



February 13, 2014

Via US Mail & E-Mail: david.keyon@sanjoseca.gov

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Department of Planning, Building and Code Enforcement
City of San Jose
200 East Santa Clara Street, 3rd Floor
San Jose, CA 95113

**RE: Diridon Station Area Plan Draft Program Environmental Impact Report
State Clearinghouse # 2011092022; File No. PP 09-163**

Dear Mr. Keyon,

On behalf of Sharks Sports & Entertainment LLC ("SSE"), the parent company of San Jose Arena Management, LLC, I am submitting preliminary comments to the Diridon Station Area Plan Draft Program Environmental Impact Report, State Clearinghouse # 2011092022, dated December, 2013, prepared by the City of San Jose ("DEIR").

While SSE appreciates the opportunities the Diridon Station Area Plan ("DSAP"), creates for the City and regional transit center environs, the City is well aware we have long been concerned that the DSAP, if not properly drafted and implemented, could significantly harm the successful ongoing operations of the SAP Center at San Jose ("Arena") to the extreme detriment of SSE and the City. As you know, the Arena draws from a broad region outside of San Jose. It is unlikely that public transportation will allow convenient transportation from throughout the area that the Arena draws from, and vehicular access will be the most significant method for our patrons and their families to attend Arena events for the foreseeable future. Any limitation in the effectiveness of vehicular access to the Arena, along with adequate available parking, would degrade the customer experience and would discourage attendance at the Arena. Thus, the risk of a miscalculation in traffic and parking planning that impedes regional and local access is an adverse impact on Arena operations and on the businesses throughout the downtown area that rely on the Arena's draw to keep them profitable.

The City Council decided on April 28, 2011 that the Arena's parking and traffic concerns must be dealt with in a way that ensures the DSAP strengthens and does not impair the Arena. The Council directed that any reduction in aggregate parking below the levels agreed to by the City in the Arena Management Agreement could occur only with the concurrence of SSE (and SSE has not agreed to any such reduction). Finally, the Council directed that adequacy of circulation and parking for the Arena would be a key objective for, at least, the first decade of the DSAP.

In CEQA terms we believe the Arena's regional draw and the Arena Management Agreement are baseline conditions and complying with the City Council's directives are among the project objectives. With that in mind we have provided City staff with an additional project objective to include in section 1.4 of the DEIR.

SSE has been working closely with City since 2011 to fulfill the City Council's directives. We sincerely appreciate the cooperative effort City staff has made to preserve and protect the Arena as part of the ongoing plan preparation and analysis process, particularly as it relates to the preparation of the 10 Year Horizon Analysis, which we view as an essential part of the DSAP, along with this DEIR.

While much of the analysis in the DEIR, some of which has been undertaken at our request, is consistent with our prior understandings with City staff, we are concerned about several items presented in the DEIR. As presented, we believe these items pose major risks to the adequacy of circulation and parking for Arena customers. We believe these items need to be refined before the DEIR can be properly considered an adequate environmental impact report under CEQA.

We have two particularly important concerns and then several other points which we also believe need further consideration.

Our first major concern pertains to parking, and we have two specific objections regarding this issue:

1. The DEIR does not address whether the proposed parking supply in the Diridon Plan will be sufficient to meet the expected parking demand. For multiple reasons, we believe the DEIR needs to be modified to include a comprehensive parking adequacy analysis.
2. From review of parking supply and demand information presented in the Diridon Draft Preferred Plan Report dated December 2013, we believe that the actual full development parking demand likely will substantially exceed the supply of spaces. If this situation occurred, one consequence would be that much of the excess parking demand would occupy spaces in the downtown area, which are intended to be unoccupied and available for Arena customers upon their arrival for events. The result would be a deficiency of spaces for Arena customers and a shortfall from the City's responsibility to provide off-site parking spaces for Arena customers. Page 65 in the DEIR states that the total recommended parking supply would be about 11,950 spaces. Table 2-8-4 in the Draft Preferred Plan Report states that the total estimated parking demand would range from 10,480 to 11,340 spaces. This parking demand projection is premised on substantial reductions in development parking ratios below existing City Code and substantial reductions in parking demand by transit users from projections presented by the transit agencies. In our opinion, these extensive parking demand reductions are highly speculative. As presented in a document attached to this letter, we believe the actual full development parking demand will be in the low 20,000s, nearly double the parking demand presented in the Draft Preferred Plan Report. You will note that our demand projections are premised on several specific citations

from City Code and citations from publications by transit agencies, and our comments simply elaborate on ones we made to the City Council in April, 2011; so are not new.

