

COYOTE VALLEY SPECIFIC PLAN

TASK FORCE MEETING November 8, 2004

WORKPLACE GOALS AND STRATEGIES



COYOTE VALLEY SPECIFIC PLAN

WORKPLACE-RELATED GOALS AND STRATEGIES

- GOAL – Minimum of 50,000 jobs and 25,000 homes
 - Strategy – Achieve relatively high average workspace density

- GOAL – Mix of densities and business types
 - Strategy – Provide broad range of buildings/environments

- GOAL – Financially feasible plan for private development
 - Strategy – Provide flexibility for near-term market opportunities

- GOAL – Triggers linking housing development to jobs
 - Strategy – Attract near-term jobs to allow housing that can support up-front financial burden

COYOTE VALLEY SPECIFIC PLAN

CVSP WORKSPACE PLANNING CHALLENGES

■ Poor Near-Term Market Conditions –

200,000+ Silicon Valley jobs lost from 2000-present

60 million+ square feet of vacant space in Silicon Valley

Lease rates have fallen, may not meet feasibility thresholds

Speculative building much less likely than build-to-suit

■ Competition with Other Employment Areas – **Examples:**

Downtown – available buildings, urban amenities, synergies

North San Jose/North First Street – available buildings, synergies, potential for intensification

Edenvale -- available buildings/land, bioscience cluster

■ Current Coyote Valley Conditions –

Lacks infrastructure, urban amenities, business synergies

COYOTE VALLEY SPECIFIC PLAN

CVSP WORKSPACE PLANNING OPPORTUNITIES

▪ Current and Future Coyote Valley Attributes –

Natural beauty and open space amenities

Vibrant urban environment

Ample housing within Coyote Valley

Transportation access and service

▪ Sites for Large Companies –

Few large campus sites available in interior Bay Area

Past and present interest among large companies

▪ San Jose Employment Trends –

Largest employment base among Silicon Valley cities

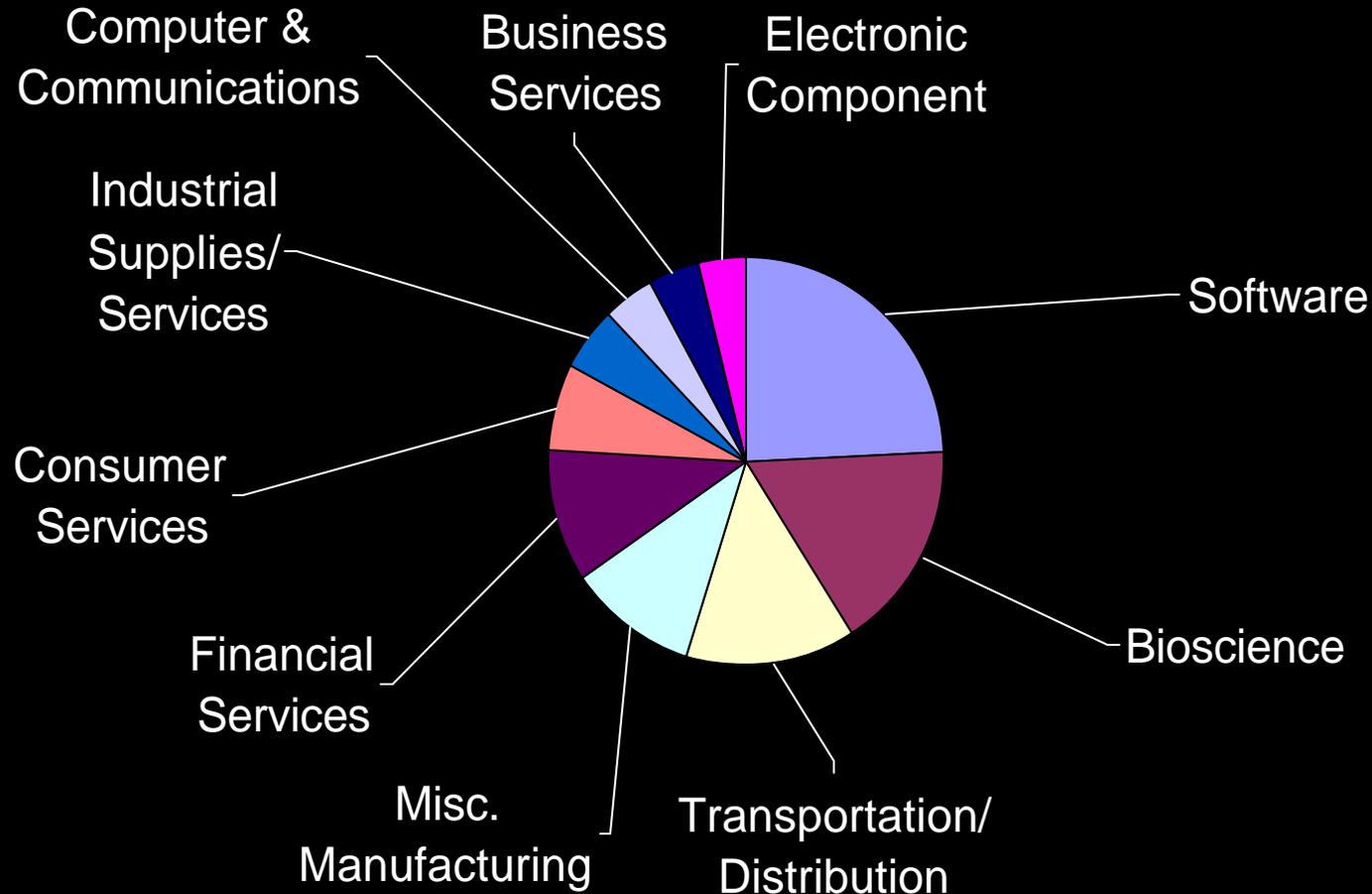
San Jose expected to gain 120,000 - 140,000 jobs through 2020

