

Development Activity Highlights and Five-Year Forecast (2012-2016)



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**City of San Jose
Department of Planning, Building and Code Enforcement
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Development Activity Highlights and Five-Year Forecast (2012-2016)

I. PURPOSE

The *Development Activity Highlights and Five-Year Forecast (2012-2016)* is a report issued annually by the Department of Planning, Building and Code Enforcement. The report serves several functions. First, the report assists the Office of the City Manager in estimating future construction-related tax revenues that generate funds for the City's Capital Improvement Program. Second, the report provides City policymakers and staff with key data for periodic assessment of the rate, type, and location of development activity in San Jose. Lastly, the report is a tool for distributing information on major development projects to the general public.

II. SUMMARY

Development activity levels in San Jose have settled into an extremely challenging era, popularly coined "New Normal", wherein a dramatically slower pace of construction will likely persist throughout the five-year forecast period. New Normal is in sharp contrast to two readily-identifiable periods in the recent past: (1) Technology Boom (1996-2003), an extremely strong and volatile seven-year stretch when annual construction valuation generally swung in the \$1 billion to \$1.5 billion range (peaking at an astonishing \$2 billion in 2000); and, (2) Housing Boom (2003-2008), a slower, steadier five-year period with annual construction valuation of around \$900 million, during which time continued strength in residential activity somewhat offset slack in non-residential activity. Unfortunately, New Normal amounts to an across-the-board flat-lining of activity at around \$650 million—roughly the lowest levels of development activity ever witnessed in San Jose. The following summary discusses current development activity and trends for each major land use category (residential, commercial, and industrial), providing some insight as to what may occur over the forecast period (2012-2016).

Residential Development

- *New housing production in San Jose exceeded 4,000 dwelling units per year during the late-1990's, and then declined to an average of just over 3,000 units per year from 2001-2006. Since that time, activity has dropped off sharply, to an average of about 2,000 units per year, and then, most recently, to an all-time low of just over 500 units in fiscal year 2009/10 (slightly below the staff forecast of 750 units). This low level of new construction, coupled with the weakest year in home improvements (alterations) since the early-1990's recession, yielded activity levels that, overall, were simply unprecedented.*

- *Staff forecasts that residential construction activity will experience a dramatic, short-term spike, to 2,500 units in fiscal year 2010/11. This improvement will likely prove unsustainable, because it primarily reflects a record-setting surge of permits already issued for two large multi-family rental projects (Crescent Village and Northpointe) in the North San Jose area. The rental market is a lone bright spot, with rising rental rates and occupancy coupled with a limited increase in supply in recent years making well-positioned properties increasingly attractive. However, the construction of new ownership housing, whether it be single-family detached or townhouse/condominium product, is unlikely to make any near-term turnaround.*
- *Following the increase described above, staff anticipates that residential construction activity will ease somewhat after 2011. Over the five-year forecast period, new construction is expected to approximate the moderate, post-2006 activity level of roughly 2,000 units per year. This outlook is based on a combination of troubling economic factors, including low builder and consumer confidence, uncertainty about the direction of home prices, modest employment gains, and widespread foreclosures, among others, which will continue to weigh on future housing production levels.*

Commercial Development

- *After a five-year-long boom in commercial construction activity that spanned the late-1990's to early 2000's, during which time total permit valuation averaged over \$500 million per year, activity since then has generally amounted to less than half that level. In fiscal year 2009/10, commercial valuation reached \$265 million, somewhat above the staff forecast of \$225 million.*
- *Staff forecasts that commercial construction activity during fiscal year 2010/11 will repeat the moderate levels of the "post boom" era, with total permit valuation amounting to \$225 million. This activity will be driven by some limited amount of new construction, but also relatively steady tenant improvements (alterations) activity which should surpass new construction in terms of building permit valuation.*
- *For the five-year forecast period, commercial construction activity is expected to remain flat. Credit markets remain very tight, and, in any event, weak "brick and mortar" retail sales, rental rates, and occupancy rates are dampening demand for new space. In this environment, only the most prime development sites are likely to proceed, and even then in a prudent, phased manner. Future activity is anticipated to come primarily from less economically sensitive segments, such as private schools (e.g., Bellarmine, Harker, Valley Christian).*

Industrial Development

- *Like its commercial counterpart, industrial construction activity nearly reached an astonishing \$500 million per year in permit valuation over the five-year period of 1997-2001. Since that time, however, activity has registered just a small fraction of that figure, reaching a low point under \$100 million per year in the two years immediately following the “dot com” bust. Fiscal year 2009/10 was only a slight improvement over this low period (\$115 million), well below the staff forecast of \$175 million, as no new construction permits were issued in eight of the last twelve months.*
- *Staff forecasts that industrial construction activity will remain depressed during fiscal year 2010/11, with total permit valuation reaching just \$125 million. Major new construction is limited to several recently-completed mid-rise office buildings for Brocade Communications Systems at the southeast corner of North 1st Street and Highway 237. As for tenant improvements (alterations), fiscal year 2009/10 significantly underperformed even the worst years of the “dot com” bust, and fiscal year 2010/11 is expected to show little improvement.*
- *Activity levels for industrial construction will likely remain low over the forecast period. With no new major groundbreakings anticipated in the near term, permit valuation is expected to approximate the low levels seen earlier in the decade. As such, tenant improvement activity, even though also in decline, should manage to outpace new construction, a pattern common in recent years and typical of recessionary periods.*

III. FIVE-YEAR FORECAST (2012-2016)

The Department of Planning, Building and Code Enforcement’s five-year forecast of development activity is summarized in Tables 1 and 2 (next page). Construction valuation is expected to significantly outpace last year’s all-time low, rising to \$750 million during fiscal year 2010/11, but moderate somewhat throughout the remainder of the forecast period.

Table 1
Construction Valuation: FY 05/06 to FY 15/16

Fiscal Year	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16
	<u>Actual Valuation¹ (in millions)</u>					<u>Projected Valuation (in millions)</u>					
<u>New Construction</u>											
Residential	\$371	\$390	\$165	\$125	\$85	\$325	\$175	\$175	\$225	\$250	\$250
Commercial	\$109	\$89	\$192	\$86	\$146	\$100	\$100	\$100	\$100	\$100	\$100
Industrial	\$26	\$95	\$115	\$134	\$66	\$50	\$50	\$50	\$50	\$50	\$50
Subtotal	\$506	\$573	\$471	\$345	\$297	\$475	\$325	\$325	\$375	\$400	\$400
<u>Alterations</u>											
Residential	\$96	\$94	\$76	\$63	\$64	\$75	\$75	\$75	\$75	\$75	\$75
Commercial	\$118	\$141	\$163	\$139	\$119	\$125	\$125	\$125	\$125	\$125	\$125
Industrial	\$139	\$157	\$169	\$103	\$49	\$75	\$75	\$75	\$75	\$75	\$75
Subtotal	\$353	\$391	\$409	\$304	\$232	\$275	\$275	\$275	\$275	\$275	\$275
GRAND TOTAL	\$859	\$964	\$880	\$649	\$529	\$750	\$600	\$600	\$650	\$675	\$675
<u>Tax Exemptions</u>											
Residential	*	*	*	*	*	\$(50)	\$(50)	\$(50)	\$(50)	\$(50)	\$(50)
Commercial	*	*	*	*	*	\$(25)	\$(25)	\$(25)	\$(25)	\$(25)	\$(25)
Industrial	*	*	*	*	*	\$(25)	\$(25)	\$(25)	\$(25)	\$(25)	\$(25)
Net Total (Taxable)						\$650	\$500	\$500	\$550	\$575	\$575

*Note: Data on actual tax exemptions not available at the time of this report.

¹Valuation figures adjusted to 2010 dollars, per Bureau of Labor Statistics Consumer Price Index (CPI), San Jose-San Francisco-Oakland, all items index.

Table 2
Residential Units and Non-Residential Square Footage: FY 05/06 to FY 15/16

Fiscal Year	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16
	<u>Actual¹</u>					<u>Projected</u>					
<u>Residential (Units)</u>											
Single-Family	814	545	245	160	103	250	250	250	250	250	250
Multi-Family	1,701	2,669	1,300	911	470	2,250	1,500	1,500	2,000	2,250	2,250
TOTAL	2,515	3,214	1,545	1,071	573	2,500	1,750	1,750	2,250	2,500	2,500
<u>Non-Residential (sq.ft., in thousands)</u>											
Commercial	750	1,000	1,250	1,000	750	750	750	750	750	750	750
Industrial	250	250	250	500	250	250	250	250	250	250	250
TOTAL	1,000	1,250	1,500	1,500	1,000	1,000	1,000	1,000	1,000	1,000	1,000

¹NOTE: Data on residential units based on the Building Division's *Permit Fee Activity Report*.

Data on non-residential square footage estimated based on construction valuation in the Building Division's *Permit Fee Activity Report*.

IV. CONSTRUCTION TAXES AND EXEMPTIONS

The City of San Jose imposes a series of construction-related taxes that are generally used to finance the construction and improvement of facilities and infrastructure systems that provide capacity beyond the needs attributed to a particular development. These taxes are in addition to cost-recovery fees charged for processing and reviewing applications for development approvals and permits. The largest construction-related tax revenue sources are described below.

Building and Structure Construction Tax

The Building and Structure Construction Tax is imposed upon the construction, repair, or improvement of any building or structure where a building permit is required (except for authorized exemptions- see below). The proceeds from this tax are restricted in use to the provision of traffic capital improvements on major arterials and collectors, the acquisition of lands and interest in land, and the construction, reconstruction, replacement, widening, modification and alteration (but not maintenance) of City streets.

Construction Excise Tax

The Construction Excise Tax is imposed upon construction, alteration, repair, or improvement of any residential or commercial structure (except for authorized exemptions- see below). The tax does not apply to industrial development. This is a general purpose tax that may be used for any “usual current expenses” of the City. The City Council has historically used the majority of these funds for traffic infrastructure improvements.

Residential Construction Tax

The Residential Construction Tax is imposed upon any construction of a one-family dwelling unit or multi-family units or any mobile home lot in the City. This tax is collected and placed in a fund used to reimburse private entities that have constructed a portion of an arterial street that is wider than what is normally required in connection with residential development. The funds are also used to construct median landscaping and other street improvements.

Exemptions

Certain construction-related tax exemptions are provided in San Jose. These exemptions apply only in certain areas and/or to certain types of land uses, and are generally designed to accomplish one of the following objectives:

1. Reduce the economic constraints involved in the development of housing in high risk areas and/or housing for very-low income households;

2. Implement a separately administered funding arrangement that finances infrastructure and public service needs in an area only with revenue generated by development in such area (e.g., Evergreen Specific Plan Area); and,
3. Provide exemptions required by State or Federal law (e.g., hospitals, churches).

