

City of San José, California

CITY COUNCIL POLICY

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APPROVED BY

BACKGROUND

The City Council has determined that development projects which could be of special importance to the City's image and economic well being should be identified to receive special handling by selected high level management and professional staff members. These staff members would be charged to assist the developer in solving the complex problems typically associated with major development proposals, and to ensure that project review received a high priority from all departments.

It is likely that only a few projects each year will be of sufficient benefit to the City that they will warrant special handling. Therefore, it is highly desirable that the criteria used to identify projects to receive special handling be explicitly set forth.

PURPOSE

The purpose of this policy is to set forth the criteria by which projects will be identified to receive special handling.

POLICY

Projects which are determined to meet the following criteria will receive special handling. All projects must meet criteria Nos. 1 & 2 and at least one of the other four criteria.

1. The project must be user built or built to suit for an identified private sector user or public agency. Speculative development proposals might be eligible for special handling under the terms of No. 6 below.
2. The future land user (whether private sector or public agency) must provide to the City a letter indicating strong interest in occupying the project.

3. If the project is a private sector development it will generate or retain at least 500 jobs in San Jose. It is to ensure meeting this criteria that speculative development projects would not normally be considered.
4. If the project is a public sector development, it will directly benefit a substantial portion of San Jose's citizens, or will have a highly favorable impact upon the City's image.
5. The project is a publicly-assisted residential development that provides low and moderate income housing.
6. Exceptions may be granted to the above criteria for projects found to specifically support the City's economic development objectives, meet critical public needs or that help meet General Plan goals which otherwise remain unmet. Such projects must be found to represent at least three of the following development characteristics:
 - A. Projects that substantially improve the City's image or provide important cultural benefits

In particular, projects found to have strong regional appeal or have potential "landmark" identification with the City.
 - B. Quality Hotel and Retail Development

Quality hotel and retail development may be eligible for special handling based on an assessment of its long-term fiscal impact to the City.

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C. Projects of large corporate users providing jobs in targeted industries

Such projects would represent industrial and commercial sectors determined to be in San Jose long term economic interest as identified by the Office of Economic Development in the annual Overview of the San Jose Economy Report.

D. Projects structured to provide specific socio-economic or employment impacts

Projects demonstrating a commitment to utilize local labor or include local entrepreneurs in project development. Specific examples of such commitment include:

- i. First-source hiring agreements with the City of San Jose, particularly targeting displaced workers and the unemployed.
- ii. Signed commitments with a minority-owned general contractor or 15% minority subcontractors to participate in the project development.
- iii. Ability to demonstrate 15% minority equity participation in the project itself.

E. Projects that provide important support for existing development

Projects that provide vital linkages, as specified by the Office of Economic Development, to local industry and/or that help protect the environment may be eligible for special handling. Such projects can include:

- i. Higher density housing that supports downtown retail activity;
- ii. Industrial supplier/services firms;
- iii. New technologies representing major economic opportunities;
- iv. Product recycling centers;
- v. Major solid waste disposal facilities.

F. Location of projects in San Jose Enterprise Zone

Job generating projects located in the San Jose Enterprise Zone should receive particular consideration for special handling. Enterprise Zone firms have built-in incentives to provide jobs to targeted sectors of the San Jose labor force.