

Land Dynamics in San Jose

As is the case in most of the greater Bay Area, San Jose is now at the point where virtually every available and/or developable land parcel, of any meaningful scale, is fully developed. This includes residential, commercial, (including offices, retail, and corporate campus office development) and industrial, including advanced manufacturing and R&D facilities.

The Coyote Valley 126-acre subject property is one of the only large parcels available to accommodate new growth, growth essential to ensure the prosperity of San Jose as a technology powerhouse. In fact, there are NO remaining parcels in any of the inner Bay Area cities ringing the bay, including San Jose, of this size- anywhere.

While some small-scale redevelopment projects are beginning to occur on previously developed properties, these are difficult projects in several ways, not the least of which are enormous economic hurdles.

These challenges are not occurring just in San Jose, but throughout the Bay Area. The recent development cycle has seen nearly all large parcels come into play, and most are now fully developed or are either under construction or in the entitlement phase.

In the meantime, traffic mitigation and quality of life issues confront many communities and the people that live in these communities, whether it is commuting from great distances to get to places of employment in the Bay Area, like Silicon Valley, or, as is the case in San Jose, employees are forced to drive out of the city limits to get to work, which exacerbates environmental and other quality of life issues. Some outlying communities have embraced new development, and corporate employers have swarmed into these areas, creating the same high paying jobs as Silicon Valley, without the daily 4-hour round-trip commute. Tracy and the Prologis International Park of Commerce is an example of this phenomena.

Economic viability of the larger San Jose metro area depends on being able to accommodate not just the larger household name brands, but as this area is famous for and well accustomed to, new, innovative companies and technologies not yet even invented. On the flip side, the recent phenomenon of corporations leaving California and to relocated to States like Texas and Arizona is occurring. In many cases, it is less about State and local regulation and cost of labor as it is the ability to expand and offer new, scalable facilities.

As a development opportunity to the City of San Jose, this 126-acre site offers the benefits of a reverse commute for most San Jose residents, robust infrastructure in place (fully integrated interchange and surface access to highway 101), and the ability to plan for, and design features that enhance, in the most modern way possible, flood control and water retention, on-site landscaping and architectural features designed to promote and ensure safety of migrating wildlife, planting of native vegetation (where none exists currently), management and stewardship of heritage Oak trees, as well as world-class features that enable employees to enjoy and recreate in Coyote Valley.

For these and many other reasons, this essential system of parcels needs to be preserved under the 2040 General Plan as Campus Industrial.

Michael Karp

Cushman & Wakefield