Planning staff estimates that \$100 million in construction valuation will be exempted each year over the forecast period, or approximately 15% of total valuation during this time (see Table 1 on page 4).

V. MAJOR DEVELOPMENT ACTIVITY DATA

Planning staff has collected a significant amount of data on development activity, which is the foundation for the five-year forecast contained in Section III of this report. These data focus on recent “major” projects with the highest likelihood to have the most significant impact on the forecast. Major projects are defined as residential projects greater than 50 dwelling units, commercial projects greater than 25,000 square feet, and industrial projects greater than 75,000 square feet. This data collection effort has identified roughly 25,000 dwelling units and 13 million square feet of non-residential space submitted for Planning approval since January 1, 2007.

The development activity data on the following pages is first divided into three major land use categories-- residential, commercial, and industrial. Then, individual projects are divided into four subcategories based on project status-- projects completed, projects under construction, approved projects (construction not yet commenced), and projects pending City approval.

**Major Residential Development Activity
Projects of 50+ Dwelling Units, Submitted Since 1/1/07**

File Number	Filing Date	Project Name	Tracking APN	Street Location	Planning Area	Housing Type	No. of Units	Proj. Mgr	Approval Date
<u>Projects Completed</u>									
PDA07-026-01	2/6/08	Elements Apts	264-09-051	NE/c Race & Parkmoor	Central	MF	243	MD	4/16/08
PDA03-006-01	5/23/07	Corde Terra Senior Apts	497-38-020	S/s Tully, 750' wly Senter	South	MF	201	MD	11/30/07
PD07-042	5/1/07	Kentwood Place Townhomes	359-35-008	NW/c S. De Anza & Hwy 85	West Valley	SF	57	MD	6/29/07
Total							501		
<u>Projects Under Construction</u>									
PDA07-006-03	12/12/08	Crescent Village Apts	097-33-113	SE/c Zanker & River Oaks	North	MF	1,750	MD	1/15/09
PD07-033	4/13/07	Northpointe Mixed Use	097-07-086	NW/c Zanker & Tasman	North	MF	704	JB	11/30/07
PD08-061	9/29/08	Orvieto Family/Senior Apts	455-09-030	W/s Monterey, 300' sly Umbarger	South	MF	242	MD	11/24/08
PD07-099	11/19/07	Belovida Senior Apts	254-04-076	NE/c N. King & Dobbin	Alum Rock	MF	185	AB	8/29/08
PDA08-039-01	7/7/09	Campbell Avenue Apts	230-14-026	N/s Campbell, 250' ely El Camino Real	West Valley	MF	138	LX	4/26/10
PD10-026	11/5/10	Messina Gardens Condos ¹	254-06-037	SW/c N. Capitol & Mabury	Alum Rock	MF	135	JN	---
PD07-067	7/23/07	Kings Crossing Apts/Shelter	254-04-076	NE/c N. King & Dobbin	Alum Rock	MF	130	AB	10/22/08
PD08-071	12/17/08	Santana Row (Parcel 6B)	277-40-011	NW/c Olin & Hatton	West Valley	MF	118	SZ	4/23/10
PD06-011	4/11/06	Fourth Street Apts	235-04-005	E/s N. 4th, 600' nly Gish	North	MF	100	CB	6/29/07
PD06-062	11/2/06	Siena/Savona at Montecito Vista	455-09-030	W/s Monterey, 300' sly Umbarger	South	SF	93	LM	7/3/06
PD09-001	1/20/09	Brookwood Terrace Apts	472-05-032	S/s E. San Antonio, opp. S. 28th	Central	MF	84	SZ	6/15/09
PD07-097	11/13/07	Cornerstone Apts	249-08-002	SW/c N. 10th & E. Hedding	Central	MF	53	LM	6/13/08
Total							3,732		
<u>Approved Projects (Construction Not Yet Commenced)</u>									
PD05-087	11/18/05	Hitachi Site Mixed Use	706-04-013	NE/c Cottle & Hwy 85	Edenvale	SF/MF	2,930	JR	6/2/06
PDC09-006	1/27/09	Flea Market Mixed Use	254-17-084	Both sides Berryessa, wly UP railroad	Berry./Alum Rock	SF/MF	2,576	LX	10/20/09
PD07-090	10/23/07	Riverview Mixed Use	097-06-038	W/s N. 1st, 450' sly Rio Robles	North	SF/MF	1,579	JB	4/4/08
PDC07-015	2/15/07	Newbury Park Mixed Use	254-04-076	NE/c N. King & Dobbin	Alum Rock	SF/MF	972	AB	12/18/07
PDC08-061	11/3/08	Ohlone Mixed Use	264-14-131	SW/c W. San Carlos & Sunol	Central	MF	800	ME	11/9/10
PD08-056	8/29/08	Seely Apts	097-15-026	SE/c River Oaks & Seeley	North	MF	769	ES	1/23/09
PDC07-010	1/25/07	Markovits & Fox Mixed Use	237-03-070	SW/c E. Brokaw & Oakland	Berryessa	MF	650	LX	12/14/10
PD07-091	10/11/07	Tasman Apts	097-52-013	B/s Vista Montana, bet Tasman & N. 1st	North	MF	554	ES	10/24/08
PDA06-048-01	11/8/07	Hyundai Site Mixed Use ²	097-06-055	N/s Montague, 550' wly N. 1st	North	MF	528	JB	12/14/07
PDC08-032	6/9/08	Montecito Vista Mixed Use	455-09-030	W/s Monterey, 300' sly Umbarger	South	SF/MF	501	MD	9/9/08

**Major Residential Development Activity
Projects of 50+ Dwelling Units, Submitted Since 1/1/07**

File Number	Filing Date	Project Name	Tracking APN	Street Location	Planning Area	Housing Type	No. of Units	Proj. Mgr	Approval Date
PD07-082	9/20/07	Vista Montana Park	097-52-028	B/s Vista Montana, bet Tasman & N. 1st	North	MF	444	JB	3/21/08
PDC08-036	6/20/08	Libitzky Mixed Use	249-09-001	NW/c N. 10th & E. Taylor	Central	MF	403	LX	1/25/11
PD07-025	3/26/07	Race Street Housing (Phase 1)	264-09-043	E/s Race, nly UPRR tracks	Central	MF	385	RO	7/23/07
PD08-001	1/7/08	Green Acres Mixed Use	254-15-072	SE/c Berryessa & Jackson	Alum Rock	SF	371	RM	10/10/08
PDC07-095	11/9/07	Santana Row	277-33-004	SE/c Winchester & Stevens Creek	West Valley	SF/MF	369	SM	5/13/08
H07-008	2/16/07	The Carlisle Condos	259-35-007	SW/c N. Almaden & W. St. John	Central	MF	347	MS	12/7/07
PDA08-036-01	11/4/08	River Oaks Housing	097-33-036	NE/c Zanker & River Oaks	North	MF	293	MD	12/19/08
PD08-053	8/19/08	Rosemary Housing	235-05-012	SE/c N. 1st & Rosemary	North	MF	290	RM	1/28/09
PD07-007	1/10/07	Fruitdale Station (Phase 2)	284-02-008	SE/c Southwest Expwy & Fruitdale	Willow Glen	SF	256	SM	3/21/08
PD07-088	10/9/07	Morrison Park Townhomes	261-01-054	SW/c Cinnabar & Stockton	Central	SF	250	LM	8/1/08
PD08-027	4/4/08	Flea Market (North, Phase 1)	254-17-084	Both sides Berryessa, wly UP railroad	Berry./Alum Rock	SF	242	LX	12/15/10
PD05-066	9/19/05	Santana Row (Parcel 8B)	277-46-001	SE/c Winchester & Stevens Creek	West Valley	SF/MF	238	EM	1/31/07
PD08-029	4/16/08	Virginia Terrace Condos	472-18-051	SW/c E. Virginia & S. 6th	Central	MF	238	RM	10/24/08
PD08-023	3/11/08	Baypointe Mixed Use	097-07-072	NE/c Baypointe & Tasman	North	SF	229	JB	8/1/08
PD09-006	2/27/09	San Carlos Mixed Use	277-20-006	SW/c W. San Carlos & Meridian	Central	SF	218	ES	6/8/09
PD07-036	4/13/07	Baypointe Housing	097-07-031	W/s Baypointe, 370' nly Tasman	North	SF	183	JB	11/30/07
PDC06-069	6/29/06	North Tenth Street Housing	249-08-004	W/s N. 10th, bet Vestal & E. Mission	Central	SF	166	SZ	11/17/09
H09-004	2/11/09	Donner Lofts	467-20-018	SE/c E. St. John & N. 4th	Central	MF	156	SZ	10/9/09
PD07-094	10/23/07	South 2nd Mixed Use	477-01-082	SE/c S. 2nd & Keyes	Central	MF	134	ES	11/14/08
PDA04-076-01	3/14/08	Ajisai Gardens Condos	249-37-006	SE/c E. Taylor & N. 7th	Central	MF	126	SZ	10/8/10
PDA05-057-01	12/19/07	Park Avenue Lofts	261-36-062	N/s Park, 450' ely Sunol	Central	SF	125	MD	4/21/08
PDC10-018	6/22/10	Monroe Mixed Use	277-38-006	W/s S. Monroe, 450' nly Hwy 280	West Valley	SF	104	LX	12/7/10
PDC09-033	12/17/09	Senter Road Family Apts	497-41-098	E/s Senter, 600' sly Tully	South	MF	102	LX	9/21/10
PDC09-015	3/26/09	Markham Terrace Apts	477-23-021	E/s Monterey, 700' nly Tully	South	MF	102	LX	1/26/10
PD09-033	10/21/09	Ford Apts	678-53-004	N/s Ford, 550' ely Monterey	Edenvale	MF	95	LX	7/16/10
PD08-015	2/11/08	Japantown Senior Apts	249-39-011	W/s N. 6th, 200' sly E. Taylor	Central	MF	85	SZ	5/7/10
CP07-101	12/6/07	Bascom Senior Assisted Living	412-24-009	SW/c Bascom & Surrey	Willow Glen	MF	69	MD	6/11/08
PD07-013	2/9/07	22nd & William Housing	472-01-021	S/s William, 350' wly S. 24th	Central	SF	67	MS	6/29/07
PD07-089	10/10/07	Leigh Senior Housing	284-32-014	SE/c Southwest Expwy & Leigh	Willow Glen	MF	64	MD	6/26/09
PD09-030	10/2/09	Westmount Square	249-09-009	SE/c E. Mission & N. 10th	Central	SF	60	SZ	11/30/09
PD09-039	11/23/09	Edwards Mixed Use	264-37-060	SW/c Edwards & S. 1st	Central	MF	50	SZ	7/2/10