Increasing densities of buildings and jobs

COYOTE VALLEY SPECIFIC PLAN

SAN JOSE WORKSPACE DEMAND BY KEY INDUSTRY THROUGH 2020

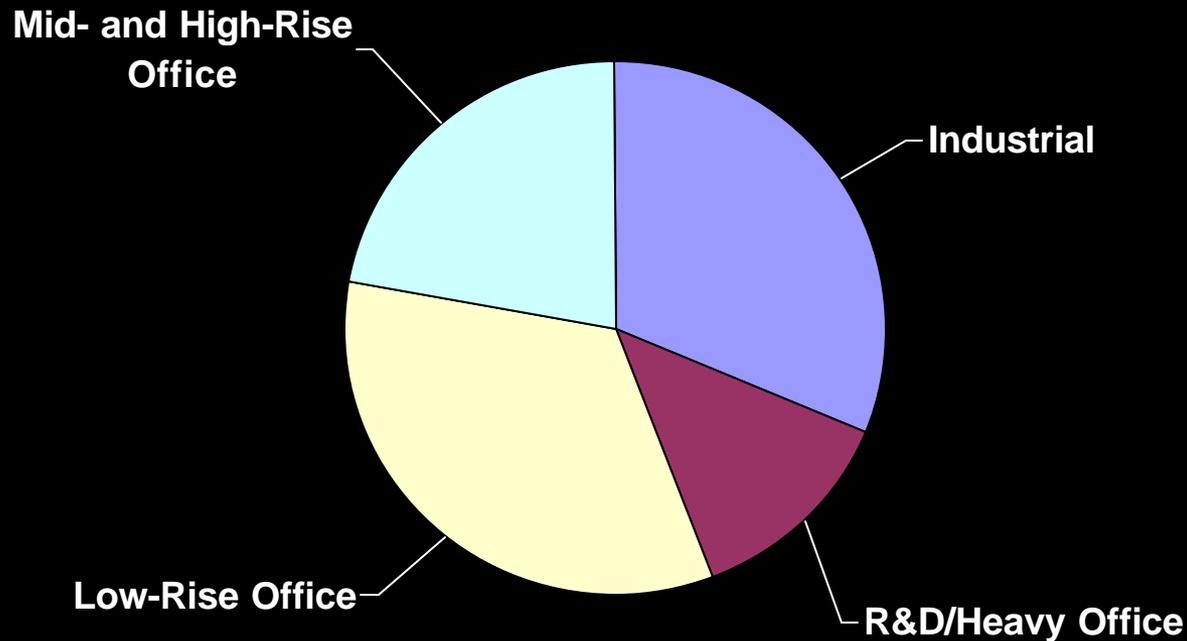
Source: San Jose Office of Economic Development; EPS



