



BridgeBank.

A division of Western Alliance Bank. Member FDIC.

SJSU SAN JOSÉ STATE
UNIVERSITY

Economic Summit

hopkins carley

PRESENTING SPONSOR



BridgeBank.

A division of Western Alliance Bank. Member FDIC.

ASSOCIATE SPONSOR

hopkins carley

AFFILIATE SPONSORS



The silicon valley organization

MEDIA SPONSOR

**SILICON VALLEY
BUSINESS JOURNAL**

SJSU SAN JOSÉ STATE
UNIVERSITY

Economic Summit

PRESENTED BY BRIDGE BANK

In Association with Hopkins & Carley

May 30, 2019 | Student Union Ballroom

7:30 – 8:15am | Registration and Continental Breakfast

8:15 – 10:00am | Presentations and Q&A

CONFIRMED PANELISTS

Hon. Zoe Lofgren, Congresswoman

Christopher Thornberg, Founding Partner, Beacon Economics

A panel of notable experts will forecast Silicon Valley's economic landscape and discuss how this may impact your business.



BridgeBank.

A division of Western Alliance Bank. Member FDIC.

SJSU SAN JOSÉ STATE
UNIVERSITY

Economic Summit

[hopkins carley](#)

PERSONA

MATT MAHOOD:
SEEING THE
BIG PICTURE

BY TRACI HUKILL



Matthew Mahood

President and CEO

The Silicon Valley Organization

(*The SVO*)



BridgeBank.

A division of Western Alliance Bank. Member FDIC.

SJSU SAN JOSÉ STATE
UNIVERSITY

Economic Summit

hopkins carley

ABOUT THE SVO

- 1,200 Members
- 80% small businesses
- 5 Core Services:
 1. Networking & Business Visibility
 2. Public Policy Advocacy
 3. Economic Development Strategy
 4. Community Development
 5. Political Action





BridgeBank.

A division of Western Alliance Bank. Member FDIC.

SJSU SAN JOSÉ STATE
UNIVERSITY

Economic Summit

[hopkins carley](#)

447 ALMADEN BLVD – BOSTON PROPERTIES



- 17 stories, 1.8 million sq ft of office space, 3.67 acre site
- Parking lot transformed into Two Towers for office space



BridgeBank.

A division of Western Alliance Bank. Member FDIC.

SJSU SAN JOSÉ STATE
UNIVERSITY

Economic Summit

hopkins carley

ADOBE



- Fourth Office Tower Addition, redeveloping the old Lido Night Club Site
- Six Stories, 50,000 square feet = 4,000 New Employees



BridgeBank.

A division of Western Alliance Bank. Member FDIC.

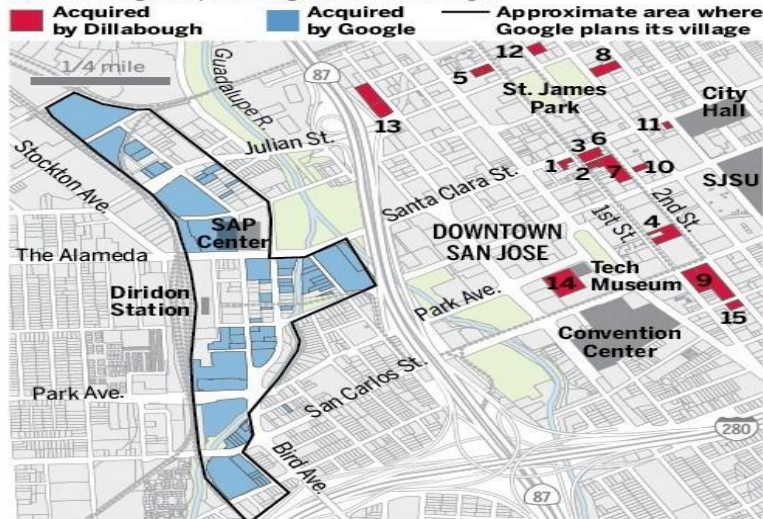
SJSU SAN JOSÉ STATE
UNIVERSITY

Economic Summit

[hopkins carley](#)

BUYING UP DOWNTOWN SAN JOSE

Over the past two years, local developer Gary Dillabough has acquired 21 parcels* in the heart of downtown San Jose, near where Google is planning its transit village.