Total

18,120

Projects Pending City Approval

PDC07-098	11/21/07	iStar Site Housing	706-08-008	NW/c Monterey & Hwy 85	Edenvale	SF/MF	1,500	JC	---
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**Major Residential Development Activity
Projects of 50+ Dwelling Units, Submitted Since 1/1/07**

File Number	Filing Date	Project Name	Tracking APN	Street Location	Planning Area	Housing Type	No. of Units	Proj. Mgr	Approval Date
PDC07-073	9/12/07	Corp Yard Mixed Use	249-39-039	NE/c Jackson & N. 6th	Central	SF	600	LM	---
PDC07-060	8/8/07	River Oaks Condos	097-33-102	N/s River Oaks, 200' ely Research	North	MF	490	RB	---
PD08-046	7/16/08	Century Center Mixed Use	230-29-022	SW/c N. 1st & Century Center	North	MF	460	LX	---
H08-001	1/2/08	San Pedro Condos (Tower 1)	259-32-044	SW/c N. San Pedro & Bassett	Central	MF	240	SZ	---
HA04-038-04	11/21/07	The 88 Condos (Phase 2)	467-22-156	S/s E. San Fernando bet S. 2nd & S. 3rd	Central	MF	204	ES	---
PDC09-018	5/8/09	Blossom Hill SRO	690-25-021	N/s Blossom Hill, 840' ely Snell	Edenvale	MF	150	LX	---
H10-022	11/23/10	North San Pedro Apts	259-23-016	NE/c Hwy 87 & Bassett	Central	MF	135	LX	---
PD11-003	1/21/11	Mirassou Mixed Use	659-57-010	SW/c Ruby & Aborn	Evergreen	SF	104	LX	---
PDC10-025	10/25/10	North Capitol Villas Condos	589-19-063	NE/c N. Capitol & Sierra	Berryessa	MF	96	LX	---
PDA04-071-01	9/29/10	McCreery Apts	481-18-013	W/s McCreery, 230' sly Alum Rock	Alum Rock	MF	93	JN	---
PDC08-067	12/23/08	Summerwind Apts (annex)	477-19-060	NW/c McLaughlin & Summerside	South	MF	91	LX	---
PD10-024	11/2/10	Guadalupe Mines Housing	575-02-027	W/s Guadalupe Mines, 2000' sly Camden	Almaden	SF	89	LX	---
PDC10-007	4/28/10	Lester Property Housing	464-22-030	N/s Blossom Hill, 250' ely Cahalan	Edenvale	SF	86	LX	---
PD07-016	5/19/08	Lincoln Avenue Mixed Use	261-41-096	SW/c Lincoln & Pacific	Central	SF/MF	53	LX	---

Total

4,391

GRAND TOTAL

26,744

Footnotes: (1) Includes PD05-075 (89 units)

(2) Includes PD06-051 (104 units), PD06-052 (50 units), and PD06-068 (127 units).

File Number Prefixes: PDC= Planned Development Rezoning; PD= Planned Development Permit; H= Site Development Permit; CP= Conditional Use Permit

**Major Commercial Development Activity
Projects of 25,000+ Square Feet, Submitted Since 1/1/07**

File Number	Filing Date	Project Name	Tracking APN	Street Location	Planning Area	Square Footage (approx.)	# of New Guest Rooms	Proj. Mgr	Approval Date
<u>Projects Completed</u>									
PD07-060	6/20/07	America Center (Phase 1)	015-45-026	NW/c Hwy 237 & Gold	Alviso	421,000		CB	11/8/07
PD07-049	5/21/07	Lowe's Home Improvement	230-46-068	NW/c Coleman & Newhall	North	219,000		ME	5/2/08
PD07-063	7/10/07	Lowe's Home Improvement	706-06-019	SE/c Monterey & Cottle	Edenvale	201,000		SS	9/19/08
H07-025	7/2/07	Lowe's Home Improvement	237-05-053	SE/c Hwy 880 & Brokaw	Berryessa	195,000		JB	2/29/08
CP07-070	9/7/07	Target Stores	097-03-140	SE/c N. 1st & Hwy 237	North	148,000		AB	8/26/09
SP08-046	8/14/08	Equinix (Phase 1)	706-09-102	NW/c Great Oaks & Hwy 85	Edenvale	125,000		SD	10/9/09
PD07-100	11/19/07	Santana Row (Office)	277-33-004	SE/c Winchester & Stevens Creek	West Valley	76,000		SM	4/11/08
PD08-054	8/12/08	Samaritan Medical Center	421-37-012	NE/c Samaritan & S. Bascom	Cambrian/Pioneer	75,000		ES	3/24/09
CP07-072	9/18/07	Whole Foods Market	567-50-012	SW/c Blossom Hill & Almaden	Cambrian/Pioneer	73,000		ES	4/8/08
PD07-105	12/20/07	Bellarmine (Humanities Building)	261-11-005	NE/c Elm & Emory	Central	53,000		ES	7/11/08
Total						1,586,000	-		

Projects Under Construction

PD05-016	2/14/05	Vietnam Town Shopping Center	472-11-065	N/s Story, 700' swly McLaughlin	Central	300,000		LM	9/5/06
H07-030	8/2/07	Bay Area Self Storage	455-07-012	NW/c Curtner & Stone	South	135,000		CB	6/6/08
CP08-071	8/29/08	Hotel Sierra	097-03-138	SE/c N. 1st & Hwy 237	North	116,000	160	CB	12/10/08
H07-053	5/25/07	Retail @ First	097-03-138	NE/c N. First & Headquarters	North	73,000		CB	4/4/08
PD09-021	6/11/09	Bellarmine (Academic Building)	261-11-005	NE/c Elm & Emory	Central	55,000		SD	11/13/09
PD09-040	12/2/09	Valley Christian Schools	684-05-019	Ely term. Skyway	Edenvale	50,000		JC	8/25/10
PD09-018	5/7/09	Lincoln Office/Retail	429-06-070	SE/c Lincoln & Willow	Willow Glen	41,000		SZ	5/21/10
PD07-033	4/13/07	Northpointe Mixed Use	097-07-086	NW/c Zanker & Tasman	North	25,000		JB	11/30/07
Total						795,000	160		

Approved Projects (Construction Not Yet Commenced)

PDC10-003	3/10/10	Matrix Casino/Hotel	230-29-065	SE/c Airport & Old Bayshore	North	798,000	600	JH	5/18/10
PD07-060	6/20/07	America Center (Phase 2)	015-45-026	NW/c Hwy 237 & Gold	Alviso	560,000	176	CB	11/8/07
H06-027	5/10/06	Valley Fair Shopping Center	274-43-035	NW/c Hwy 17 & Stevens Creek	West Valley	525,000		AB	11/19/07
PD05-087	11/18/05	Hitachi Site Mixed Use	706-04-013	NE/c Cottle & Hwy 85	Edenvale	460,000		JR	6/2/06
PDC09-006	1/27/09	Flea Market Mixed Use	254-17-084	Both sides Berryessa, wly UP railroad	Berry./Alum Rock	245,000		LX	10/20/09

**Major Commercial Development Activity
Projects of 25,000+ Square Feet, Submitted Since 1/1/07**

File Number	Filing Date	Project Name	Tracking APN	Street Location	Planning Area	Square Footage (approx.)	# of New Guest Rooms	Proj. Mgr	Approval Date
PD08-062	6/23/08	Marriott Residence Inn	230-29-109	SW/c N. 1st & Skyport	North	216,000	321	JD	2/10/09
PDC07-095	11/9/07	Santana Row	277-33-004	SE/c Winchester & Stevens Creek	West Valley	198,000		SM	5/13/08
PD05-095	12/22/05	Calif. Center for Health Care	678-07-029	SE/c Silver Creek Valley & Hwy 101	Edenvale	178,000		SS	9/21/07
PD07-001	1/3/07	Smythe European	296-38-012	SW/c Stevens Creek & Palace	West Valley	170,000		RR	6/15/07
PD09-016	4/23/09	Regional Medical Center (Phase 2A)	481-05-021	SW/c McKee & N. Jackson	Alum Rock	161,000		SD	11/4/09
PDC07-010	1/25/07	Markovits & Fox Mixed Use	237-03-070	SW/c E. Brokaw & Oakland	Berryessa	150,000		LX	12/14/10
CP08-057	6/26/08	International Plaza	237-03-074	NW/c Oakland & Brokaw	Berryessa	100,000		ES	10/22/08
PDC10-018	6/22/10	Monroe Mixed Use	277-38-006	W/s S. Monroe, 450' nly Hwy 280	West Valley	90,000		LX	12/7/10
PD07-071	8/21/07	Senter Office/Retail	477-73-043	E/s Senter, 1200' nly Tully	South	60,000		MD	11/30/07
PD07-085	10/1/07	Silicon Valley Club	015-34-059	W/s Gold term El Dorado	Alviso	60,000		JD	2/13/09
PD08-018	2/20/08	Orchard Supply Hardware	447-05-018	E/s Yucca, bet Foxworthy & Hillsdale	Willow Glen	51,000		ES	8/15/08
PD07-090	10/23/07	Riverview Mixed Use	097-06-038	W/s N. 1st, 450' sly Rio Robles	North	45,000		JB	4/4/08
PD07-039	4/25/07	Whole Foods Market	261-01-098	NW/c The Alameda & Stockton	Central	44,000		HL	9/28/07
PD10-011	6/15/10	Bellarmine (Life Center/Gym)	261-11-005	NE/c Elm & Emory	Central	40,000		JN	1/14/11
SP08-046	8/14/08	Equinix (Phase 2)	706-09-102	NW/c Great Oaks & Hwy 85	Edenvale	40,000		SD	10/9/09
PD06-036	7/24/06	Evergreen Village Square	659-56-002	SW/c Ruby & Classico	Evergreen	37,000		RM	1/12/07
PDC08-061	11/3/08	Ohlone Mixed Use	264-14-131	SW/c W. San Carlos & Sunol	Central	30,000		ME	11/9/10
PD08-001	1/7/08	Green Acres Mixed Use	254-15-072	SE/c Berryessa & Jackson	Alum Rock	30,000		RM	10/10/08
PDC09-027	8/26/09	Chinmaya Mission	612-53-046	NE/c Clayton & Hickerson	Alum Rock	26,000		JC	11/2/10
PD07-007	1/10/07	Fruitdale Station (Phase 2)	284-02-008	SE/c Southwest Expwy & Fruitdale	Willow Glen	25,000		SM	3/21/08
PDC07-015	2/15/07	Newbury Park Mixed Use	254-04-076	NE/c N. King & Dobbin	Alum Rock	25,000		AB	12/18/07
Total						4,364,000	1,097		