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SAN JOSE WORKSPACE DEMAND BY BUILDING TYPE THROUGH 2020

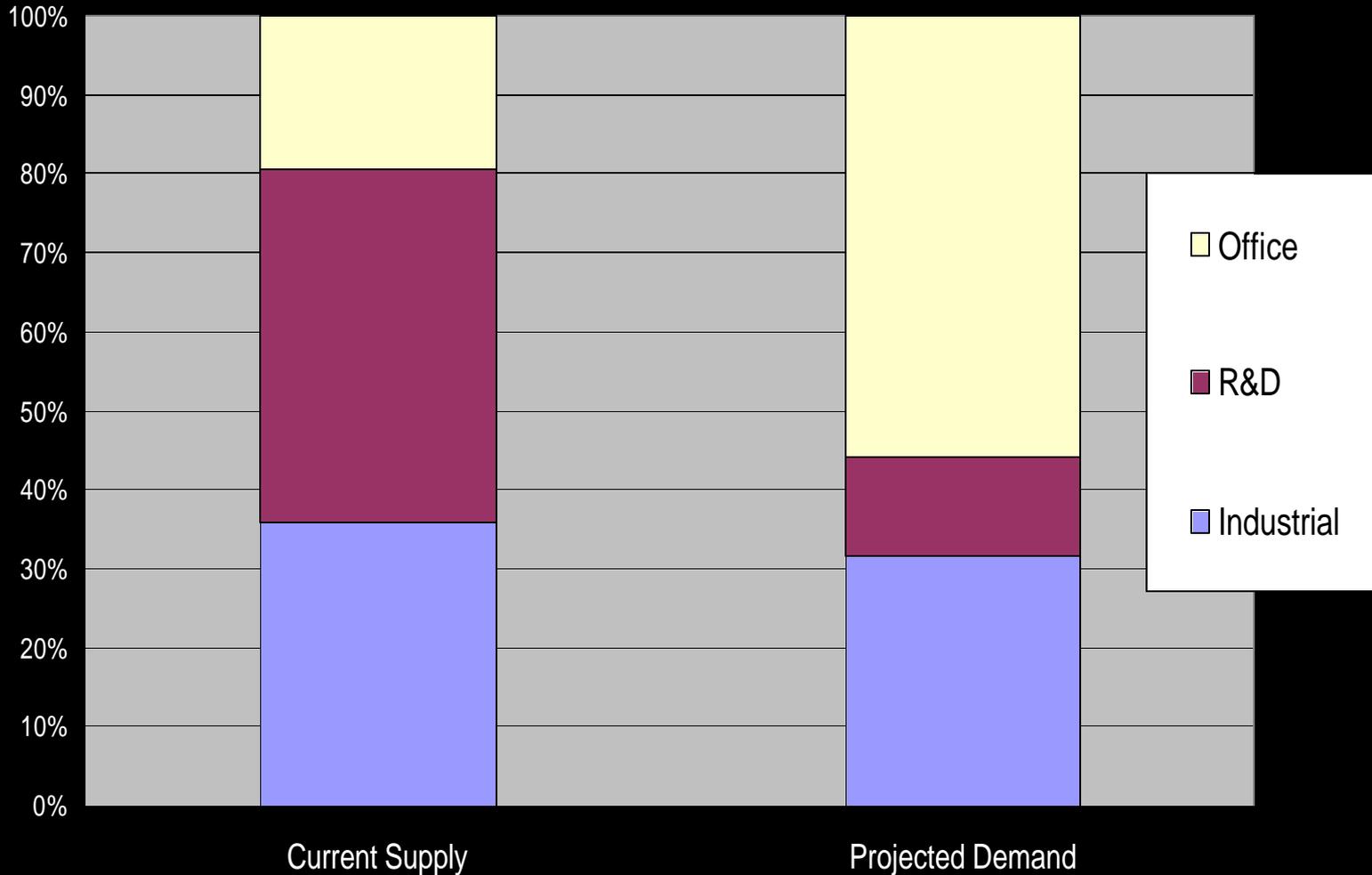
Source: San Jose Office of Economic Development; EPS



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WORKSPACE CURRENT SUPPLY VS. DEMAND THROUGH 2020

Source: BT Commercial; San Jose Office of Economic Development; EPS



COYOTE VALLEY SPECIFIC PLAN

OPTIMIZING COYOTE VALLEY'S COMPETITIVE POSITION

- Capture broadest possible market --

 - Pace of development aided by providing wide mix

 - Allow for low-scale development as well as taller buildings

 - Provide for multi-building tenants and multi-tenant buildings

 - Do not preclude industrial users altogether

- Match building types with locations --

 - Some office/R&D in campus settings

 - Much small/multi-tenant office in mixed-use/urban environs

 - Industrial on lowest-value sites or where buffering allows

 - Provide adequate access (bike/ped, transit, parkway, freeway)

COYOTE VALLEY SPECIFIC PLAN

OPTIMIZING COYOTE VALLEY'S COMPETITIVE POSITION

- Create Workspace Environments that Add Value – Distribute near:

Traffic routes

Retail/services

Water features

Open space

Transit

Housing

- Provide for Realistic Phasing Plan –

Goal of 50,000 jobs likely to take several decades

Low-rise and large-scale uses most likely in near-term

Mid-rise and high-rise in increasing demand over long-term

Feasibility of structured parking will increase over long-term

Create value-adding features as early as possible

Allow flexibility for changing conditions

COYOTE VALLEY SPECIFIC PLAN

CVSP WORKSPACE DISTRIBUTION RECOMMENDATIONS BY TIME

Source: EPS

