Development Activity Highlights and Five-Year Forecast (2013-2017)

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Department of Planning, Building and Code Enforcement
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Development Activity Highlights and Five-Year Forecast (2013-2017)

I. PURPOSE

The *Development Activity Highlights and Five-Year Forecast (2013-2017)* 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 exhibited "fits and starts" over the past twelve to fifteen months, with construction highly concentrated not only in time, but also in type and location. Specifically, market-rate rental housing and non-residential tenant improvements have seen a pronounced but sporadic resurgence in North San Jose and Downtown, while all else remains virtually dormant. In other words, the construction industry, and as well the broader economy, is giving mixed signals about the future. The current state of volatility and uncertainty is in sharp contrast to much of the past fifteen years, during which two distinct periods can be identified: (1) Technology Boom (1996-2003), an extremely robust era when annual construction valuation was generally in the $1.0 to $1.5 billion range (peaking at an astonishing $2.0 billion in 2000); and, (2) Housing Boom (2003-2008), a slower but steadier stretch when annual construction valuation was about $900 million, and strength in residential activity somewhat offset slack in non-residential activity. Unfortunately, consideration of the various economic factors that have resulted in subdued development these past few years suggests more of the same—a flat-lining of activity at around $675 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 (2013-2017).

<u>Residential Development</u>

- *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 about half the prior pace, or an average of 1,500 units per year. However, in fiscal year 2010/11, activity rebounded from the prior year's all-time low, reaching a four-year high of 2,208 units (slightly below the staff forecast of 2,500 units).*

- *Staff forecasts that residential construction activity will sustain last year's marginally improved pace, and attributes this performance solely to strong fundamentals in the rental housing market. In the near term, this level of activity is virtually guaranteed given the recent issuance of foundation permits for numerous large, market-rate projects, primarily in North San Jose. On the other hand, no affordable housing projects have proceeded to construction in the last twelve months. Further, scarce new ownership housing is expected given a backdrop of uncertainty regarding job growth, consumer confidence, and pricing power in the midst of significant "shadow" inventory (i.e., homes that are seriously delinquent, in some stage of foreclosure, or bank-owned and not yet listed for sale).*

- *Over the five-year forecast period, new construction is expected to continue the recent, moderate activity level of roughly 2,000 to 2,500 units per year. This outlook takes into account those concerns described above, yet also recognizes growing reasons for optimism. Among these is a simple supply/demand metric, as recent population estimates indicate San Jose grew by a fairly robust 50,000 persons in the last five years, yet meanwhile comparatively little inventory was added to the City's housing stock. If this demographic imbalance persists, it should eventually create need for somewhat higher rates of housing production. In any event, staff does not foresee a return to the low levels of activity observed during the immediate aftermath of the financial crisis.*

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 2010/11, commercial activity was mixed, in that new construction fell to its lowest level in almost 20 years, yet tenant improvements (alterations) rose to a three-year high. Overall, valuation reached $220 million, in-line with the staff forecast.*

- *Staff forecasts that commercial construction activity during fiscal year 2011/12 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 primarily steady tenant improvements (alterations) activity, which should once again well surpass new construction in terms of building permit valuation. One notable example of the ongoing resurgence in commercial tenant improvements is the long-vacant, 18-story Oracle tower in Downtown. In this tower, PricewaterhouseCoopers is occupying about half the building, speculative tenant improvements are occurring on three floors, and Oracle itself is expected to occupy another three floors.*

- *For the five-year forecast period, commercial construction activity is expected to remain flat. While an economic recovery appears to have taken hold in the Bay Area, this recovery is uneven, with the majority of near-term office and retail development expected to occur in locations further north (i.e., San Francisco and the Peninsula). However, once this potential wave of renewed activity reaches our shores, the City is strategically positioned to take advantage in a timely manner, as several large-scale, mixed use/employment center projects (e.g., Hitachi, Flea Market, etc.) have already completed various master planning and entitlement processes.*

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, dipping to sub-$100 million lows both immediately following the "dot com" bust and once again last year. In fiscal year 2010/11, as with commercial development, industrial activity was mixed— new construction dipped to an eight-year low, yet tenant improvements (alterations) leaped an impressive 68% year-over-year. Overall, activity fell to $91 million, somewhat below the staff forecast of $125 million.*