Projects Pending City Approval

PDC10-006	4/13/10	Almaden Ranch	458-17-006	SE/c Almaden & Chynoweth	Cambrian/Pioneer	350,000		AB	---
PDC10-017	6/2/10	Harker School (Upper Campus)	303-25-001	NE/c Saratoga & Hwy 280	West Valley	316,000		JC	---
PDC10-026	11/17/10	Sun Garden Retail Center	477-07-013	E/s Monterey, 300' sly E. Alma	Central	257,000		JC	---
PDC10-022	10/26/10	The Plaza at Evergreen	670-29-020	W/s Capitol, 1500' sly Quimby	Evergreen	200,000		JC	---
PD08-027	4/4/08	Flea Market Mixed Use (North)	254-17-084	Both sides Berryessa, wly UP railroad	Berry./Alum Rock	121,000		LX	---
CP10-059	11/9/10	Courtyard Marriott @ First	097-14-108	SE/c N. 1st & Hwy 237	North	99,000	157	JN	---
H08-014	3/26/08	Stevens Creek Chrysler/Dodge	294-41-003	S/s Stevens Creek, 260' sly Kiely	West Valley	50,000		ES	---
PDC07-073	9/12/07	Corp Yard Mixed Use	249-39-039	NE/c Jackson & N. 6th	Central	30,000		LM	---
HA04-038-04	11/21/07	The 88 Condos (Phase 2)	467-22-156	S/s E. San Fernando bet S. 2nd & S. 3rd	Central	27,000		ES	---

**Major Commercial Development Activity
Projects of 25,000+ Square Feet, Submitted Since 1/1/07**

File Number	Filing Date	Project Name	Tracking APN	Street Location	Planning Area	Square Footage (approx.)	# of New Guest Rooms	Proj. Mgr	Approval Date
H10-018	9/17/10	First United Methodist Church	467-19-078	NE/c E. Santa Clara & N. 5th	Central	26,000		LX	---
H08-025	5/28/08	Stevens Creek Gateway	274-57-022	NE/c Stevens Creek & DiSalvo	Central	26,000		JC	---
H08-044	12/5/08	Askari Self Storage	241-12-012	E/s Oakland, 350' sly Service	Berryessa	25,000		JC	---
PD08-021	3/11/08	Calvary Church Commercial	451-06-068	NW/c Almaden & Hillsdale	Willow Glen	25,000		JN	---
Total						1,552,000	157		
GRAND TOTAL						8,297,000	1,414		

Footnotes:

File Number Prefixes: H= Site Development Permit; CP= Conditional Use Permit; PDC= Planned Development Rezoning; PD= Planned Development Permit

**Major Industrial Development Activity
Projects of 75,000+ Square Feet, Submitted Since 1/1/07**

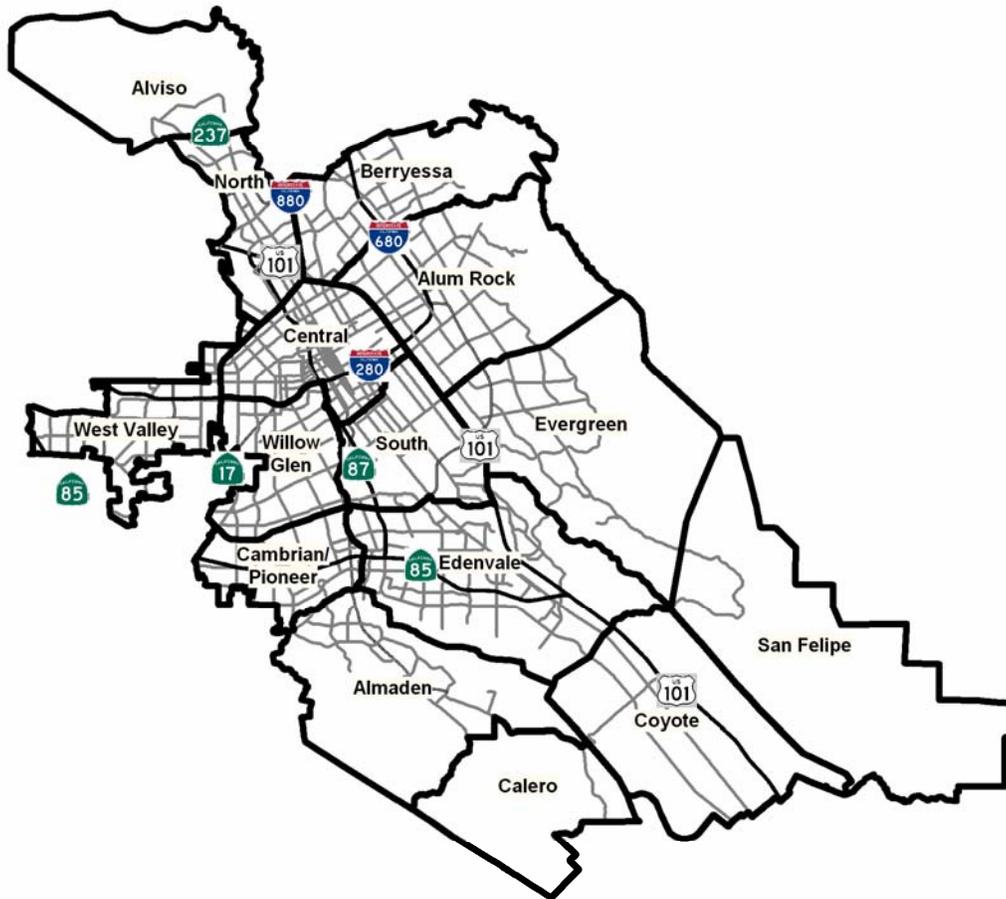
File Number	Filing Date	Project Name	Tracking APN	Street Location	Planning Area	Square Footage (approx.)	Proj. Mgr	Approval Date
<u>Projects Completed</u>								
HA02-040-01	3/19/07	ACM Aviation Hangar/Office	230-46-042	SE/c Coleman & Aviation	North	<u>78,000</u>	CB	6/22/07
Total						78,000		
<u>Projects Under Construction</u>								
H09-002	1/14/09	Brocade Communications	097-03-139	SE/c N. 1st & Hwy 237	North	<u>1,000,000</u>	CB	10/9/09
Total						1,000,000		
<u>Approved Projects (Construction Not Yet Commenced)</u>								
PD08-064	11/3/08	Campus @ North First	101-02-011	SW/c N. 1st & Component	North	2,800,000	JD	3/24/09
PD08-030	4/22/08	Skyport Plaza (Phase 2)	230-29-056	W/s N. 1st bet Skyport & Sonora	North	558,000	JB	8/8/08
H08-002	1/8/08	Boston Properties (Zanker)	097-33-104	NE/c Zanker & Montague	North	533,000	CB	12/17/08
PD07-081	9/18/07	Legacy on 101 Office	101-02-015	W/s Orchard, 750' nly Charcot	North	<u>398,000</u>	JB	12/21/07
Total						4,289,000		
<u>Projects Pending City Approval</u>								
Total						-		
GRAND TOTAL						5,367,000		

File Number Prefixes: H= Site Development Permit; CP= Conditional Use Permit; PDC= Planned Development Rezoning; PD= Planned Development Permit

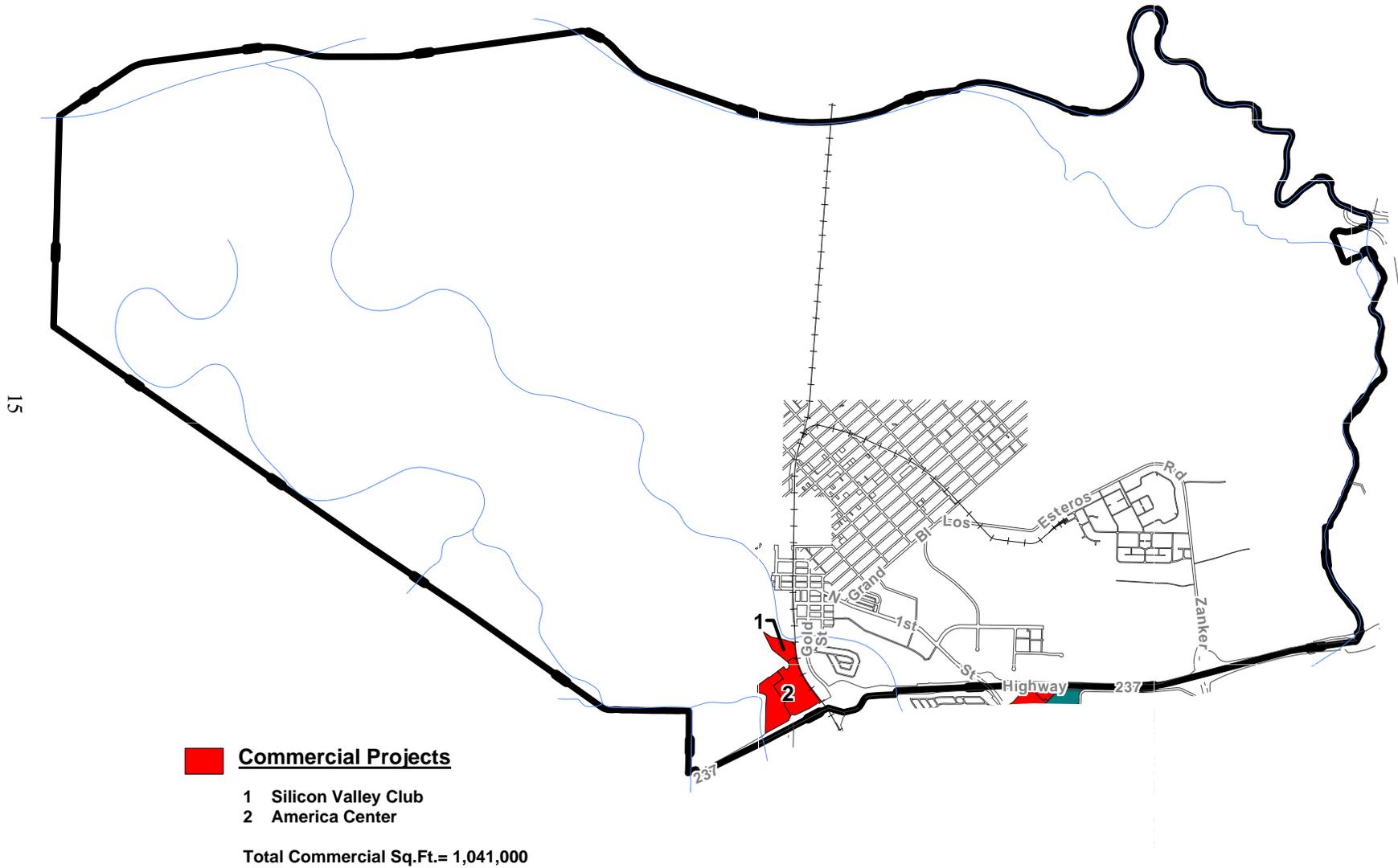
VI. MAJOR DEVELOPMENT ACTIVITY MAPS (PLANNING AREAS)

San Jose is divided into a total of fifteen (15) planning areas (see Figure 1, below). The individual planning area maps that follow include projects in all status categories submitted since January 1, 2007. These maps can be used in conjunction with the data contained in Section V of this report to allow closer analysis of the rate, type, and location of major development activity in the City. (Note: map exhibits are not provided for the Calero, Coyote, or San Felipe planning areas, as no major development activity occurred there and/or these areas are outside the City's Urban Service Area and Urban Growth Boundary).