Based on the two above points, we believe that the DEIR needs to be modified to include a comprehensive parking supply/demand analysis, to resolve multiple items in the Draft Preferred Plan report where parking demand is underestimated, and to present a refined Diridon Plan that provides sufficient parking spaces to meet the expected demand.

Our second major concern pertains to potential negative traffic impacts at the intersection of Autumn Street, Bird Avenue, and Park Avenue. This intersection is subject to two particularly important performance measures:

1. Criterion agreed upon by the City and SSE that all major intersections in the vicinity of the Arena should operate at level of service E or better during the hour of 6:00 to 7:00 p.m. with an Arena event.
2. Statement under Section 11 in the Third Amendment to the Amended and Restated Arena Management Agreement that the intersection “shall not be reconfigured in a manner so as to reduce the traffic capacity measured against the existing intersection capacity of greater than 25%.”

City staff worked closely with our traffic engineer during the process of analyzing intersection levels of service. Through the extensive work performed by the City and cooperation with our engineer, we believe that point 1. above has been adequately addressed.

However, we believe that point 2. is not yet satisfied. Based on a statement on page 131 in the DEIR regarding planned narrowing of Bird Avenue and based on other intersection plan information City staff have provided, our traffic engineer has determined that the current plans for the Autumn/Bird/Park intersection would reduce the capacity of this intersection by 36%. This potential violation of the 25% maximum capacity reduction rule needs to be resolved. We believe some modest adjustments to the intersection plan can be accomplished, which would eliminate this problem. Our traffic engineer is in communication with City staff to seek a mutually acceptable concept plan for this intersection.

Our other comments regarding the DEIR and requests for further consideration are presented next. Each comment is referenced by the applicable page number in the DEIR.

- a) *Pages 34 and 35.* This section begins: “The City is considering a plan to reduce the number of travel lanes on The Alameda from four lanes to two lanes....” The final statement is: “Construction is currently underway with completion expected in early 2014.” Our understanding is that the current project does not reduce the number of travel lanes, that an EIS would be required to reduce the number of lanes, and that the City has no intention anytime soon to prepare such an EIS. This section needs to be clarified. The traffic analysis for the DEIR

did not address the concept of The Alameda just providing two traffic lanes. We believe such narrowing likely would cause serious negative impacts for motorists traveling to the Arena.

- b) *Pages 38 and 39.* The set of objectives should be expanded to include a new objective referring to the Arena. We have consulted with City staff regarding the wording of this new objective.
- c) *Page 61 and Table 2-4.* A serious deficiency in the transportation improvement strategies presented is that no reference is made to the need to provide high quality vehicular access and parking for the Arena and other land uses in the Plan area. Such a strategy should be added.
- d) *Page 61 and Figure 2-10.* References are made to a North Railroad Trail, which would run along the Arena parking lot from Santa Clara Street and connect to the Guadalupe River Trail at Autumn Street. As we have advised City staff, we are very concerned this trail as depicted would take right-of-way from our parking lot and thereby reduce the number of on-site spaces for Arena customers. The trail should be removed unless clarification can be provided which demonstrates that this trail would not impact our parking lot.
- e) *Pages 74 through 97.* The DEIR should recognize and adequately describe the Arena, its operations, and the City's contractual obligations under the Arena Management Agreement (as amended) respecting the specific parking and transportation standards which must be maintained. Such information is needed in the DEIR so readers can properly understand the baseline conditions upon which the DSAP and future projects within it will be considered. Existing/Surrounding Land Use sub-sections as well as the Regulatory Framework section should identify the items noted above. Likewise, the Land Use Compatibility Impacts should identify what possible effects future development may have on the Arena and its operations.
- f) *Page 66 in Appendix C.* The last sentences in the first paragraph state: "However, the proposed project would generate the greatest amount of traffic and result in the greatest impact to the roadway system during the standard AM and PM peak hours. In addition, the City's Level of Service Policy is applicable to only the standard AM and PM peak commute periods. Therefore, the 6:00-7:00 PM event period analysis is presented for informational purposes only." These sentences are incorrect and either should be deleted or rewritten. Analyses presented by the City show that at least the following four intersections would have worse levels of service during the 6 to 7 PM hour on event days: Autumn Street and San Fernando Street, Delmas Avenue and Park Avenue, Montgomery Street and Park Avenue, and Woz Way and San Carlos Street. The statement that this analysis is presented for informational purposes only discounts directions from the City Council to provide effective traffic operations for event traffic and does not acknowledge that CEQA impacts can occur outside the times covered by the City's LOS policy.