Building*	Address	Price (millions)	Date
1 Bank of the West building	2 W. Santa Clara St.	\$14.4	Mar. 2017
2 Former Lido nightclub	26, 30 S. First St.	\$1.3	Dec. 2017
3 Bank of Italy	12 S. First St.	\$33.8	Dec. 2017
4 Camera 12 movie site	201 S. Second St.	\$8.8	Dec. 2017
5 Moir Building	227 N. First St.	\$6.4	Jan. 2018
6 Office building	30 E. Santa Clara St.	\$6	Feb. 2018
7 Fountain Alley parking lot	—	\$25.7	Mar. 2018
8 St. James Park office	152 N. Third St.	\$40	Jun. 2018
9 Valley Title	300 S. First St.	\$64	Aug. 2018
10 Jose Theatre	62 S. Second St.	\$2.1	Dec. 2018
11 4th Street Pizza building	142-150 E. Santa Clara St.	\$4.5	Feb. 2019
12 The Armory	240 N. 2nd	\$3	Apr. 2019
13 Davidson Building	255 W. Julian	Pending	Pending
14 Museum Place	180 Park Ave.	Pending	Pending
15 Bo Town	409 S. Second St.	Pending	Pending

*Some buildings occupy multiple parcels

Source: Gary Dillabough, Santa Clara County Assessor Office

BAY AREA NEWS GROUP

URBAN COMMUNITY

- 21 Properties = +\$300 million
- Five to Seven Year Development Timeline
- Key Policies
 - Opportunity Zones
 - San Jose Downtown High-Rise Fee Exemption



BridgeBank.

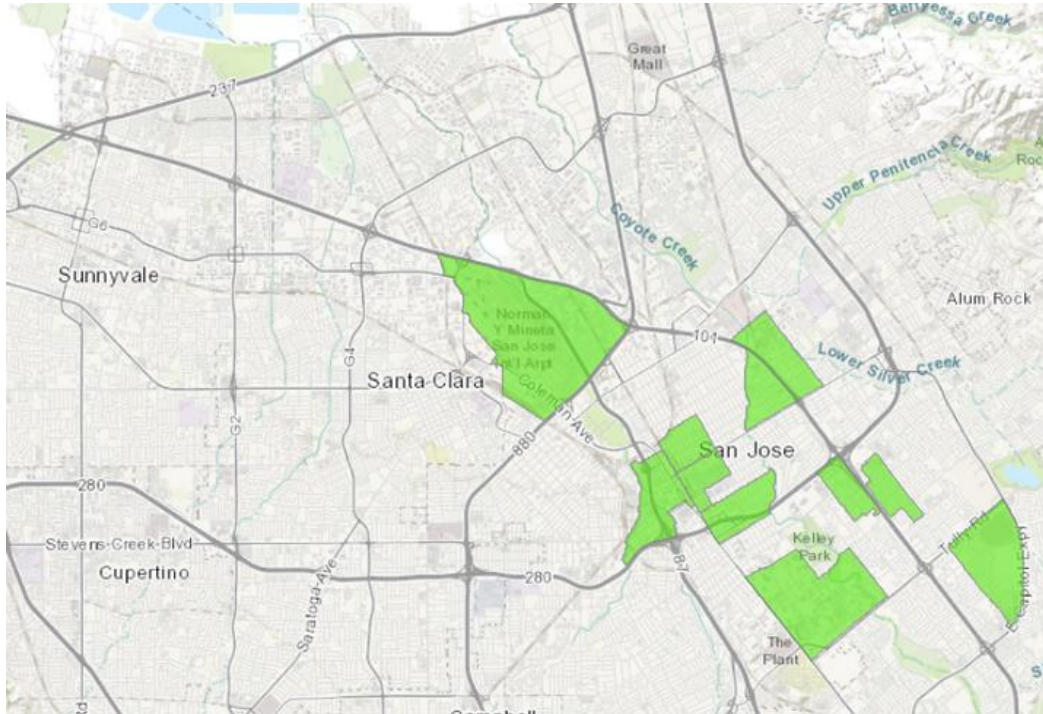
A division of Western Alliance Bank. Member FDIC.

SJSU SAN JOSÉ STATE
UNIVERSITY

Economic Summit

[hopkins carley](#)

POLICY 1: OPPORTUNITY ZONES



- 2017 Federal Tax Reform
- Designated Areas
- Defer or Eliminate capital gains on redevelopment projects held for 10+ years



BridgeBank.

A division of Western Alliance Bank. Member FDIC.

SJSU SAN JOSÉ STATE
UNIVERSITY

Economic Summit

[hopkins carley](#)

URBAN CATALYST



- 65,000 sq ft of office
- 11,500 sq ft of retail
- Grand Lobby Entrance



BridgeBank.

A division of Western Alliance Bank. Member FDIC.

SJSU SAN JOSÉ STATE
UNIVERSITY

Economic Summit

[hopkins carley](#)

POLICY 2: *SJ DOWNTOWN HIGH-RISE FEE EXEMPTION*

Downtown High-Rise Incentive Area



- Exemption of City's Affordable Housing Impact Fee
- Projects with 100% occupancy certified by 6/30/21



BridgeBank.

A division of Western Alliance Bank. Member FDIC.