Figure 1: San Jose Planning Areas



Alviso Planning Area Major Development Activity



North Planning Area Major Development Activity

Residential Projects

- 1 Vista Montana Park
- 2 Tasman Apts
- 3 Baypointe Housing
- 4 Baypointe Mixed Use
- 5 Northpointe Mixed Use
- 6 Riverview Mixed Use
- 7 River Oaks Housing
- 8 Crescent Village Apts
- 9 River Oaks Condos
- 10 Hyundai Site Mixed Use
- 11 Seely Apts
- 12 Century Center Mixed Use
- 13 Fourth Street Apts
- 14 Rosemary Housing

Total Dwelling Units= 8,373

Commercial Projects

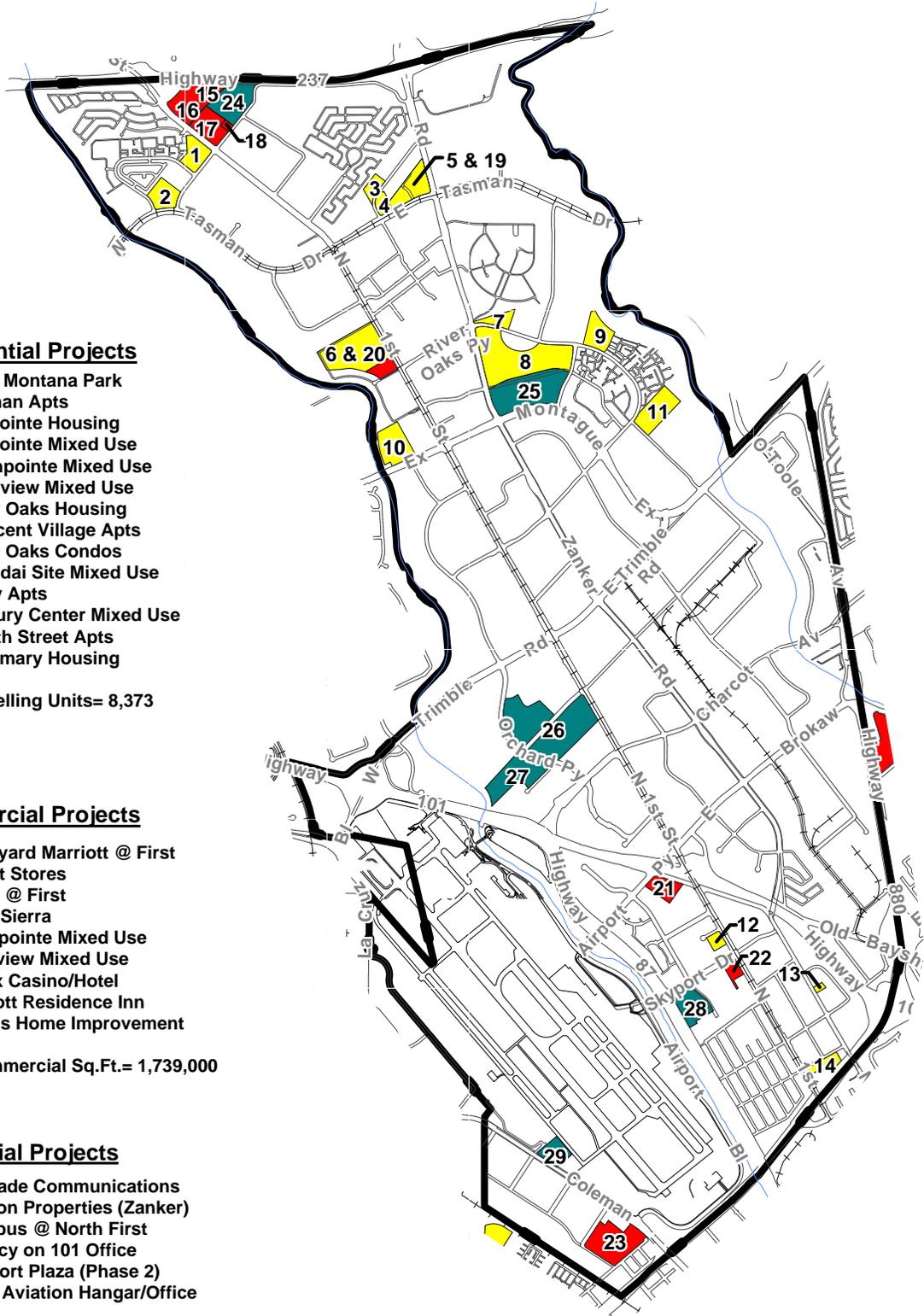
- 15 Courtyard Marriott @ First
- 16 Target Stores
- 17 Retail @ First
- 18 Hotel Sierra
- 19 Northpointe Mixed Use
- 20 Riverview Mixed Use
- 21 Matrix Casino/Hotel
- 22 Marriott Residence Inn
- 23 Lowe's Home Improvement

Total Commercial Sq.Ft.= 1,739,000

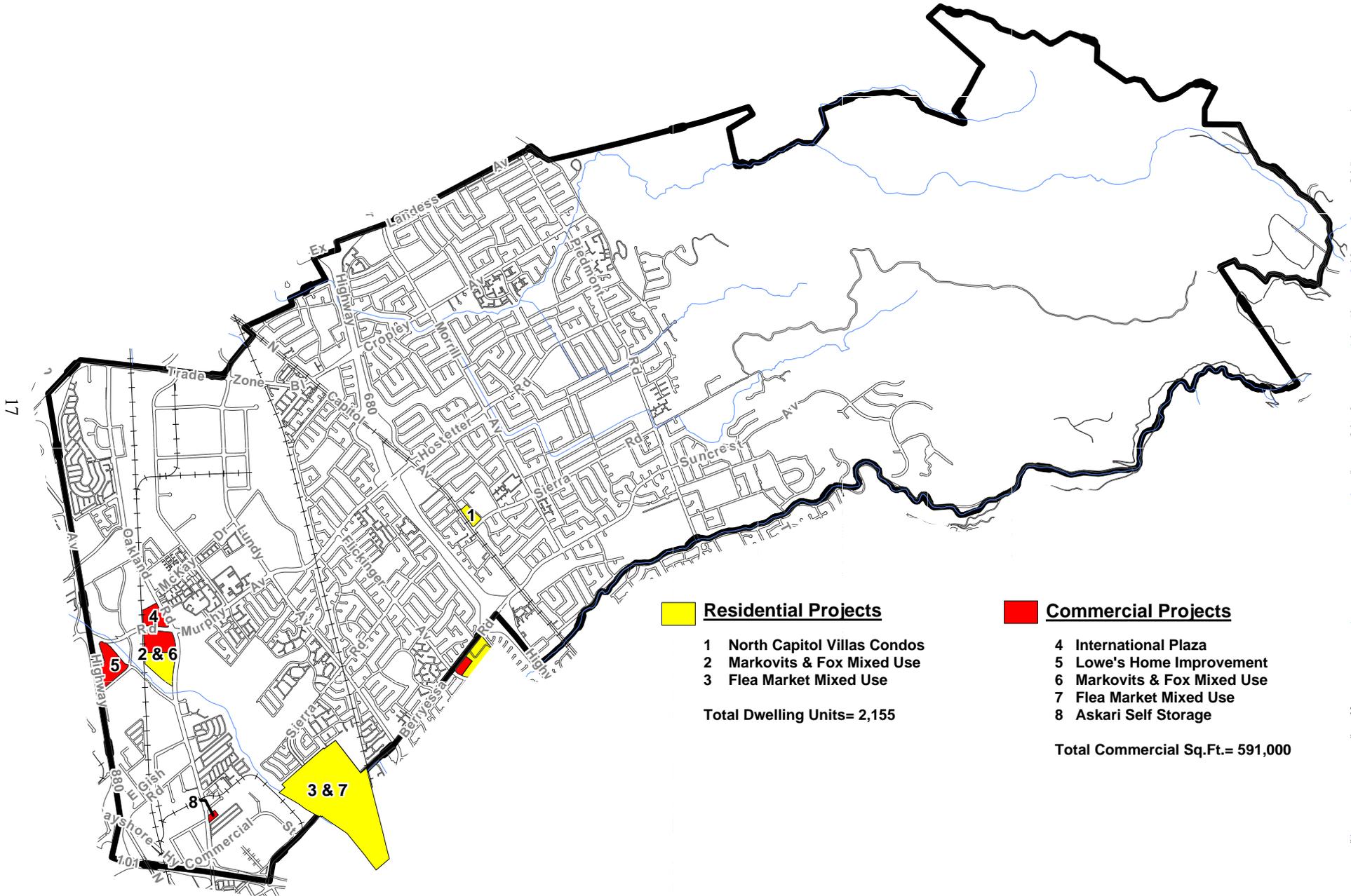
Industrial Projects

- 24 Brocade Communications
- 25 Boston Properties (Zanker)
- 26 Campus @ North First
- 27 Legacy on 101 Office
- 28 Skyport Plaza (Phase 2)
- 29 ACM Aviation Hangar/Office

Total Industrial Sq.Ft.= 5,367,000



Berryessa Planning Area Major Development Activity



Residential Projects

- 1 North Capitol Villas Condos
- 2 Markovits & Fox Mixed Use
- 3 Flea Market Mixed Use

Total Dwelling Units= 2,155

Commercial Projects

- 4 International Plaza
- 5 Lowe's Home Improvement
- 6 Markovits & Fox Mixed Use
- 7 Flea Market Mixed Use
- 8 Askari Self Storage