- *Staff forecasts that industrial construction activity will remain relatively weak in fiscal year 2011/12, with total permit valuation reaching just $125 million. As with last year, virtually no new construction is expected, yet tenant improvements (alterations) should remain reasonably strong. As recent examples, both Polycom and Flextronics have announced intentions to occupy the long-vacant America Center project along Highway 237, and Maxim has performed major tenant improvements for relocation of their headquarters to 160 Rio Robles, which when purchased by the company in 2010 was the year's largest end-user property transaction in Silicon Valley.*

- *Activity levels for industrial construction will likely be very low over the forecast period. With no new major groundbreakings anticipated in the near term, permit valuation is expected to remain flat, and approximate the lowest levels seen off-and-on over the past decade. Tenant improvements should outpace new construction for some time to come, a pattern typical of recessionary periods.*

III. FIVE-YEAR FORECAST (2013-2017)

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 approximate last year's modest pace, totaling $675 million during fiscal year 2011/12, and remain flat throughout the remainder of the forecast period.

Table 1
Construction Valuation: FY 06/07 to FY 16/17

Fiscal Year	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17
	Actual Valuation[1] (in millions)					**Projected Valuation (in millions)**					
New Construction											
Residential	$397	$166	$126	$86	$308	$250	$250	$250	$250	$275	$275
Commercial	$90	$194	$87	$147	$73	$75	$75	$75	$75	$75	$75
Industrial	$97	$116	$136	$66	$8	$25	$25	$25	$25	$25	$25
Subtotal	$584	$476	$348	$300	$388	$350	$350	$350	$350	$375	$375
Alterations											
Residential	$96	$77	$63	$65	$79	$75	$75	$75	$75	$75	$75
Commercial	$143	$165	$140	$120	$148	$150	$150	$150	$150	$150	$150
Industrial	$160	$171	$104	$50	$83	$100	$100	$100	$100	$100	$100
Subtotal	$398	$413	$307	$235	$310	$325	$325	$325	$325	$325	$325
GRAND TOTAL	**$982**	**$888**	**$656**	**$534**	**$699**	**$675**	**$675**	**$675**	**$675**	**$700**	**$700**
Tax Exemptions											
Residential	*	*	*	*	*	$(50)	$(50)	$(50)	$(50)	$(50)	$(50)
Commercial	*	*	*	*	*	$(25)	$(25)	$(25)	$(25)	$(25)	$(25)
Industrial	*	*	*	*	*	$(25)	$(25)	$(25)	$(25)	$(25)	$(25)
Net Total (Taxable)						**$575**	**$575**	**$575**	**$575**	**$600**	**$600**

*Note: Data on actual tax exemptions not available at the time of this report.
[1]Valuation figures adjusted to 2011 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 06/07 to FY 16/17

Fiscal Year	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17
	Actual[1]					**Projected**					
Residential (Units)											
Single-Family	545	245	160	103	66	250	250	250	250	250	250
Multi-Family	2,669	1,300	911	470	2,142	1,750	1,750	2,000	2,000	2,250	2,250
TOTAL	3,214	1,545	1,071	573	2,208	2,000	2,000	2,250	2,250	2,500	2,500
Non-Residential (sq.ft., in thousands)											
Commercial	1,000	1,250	1,000	750	500	500	500	500	500	500	500
Industrial	250	250	500	250	0	250	250	250	250	250	250
TOTAL	1,250	1,500	1,500	1,000	500	750	750	750	750	750	750

