



**City of
Santa Clara**
The Center of What's Possible

FOR IMMEDIATE RELEASE
January 16, 2018

Media Contacts:

JENNIFER YAMAGUMA: Community Relations Manager, City of Santa Clara, 408-615-2212

DAVID LOW, Public Information Officer, Office of San Jose Mayor Sam Liccardo: 408-535-4840

San Jose and Santa Clara Reach Settlements over City Place and Santana West Dispute

Agreements allow the two projects to move forward while also helping both Cities address the region's critical affordable housing and traffic relief needs

San Jose, Calif. – The City of San Jose and City of Santa Clara have reached settlement over their disputes related to the planned City Place and Santana West developments. The settlement agreements will allow both projects to begin construction, while also investing in affordable housing and traffic improvements in both cities.

San Jose Mayor Sam Liccardo and Santa Clara Mayor Lisa Gillmor have released the following joint statement on the settlement:

“We’ve reached a fair settlement that will benefit both of our cities’ residents. In addition to allowing these important projects to move forward, this settlement will help our two cities better address the significant affordable housing and traffic congestion problems gripping our region and provides assurances to continue to provide high quality of life for our residents, employees and visitors. We’d like to thank the dedicated City employees from both of our organizations, as well as the City Place and Santana West representatives, for their hard work to reach an equitable resolution to these disputes.”

Among the key elements of the two settlement agreements reached last week:

- For Santa Clara’s CityPlace development, San Jose agreed to dismiss its appeal of a November 2017 judgment by San Mateo County Superior Court Judge Marie S. Weiner that upheld the CityPlace environmental impact report. Related Companies will pay San Jose: \$4.5 million for the first phase of the project for traffic improvements in North San Jose; up to \$10 million **less credits for** first phase traffic improvement expenditures, as the second phase of the project commences; and, \$5 million in 15 years, reduced partially or entirely by the production of both market rate and affordable housing in Santa Clara. The settlement does not require Santa Clara to build housing, nor does it create any financial obligation to San Jose. Both cities have agreed to meet regularly to discuss development and traffic issues, particularly those in North San Jose that may arise as San Jose considers more housing developments in the area.

- Santa Clara agreed to dismiss its challenge of the environmental impact report for San Jose’s Santana West project that was scheduled to be heard by Judge Weiner on January 16. The settlement requires investment of traffic improvements in San Jose totaling approximately \$2.5 million before the issuance of occupancy for the first 300,000 square feet of rentable space; \$1.2 million for Santa Clara traffic improvements before the issuance of occupancy for the first 300,000 square feet of rentable space; \$5 million payment to Santa Clara upon issuance of a grading or building permit for the site, or by July 1, 2022, that will be used for transportation and affordable housing in Santa Clara; payment of a portion of Santa Clara’s attorney’s fees estimated at \$145,000; and, guarantee that any traffic impact funds that San Jose would waive for this, or other developments, that affect traffic in Santa Clara will be replaced with alternative funding by San Jose. The two cities agree to work together to address other issues such as traffic in Stevens Creek corridor.

The settlement agreements were finalized on Friday, and San Jose has dismissed its CityPlace appeal and Santa Clara has dismissed its Santana West lawsuit.

#

Development Project Background

CityPlace— The Project’s site is located at 5155 Stars & Stripes Drive, located on a City-owned site adjacent to Levi Stadium in Santa Clara. The development program includes 5.7 million square feet of office and 1.5 million square feet of retail uses, 1,360 residential units, and 700 hotel rooms. The Project is also envisioned to include public open space and a 30 acre public park. At buildout, the Project is expected to support about 25,000 employees and 3,000 new residents. The Project will be subject to a long-term ground lease between the City and Related Santa Clara for 239-acres and build out will be in phases.

Santana West—The proposed project includes up to 970,000 square feet of office space, 29,000 square feet of retail space on an approximately 13-acre site. The project is located at the corner of Winchester Blvd. and Olsen Drive, within the Valley Fair/Santana Row Urban Village. The project was approved by the City Council in September 2016, and is consistent with the City’s General Plan, Economic Strategy and other long-term development goals for the area.