Total Commercial Sq.Ft.= 591,000

Central Planning Area Major Development Activity



Residential Projects

- | | |
|---|---|
| <ul style="list-style-type: none"> 1 Cornerstone Apts 2 North Tenth Street Housing 3 Libitzky Mixed Use 4 Westmount Square 5 Japantown Senior Apts 6 Corp Yard Mixed Use 7 Ajisai Gardens Condos 8 North San Pedro Apts 9 San Pedro Condos 10 Donner Lofts 11 Morrison Park Townhomes 12 The Carlyle Condos | <ul style="list-style-type: none"> 13 The 88 Condos 14 Brookwood Terrace Apts 15 22nd & William Housing 16 San Carlos Mixed Use 17 Park Avenue Lofts 18 Lincoln Avenue Mixed Use 19 Ohlone Mixed Use 20 Race Street Housing 21 Elements Apts 22 Virginia Terrace Condos 23 Edwards Mixed Use 24 South 2nd Mixed Use |
|---|---|

Total Dwelling Units= 5,222

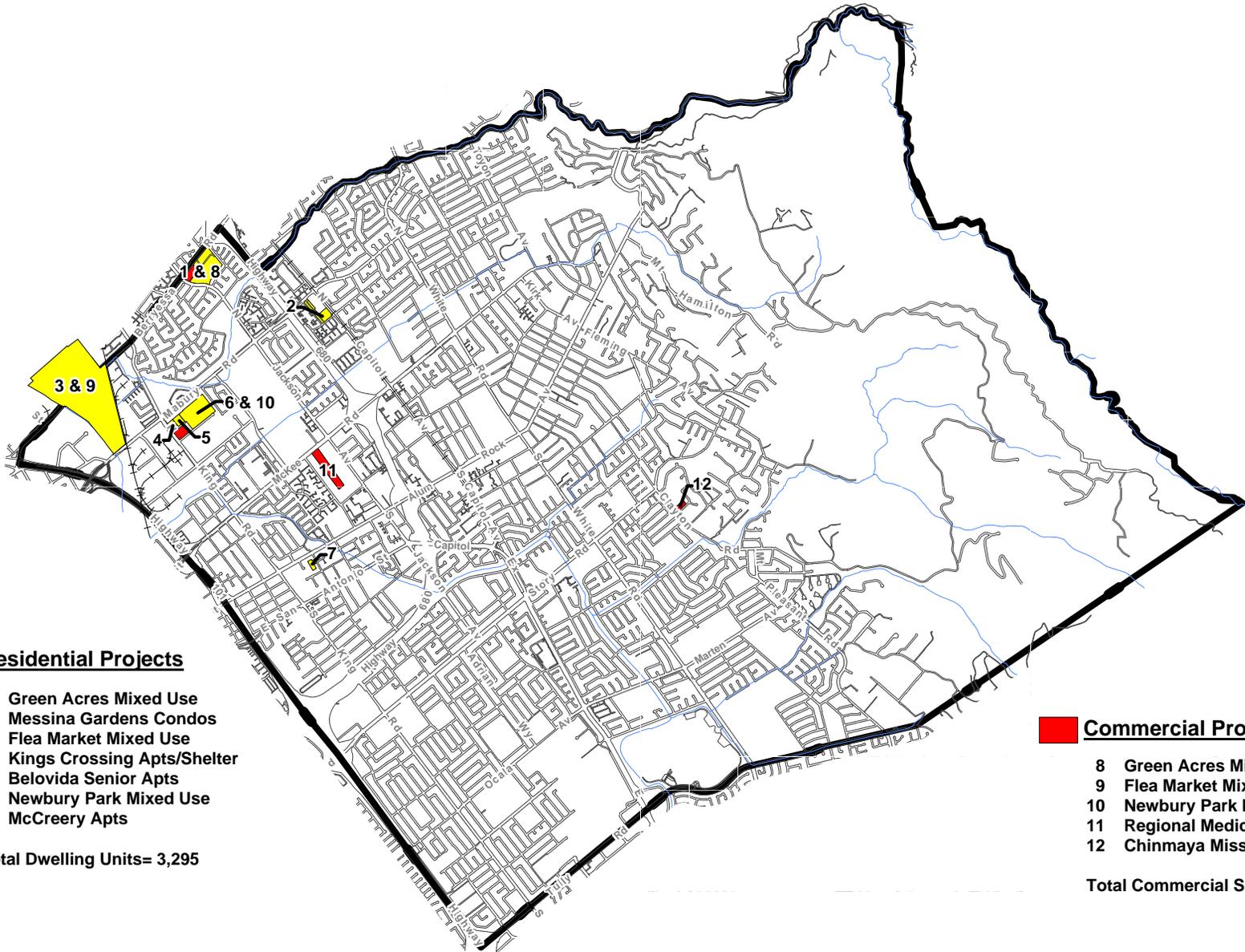
Commercial Projects

- 25 Corp Yard Mixed Use
- 26 Bellarmine College Preparatory
- 27 First United Methodist Church
- 28 Whole Foods Market
- 29 The 88 Condos
- 30 Vietnam Town Shopping Center
- 31 Stevens Creek Gateway
- 32 Ohlone Mixed Use
- 33 Sun Garden Retail Center

Total Commercial Sq.Ft.= 888,000

Alum Rock Planning Area Major Development Activity

19



Residential Projects

- 1 Green Acres Mixed Use
- 2 Messina Gardens Condos
- 3 Flea Market Mixed Use
- 4 Kings Crossing Apts/Shelter
- 5 Belovida Senior Apts
- 6 Newbury Park Mixed Use
- 7 McCreery Apts

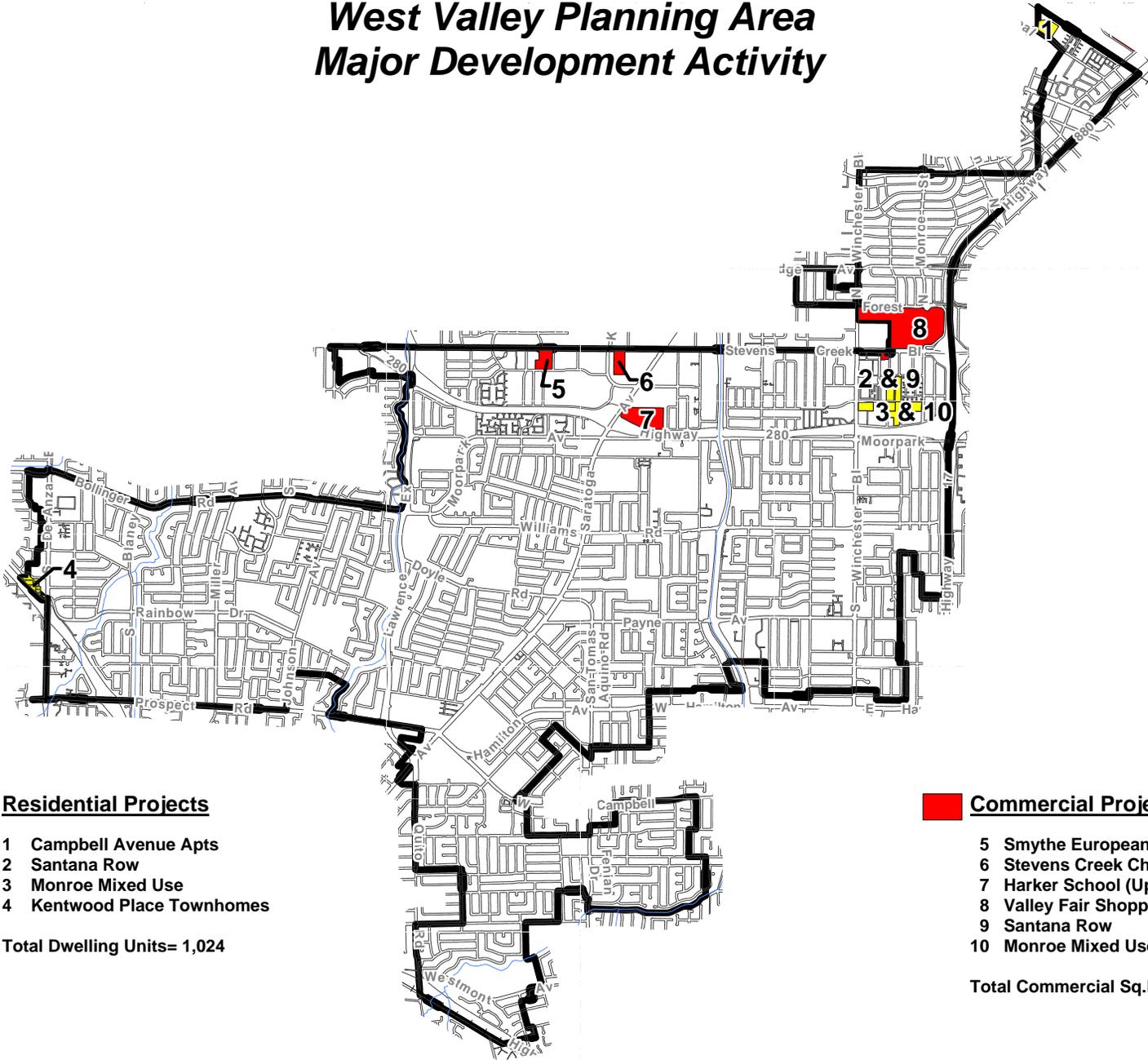
Total Dwelling Units= 3,295

Commercial Projects

- 8 Green Acres Mixed Use
- 9 Flea Market Mixed Use
- 10 Newbury Park Mixed Use
- 11 Regional Medical Center
- 12 Chinmaya Mission

Total Commercial Sq.Ft.= 487,000

West Valley Planning Area Major Development Activity



- Residential Projects**
- 1 Campbell Avenue Apts
 - 2 Santana Row
 - 3 Monroe Mixed Use
 - 4 Kentwood Place Townhomes
- Total Dwelling Units= 1,024

- Commercial Projects**
- 5 Smythe European
 - 6 Stevens Creek Chrysler/Dodge
 - 7 Harker School (Upper Campus)
 - 8 Valley Fair Shopping Center
 - 9 Santana Row
 - 10 Monroe Mixed Use
- Total Commercial Sq.Ft.= 1,425,000

Willow Glen Planning Area Major Development Activity



Residential Projects

- 1 Fruitdale Station (Phase 2)
- 2 Leigh Senior Housing
- 3 Bascom Senior Assisted Living