SJSU SAN JOSÉ STATE
UNIVERSITY

Economic Summit

[hopkins carley](#)

POLICY 3: SJ INCLUSIONARY HOUSING ORDINANCE

Inclusionary Housing Ordinance

What is the Inclusionary Housing Ordinance (IHO)?

The Inclusionary Housing Ordinance, Chapter 5.08 of the San José Municipal Code, was adopted on January 12, 2010. The IHO requires all residential developers who create new, additional, or modified For-Sale or Rental units to provide 15% of housing on-site that is affordable to income qualified buyers/renters specified below. The base obligation is where 15% of the Inclusionary Units are provided On-Site. Please see the following table that summarizes the alternative compliance options based on a 20% obligation:

	Obligation	For-Sale	Rental
On-Site*	15%	Purchasers must be at or below 120% AMI	9% at MOD (80% AMI) 6% at VLI (50% AMI)
Off-Site*	20%	Purchasers must be at or below 120% AMI	12% at LI (60% AMI) 8% at VLI (50% AMI)
In-Lieu Fee	20%	In-lieu fee per Inclusionary home is \$167,207 (July 1, 2018 to June 30, 2019)	In-lieu fee per Inclusionary unit is \$125,000 (January 1, 2018 to June 30, 2019)
Dedication of Land	20%	Marketable title, general plan designation zoned for residential development and at a density required, and suitable for inclusionary units. Must comply with the requirements as listed in the Municipal Code 5.08.530.A.	
Surplus In-Lieu Credits*	20%	Developers may purchase or transfer credits for affordable housing units that are available for occupancy concurrently with market rate units. Must comply with the requirements as listed in the Municipal Code 5.08.540.C.	
Acquisition and Rehab of Units*	20%	Rehabilitate existing market rate units for conversion to units affordable to Lower and Very Low Income Households. Number of Rehabilitation units must be 2 to 1 of the base inclusionary obligation. Must comply with the requirements as listed in the Municipal Code 5.08.550.	
HUD Restricted Units*	20%	Developers may provide units that are restricted to Affordable Housing Cost for Lower or Very Low Income Households through entering into an agreement with the U.S. Department of Housing and Urban Development (HUD). Must comply with the requirements as listed in the Municipal Code 5.08.560.H.	
Combination of Methods	20%	Developers may propose any combination of methods to satisfy the project's inclusionary housing obligation. Must comply with the requirements as listed in the Municipal Code 5.08.570.	

* These Compliance Options also require Developers to provide the same bedroom ratio of affordable units in comparison to the total. Please see IHO Guidelines below for more details on each Compliance Option.

- Per Unit versus Per sq ft
- Reviewed in Fall 2019



BridgeBank.

A division of Western Alliance Bank. Member FDIC.