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In closing, I also wish to note that we are still completing our review of the DEIR. Because it identifies the "project" as the DSAP itself, and the complete draft plan, specifically the 10 Year Horizon Analysis, was not made available until late last week, we could have additional comments once we complete our review of the DEIR based on a complete DSAP.

You are welcome to contact me if you have any questions about the contents of this letter.

Sincerely,



Jim Goddard
Executive Vice President and General Manager

Encl: Independent Assessment of parking Demand

cc: Nanci Klein, Office of Economic Development (Nanci.klein@sanjoseca.gov)
Jim Ortbal, Department of Transportation (james.ortbal@sanjoseca.gov)
Chris Morrisey, San Jose Arena Authority (morrisey@sjaa.com)

February 13, 2014

INDEPENDENT ASSESSMENT OF PARKING DEMAND AND SUPPLY FOR DIRIDON STATION AREA PLAN

Parking Demand for Planned Development

USE/SIZE	PARKING DEMAND PER CITY CODE - DOWNTOWN	
	PARKING DEMAND	CITATION
Commercial/R&D 4,963,400 gross sq. ft.	10,547	Table 20-140 in Zoning Ordinance – 2.5 spaces per 1,000 sq. ft. floor area. Section 20.90.050 defines floor area as 85% of gross floor area
Retail/restaurant 708,200 gross sq. ft.	0	Table 20-140 in Zoning Ordinance
Dwelling units 2,588	2,588	Table 20-140 in Zoning Ordinance – 1 per DU
Hotel room 900	315	Table 20-140 in Zoning Ordinance – 0.35 per room
Total Development Parking Demand	13,450	

Parking Demand for Transit Users

TRANSIT SYSTEM	PARKING DEMAND	CITATION
Caltrain	2,281	Table 2-8-3 in Preferred Plan Report, December 2013. This table also shows reductions in parking demand by 47 to 74% based on expected reductions in park and ride mode share. This level of reduction in parking demand is considered highly unrealistic. For example, even the highest reduced parking demand of 1,200 spaces is less than the existing Caltrain parking demand of 1,240 spaces, which is presented on page 3-3 of the Draft 10-Year Horizon Report dated January 2014
BART	2,585	Table 3-23 in BART EIS dated March 2009. This EIS includes a recommended 1,300 space parking garage to help meet this demand. The Diridon Plan recommends development on this proposed parking garage site and does not provide any separate parking for BART. The BART EIS does not identify any potential reductions in parking demand, such as the 80 to 90% reductions presented in Table 2-8-3 of the Preferred Plan Report dated December 2013.
High Speed Rail	1,151	A memorandum produced by the High Speed Rail Authority on March 10, 2010, indicates a cumulative parking space demand of 3,800. This memorandum also indicates that 1/3 of these total spaces should be provided at the station. Page 147 in the Draft EIR states that “the parking supply serving HSR in the vicinity of Diridon Station was assumed to be 1,432 spaces, based on guidance from the CHSRA.”
Amtrak and Capitol Corridor	65	Table 2-8-3 in Preferred Plan Report
Total Transit Pkng. Demand	6,082	

Overall Total Parking Demand

PLAN COMPONENT	PARKING DEMAND PRESENTED IN DRAFT PREFERRED PLAN REPORT	PARKING DEMAND FROM CITY CODE FOR DOWNTOWN AREA AND OTHER APPLICABLE CITATIONS
Planned Development	9,127	13,450
Transit	1,353 – 2,213	6,082
Total Parking Demand	10,480 – 11,340	19,532

Conclusions Regarding Adequacy of Planned Parking Supply

Parking demand projections presented in the Diridon Draft Preferred Plan Report are far below projections derived from City Code provisions and other applicable citations. We believe the above projections established using City Code provisions for the downtown area are valid, with one exception. For the Diridon area, we believe that Code provisions which do not require any separate parking for retail and restaurant uses in the downtown area are not valid. Though practically all of the Diridon study area is within the downtown area defined in City Code, there is one major difference between the Diridon area and the downtown core. The downtown core includes multiple City operated parking facilities to help meet parking demand not accommodated in private parking facilities. No such City operated parking facilities are planned for the Diridon area. Thus, we strongly believe retail and restaurant uses in the Diridon area will require some additional parking spaces. City staff have accounted for additional retail and restaurant parking demand in the 10-Year Horizon Report dated January 2014.

In summary, we believe total parking demand upon full development of the Diridon area will be in the low 20,000s. This demand will be nearly double the planned number of parking spaces, which will result in a shortage of parking spaces for Arena customers and will result in problems for the City to fulfill its responsibilities to provide off-site parking for Arena customers.