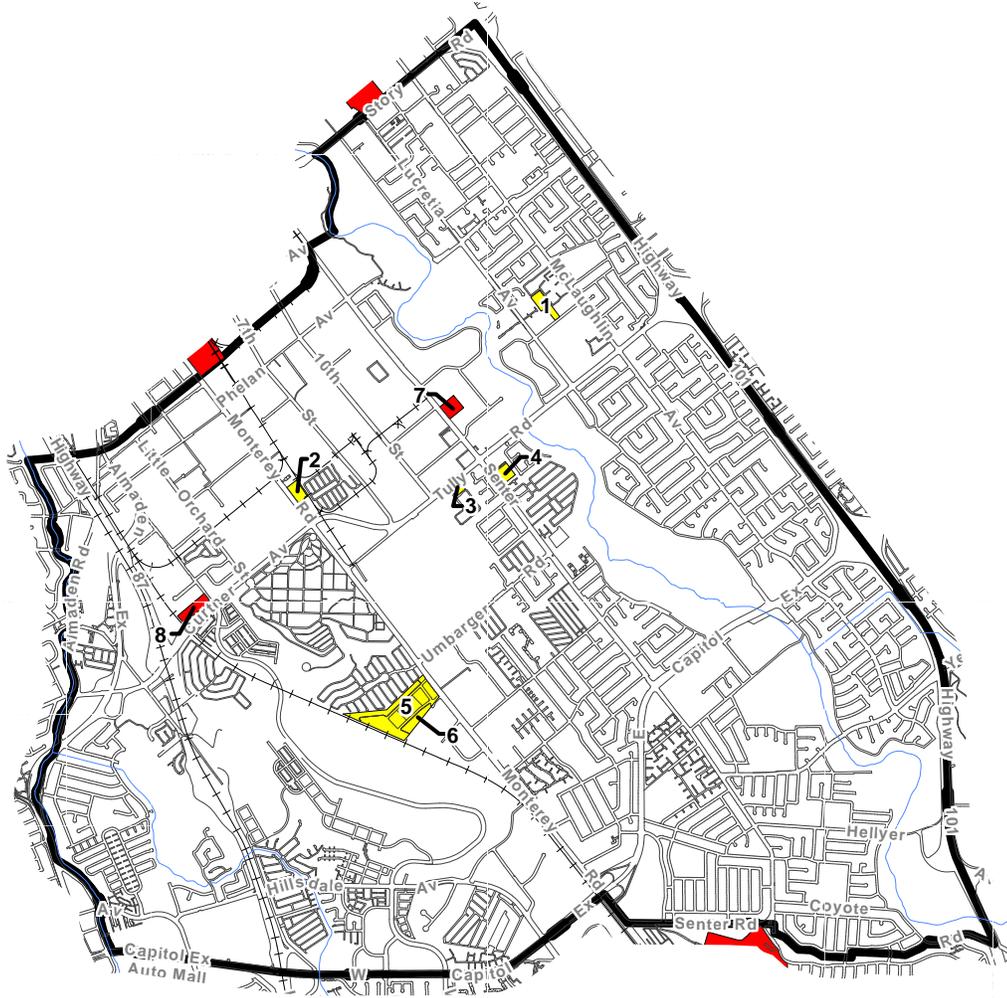
Total Dwelling Units= 389

Commercial Projects

- 4 Fruitdale Station (Phase 2)
- 5 Lincoln Office/Retail
- 6 Orchard Supply Hardware
- 7 Calvary Church Commercial

Total Commercial Sq.Ft.= 142,000

South Planning Area Major Development Activity



Residential Projects

- 1 Summerwind Apts (annex)
- 2 Markham Terrace Apts
- 3 Corde Terra Senior Apts
- 4 Senter Road Family Apts
- 5 Montecito Vista Mixed Use
- 6 Orvieto Family/Senior Apts

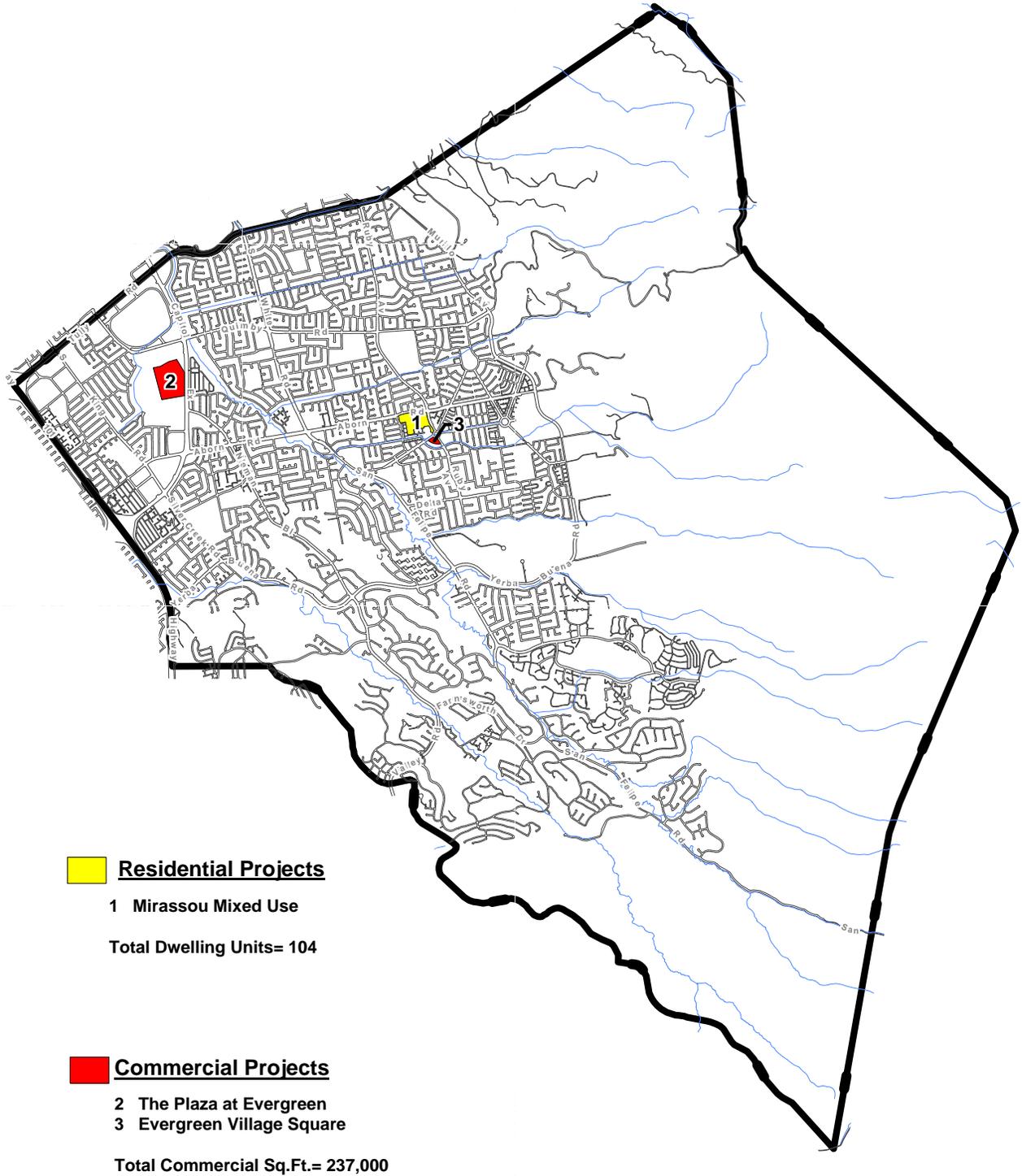
Total Dwelling Units= 1,332

Commercial Projects

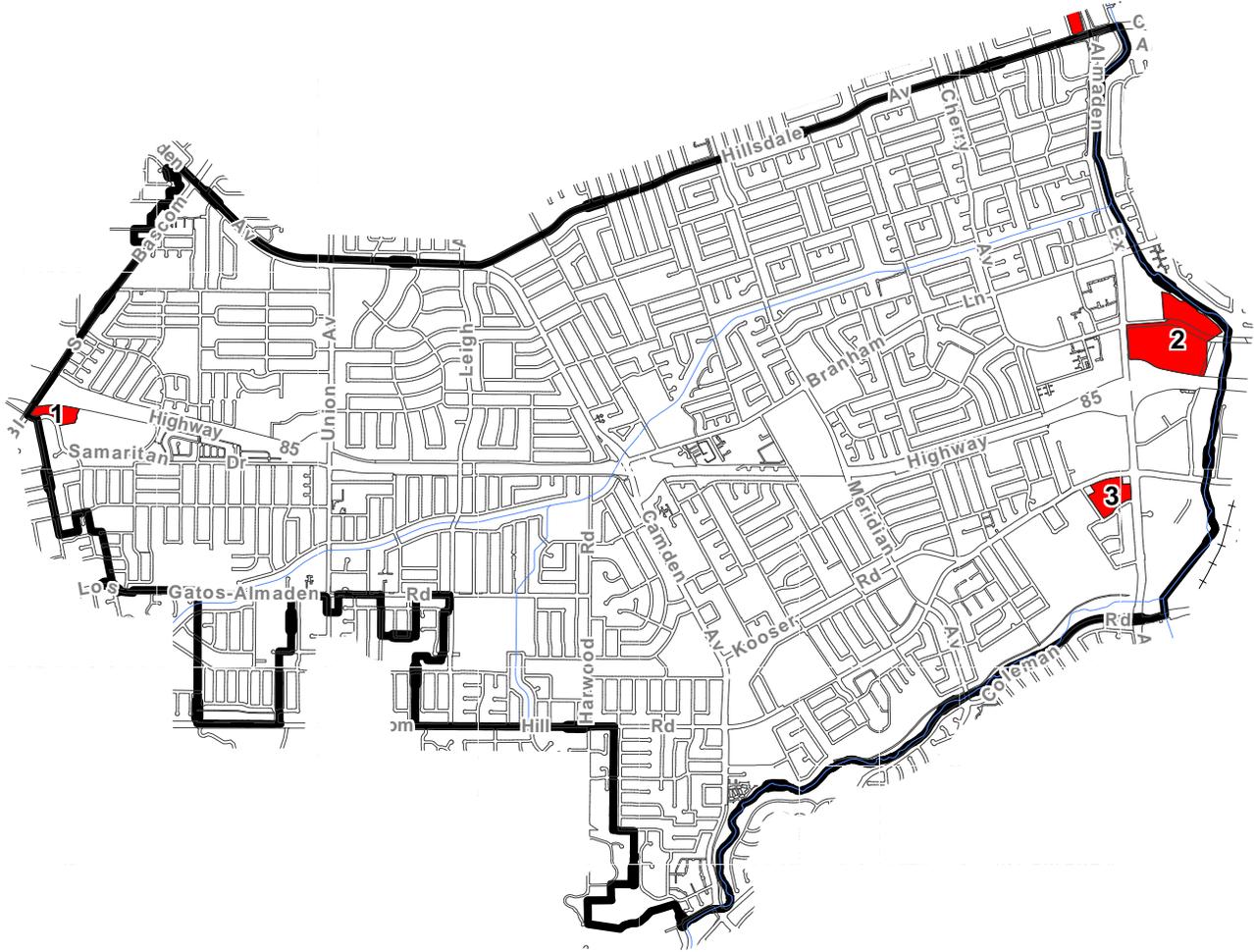
- 7 Senter Office/Retail
- 8 Bay Area Self Storage