SJSU SAN JOSÉ STATE
UNIVERSITY

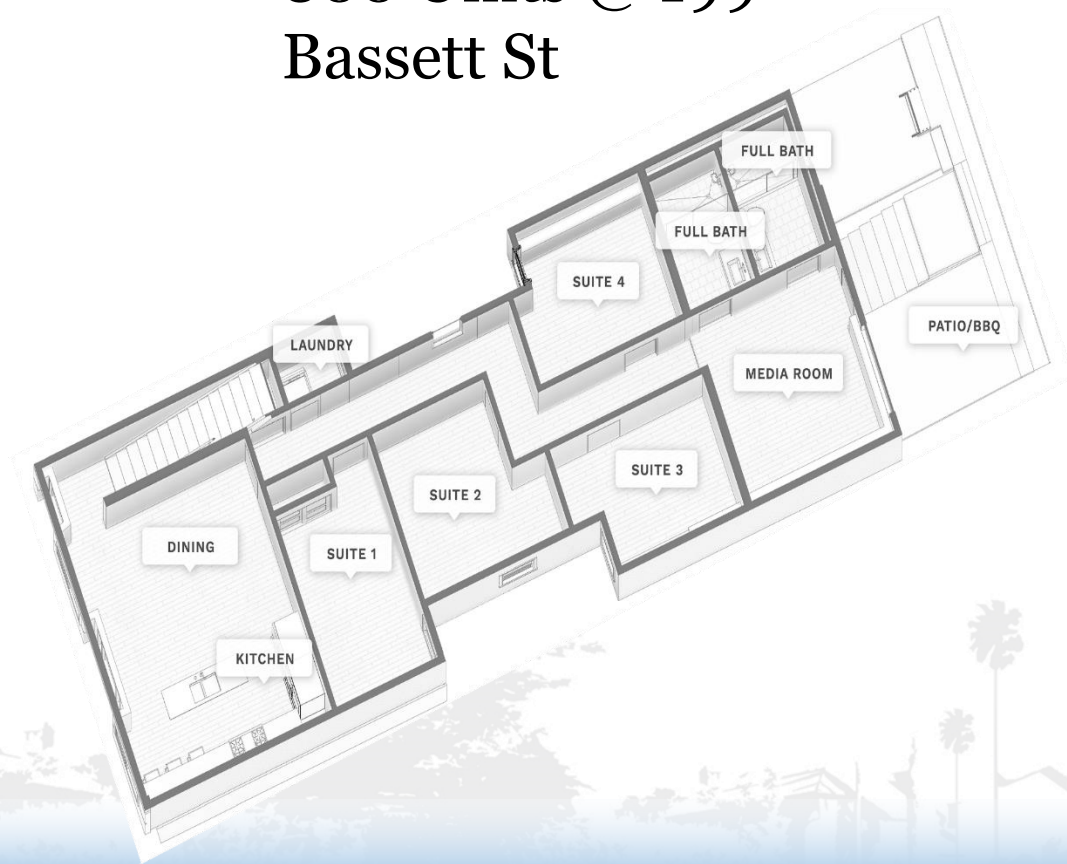
Economic Summit

[hopkins carley](#)

STAR CITY CO-LIVING



- 800 Units @ 199 Bassett St





BridgeBank.

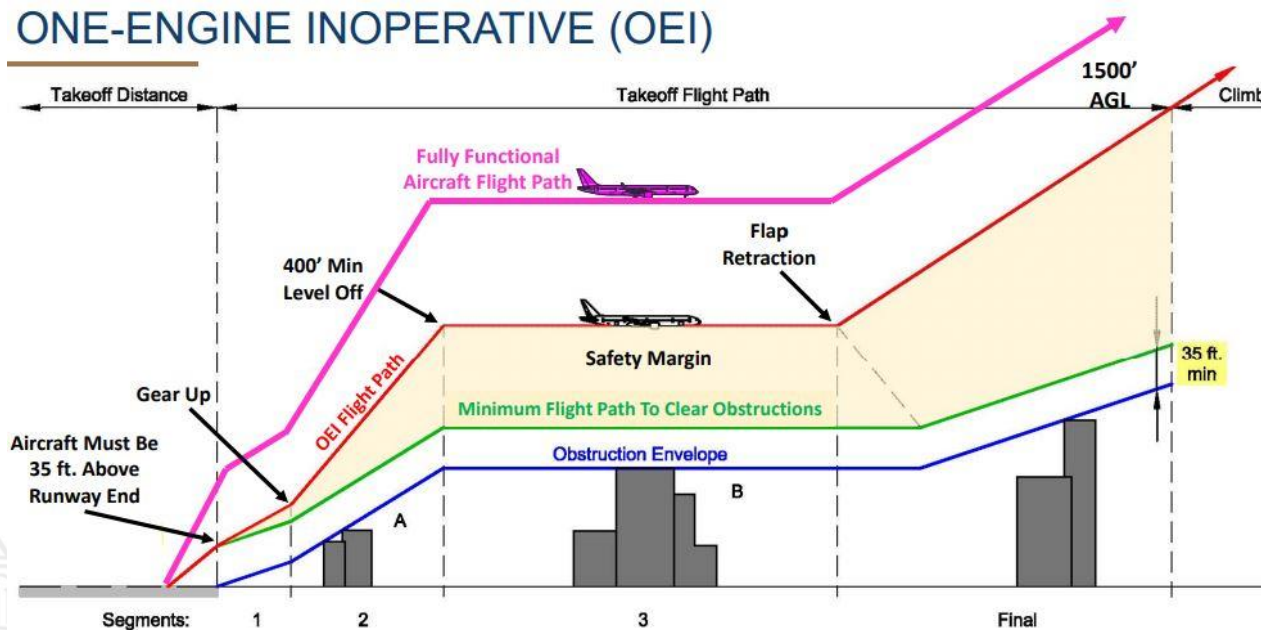
A division of Western Alliance Bank. Member FDIC.

SJSU SAN JOSÉ STATE
UNIVERSITY

Economic Summit

[hopkins carley](#)

POLICY 4: SJ OEI *– DOWNTOWN HEIGHT LIMITS*



- Potential of an additional 9 million sq ft of office space = +\$5 million in annual city tax revenue
- Waiting for implementation



BridgeBank.

A division of Western Alliance Bank. Member FDIC.

SJSU SAN JOSÉ STATE
UNIVERSITY

Economic Summit

[hopkins carley](#)

SILICON VALLEY DEVELOPMENTS



- Vallco – Cupertino

- CityPlace – Santa Clara



- Google – Sunnyvale



BridgeBank.

A division of Western Alliance Bank. Member FDIC.

SJSU SAN JOSÉ STATE
UNIVERSITY

Economic Summit

hopkins carley

THANK YOU

NEXT

STEPS

JOIN US.



The silicon valley organization

THESVO.COM

