projects.

On May 21, 2018, a full-time Diridon Civic Engagement Manager, Lori Parks Severino, was added to increase capacity for ongoing engagement and communication.

The City will be hosting four Community Forums throughout the city to present and seek input on the Diridon Station Area. They are scheduled for:

- Wednesday, June 20, 6:00-8:00 p.m. at Leininger Center at Kelley Park (Okayama Room)
- Thursday, June 21, 6:30-8:30 p.m. at Southside Community Center (Multi-purpose Room)
- Saturday, June 23, 10:00 a.m.-12:00 p.m. at Mayfair Community Center (Chavez Hall) *to be conducted in Spanish with English translation*
- Tuesday, June 26, 6:00 -8:00 p.m. at Bascom Community Center (Multi-purpose Room)

The Community Forum held at the Mayfair Community Center will be held in Spanish, with live translation into English using headsets. At the other three events, translation services from English to Spanish, Mandarin, Vietnamese, or American Sign Language will also be available, upon request. Each forum will offer snacks, beverages, and childcare. For additional information and to RSVP see <https://www.diridonsj.org/forums>.

The City is also planning “pop-up” workshops at community events and stakeholder meetings to gain additional community input.

To support the community engagement effort, the City launched the website at [www.diridonsj.org](http://www.diridonsj.org). The website includes information on the Advisory Group meetings, other events, and ways that the public can get involved in the process. There is also considerable information on this site linking the many studies and reports related to the Diridon Station Area and nearby areas.

/s/  
KIM WALESH  
Deputy City Manager  
Director of Economic Development

/s/  
LEE WILCOX  
Chief of Staff  
Office of the City Manager

For questions about the Exclusive Negotiations Agreement, please contact Nanci Klein, Assistant Director of Economic Development, at (408) 535-8184.

For questions about Civic Engagement, please contact Lori Parks Severino, Diridon Civic Engagement Manager, at (408) 535-3537.