Total Commercial Sq.Ft.= 195,000

Evergreen Planning Area Major Development Activity



Cambrian/Pioneer Planning Area Major Development Activity

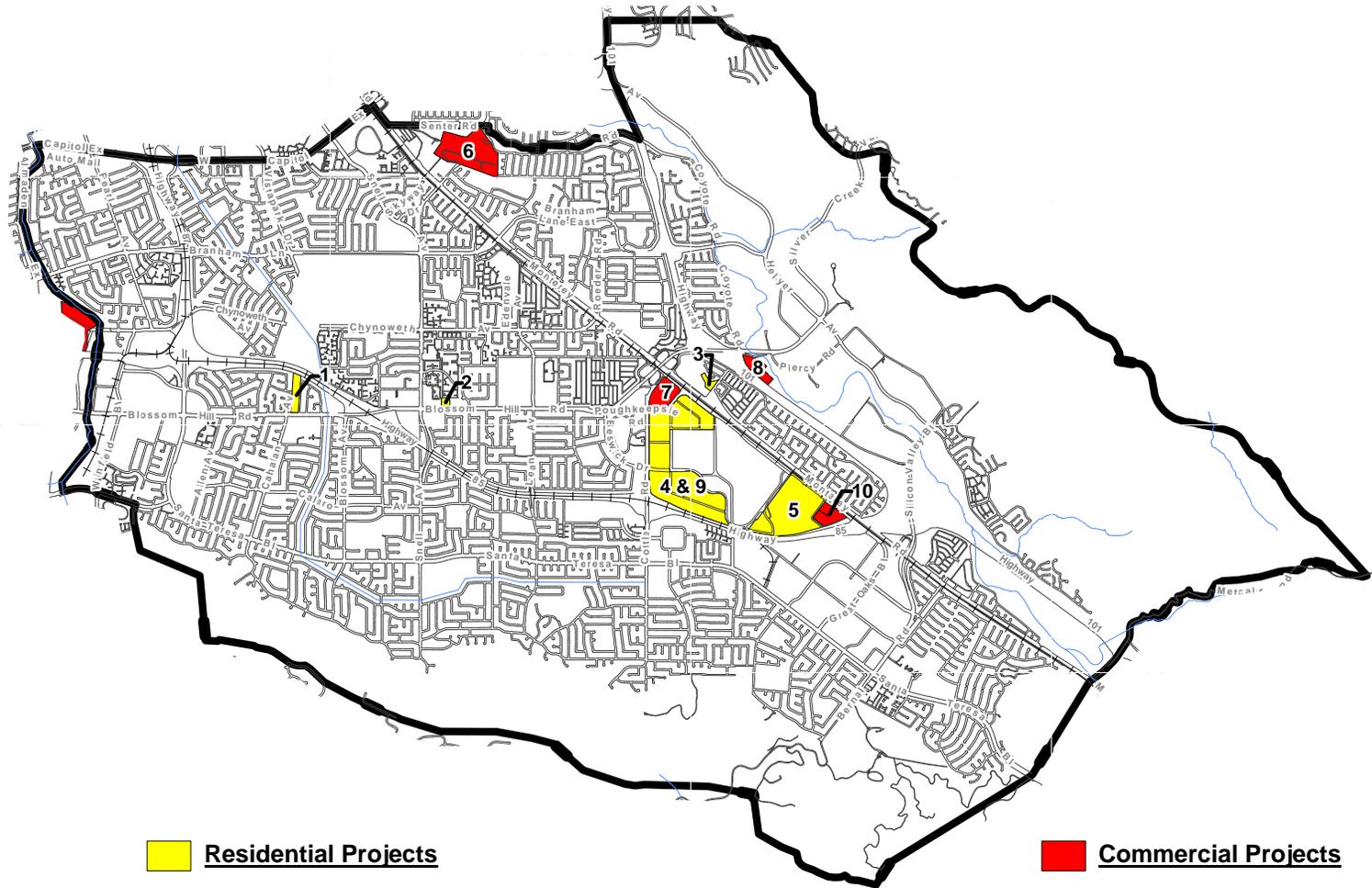


Commercial Projects

- 1 Samaritan Medical Center
- 2 Almaden Ranch
- 3 Whole Foods Market

Total Commercial Sq.Ft.= 498,000

Edenvale Planning Area Major Development Activity



Residential Projects

- 1 Lester Property Housing
- 2 Blossom Hill SRO
- 3 Ford Apts
- 4 Hitachi Site Mixed Use
- 5 iStar Site Housing

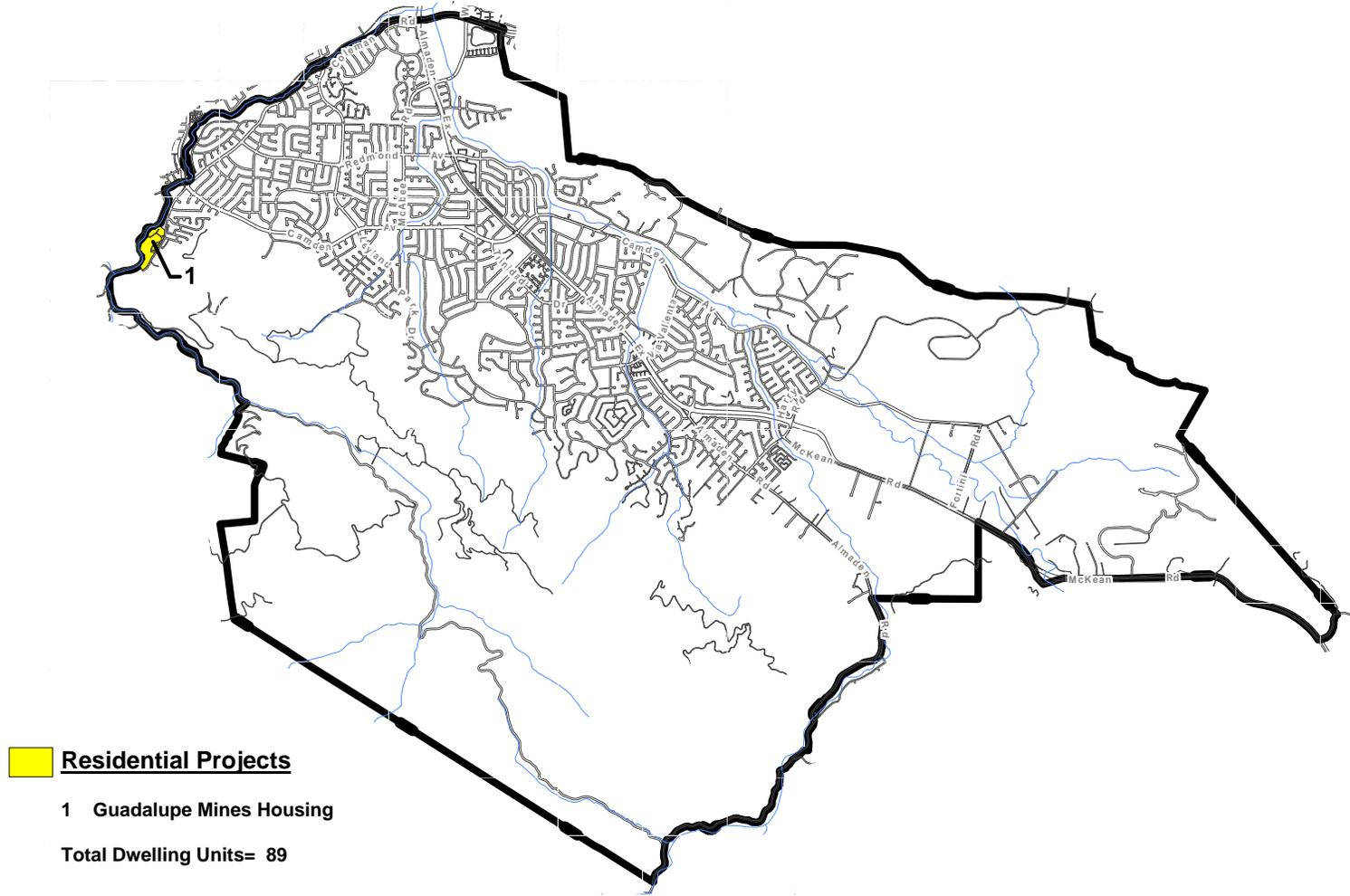
Total Dwelling Units= 4,761

Commercial Projects

- 6 Valley Christian Schools
- 7 Lowe's Home Improvement
- 8 Calif. Center for Health Care
- 9 Hitachi Site Mixed Use
- 10 Equinix

Total Commercial Sq.Ft.= 1,054,000

Almaden Planning Area Major Development Activity



VII. APPENDIX: SOURCES

The Department of Planning, Building and Code Enforcement utilized a variety of information sources in the preparation of this report. These sources are described below.

Data Collection and Analysis

The Department's development project database was the primary initial resource for information on applications submitted to the City. Spreadsheets and Geographic Information Systems (GIS) were also used to manage and display this empirical information in a more readily comprehended format. Architectural drawings, aerial photographs, and fieldwork were also used to evaluate site-specific issues that could have affected the anticipated cost or timing of a project's construction.

Planning staff conducted and/or participated in a series of interviews/discussions with people with a variety of perspectives, including City staff processing development applications, developers or their representatives, and others working in the development industry or related fields, such as the City's Housing Department, Office of Economic Development, and Redevelopment Agency. These discussions surfaced important information on specific development projects as well as provided a forum for review of the economic assumptions underlying the report's five-year forecast.

Review of Publications

Planning staff consulted several publications that made an important contribution to the preparation of this report, including: the San Jose Business Journal, The Registry Real Estate Journal, the San Jose Mercury News, the Silicon Valley Leadership Group's *Projections 2010*, Joint Venture Silicon Valley Network's *2010 Index of Silicon Valley*, the Association of Bay Area Governments' (ABAG) *Projections 2009*, Marcus & Millichap's *Market Research Reports* (periodic), and Cassidy Turley/CPS's *Market Newsletter* (quarterly).