[1]NOTE: 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 over 26,000 dwelling units and approximately 14 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
Projects Completed									
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
PDA08-039-01	7/7/09	University Villas Apts	230-14-026	N/s Campbell, 250' ely El Camino Real	West Valley	MF	138	LX	4/26/10
PD09-001	1/20/09	Brookwood Terrace Apts	472-05-075	S/s E. San Antonio, opp. S. 28th	Central	MF	84	SZ	6/15/09
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
PD07-097	11/13/07	Cornerstone Apts	249-08-002	SW/c N. 10th & E. Hedding	Central	MF	53	LM	6/13/08
Total							**776**		
Projects Under Construction									
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
PD08-056	8/29/08	Epic Apts	097-15-026	SE/c River Oaks & Seely	North	MF	769	ES	1/23/09
PD07-033	4/13/07	Northpointe Mixed Use	097-07-086	NW/c Zanker & Tasman	North	MF	704	JB	11/30/07
PD11-031	9/8/11	Vista Montana Park Apts	097-52-028	B/s Vista Montana, bet Tasman & N. 1st	North	MF	444	JH	10/14/11
PD07-025	3/26/07	Mosaic Apts	264-09-043	E/s Race, nly UPRR tracks	Central	MF	385	RO	7/23/07
PD08-001	1/7/08	Pepper Lane Mixed Use	254-15-072	SE/c Berryessa & Jackson	Alum Rock	SF	371	RM	10/10/08
PDA07-090-02	5/26/11	Riverview Mixed Use (Phase 1)	097-06-038	W/s N. 1st, 450' sly Rio Robles	North	MF	271	LX	8/2/11
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
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
PD07-036	4/13/07	Baypointe Apts (North)	097-07-031	W/s Baypointe, 370' nly Tasman	North	MF	183	JB	11/30/07
PD08-023	3/11/08	Baypointe Apts (South)	097-07-072	NE/c Baypointe & Tasman	North	MF	174	JB	8/1/08
PD10-026	11/5/10	Messina Gardens Condos[1]	254-06-037	SW/c N. Capitol & Mabury	Alum Rock	MF	135	JN	6/10/11
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
PD04-103	5/10/04	Fiesta Senior/Vista on San Carlos	274-14-142	NE/c W. San Carlos & Buena Vista	Central	SF/MF	127	EM	8/25/04
PD08-071	12/17/08	Santana Row (Parcel 6B)	277-40-011	NW/c Olin & Hatton	West Valley	MF	118	SZ	4/23/10
PD11-003	1/21/11	Mirassou Mixed Use	659-57-010	SW/c Ruby & Aborn	Evergreen	SF	104	LX	7/29/11
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
PDA04-071-01	9/29/10	Mayfair Court Apts	481-18-013	W/s McCreery, 230' sly Alum Rock	Alum Rock	MF	93	JN	3/15/11
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
Total							**6,634**		

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
Approved Projects (Construction Not Yet Commenced)									
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	MF	1,308	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
PDC07-010	1/25/07	Markovits & Fox Mixed Use	237-03-070	SW/c E. Brokaw & Oakland	Berryessa	MF	650	LX	12/14/10
PD11-030	9/8/11	Tasman Apts	097-52-013	B/s Vista Montana, bet Tasman & N. 1st	North	MF	554	JH	10/14/11
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
PDC08-036	6/20/08	Libitzky Mixed Use	249-09-001	NW/c N. 10th & E. Taylor	Central	MF	403	LX	1/25/11
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 Carlysle 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
PD11-025	3/11/11	Rosemary Family/Senior Apts	235-05-012	SE/c N. 1st & Rosemary	North	MF	290	LX	8/26/11
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
PD08-029	4/16/08	Virginia Terrace Condos	472-18-051	SW/c E. Virginia & S. 6th	Central	MF	238	RM	10/24/08
PD08-046	7/16/08	Century Center Mixed Use (Phase 1	230-29-022	SW/c N. 1st & Century Center	North	MF	220	LX	4/29/11
PDC09-002	1/8/09	Century Center Mixed Use (Phase 2	230-29-022	SW/c N. 1st & Century Center	North	MF	220	LX	8/25/09
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
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
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
PD11-009	3/9/11	Santana Terrace Townhomes	277-38-006	W/s S. Monroe, 450' nly Hwy 280	West Valley	SF	104	LX	9/30/11
PD11-011	3/14/11	Markham Terrace Apts	477-23-021	E/s Monterey, 700' nly Tully	South	MF	102	LX	7/15/11
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
PD09-033	10/21/09	Ford Apts	678-53-004	N/s Ford, 550' ely Monterey	Edenvale	MF	95	LX	7/16/10
PD11-023	7/21/11	North Capitol Villas Condos	589-19-063	NE/c N. Capitol & Sierra	Berryessa	MF	94	LX	11/18/11
PD10-024	11/2/10	Guadalupe Mines Housing	575-02-027	W/s Guadalupe Mines, 2000' sly Camden	Almaden	SF	89	LX	9/16/11
PD11-008	3/7/11	Lester Property Housing	464-22-030	N/s Blossom Hill, 250' ely Cahalan	Edenvale	SF	86	LX	9/7/11
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

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
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
PD11-026	7/28/11	Hacienda Gardens Townhomes	447-05-012	NE/c Hillsdale & Yucca	Willow Glen	SF	51	ME	11/18/11
PD09-039	11/23/09	Edwards Mixed Use	264-37-060	SW/c Edwards & S. 1st	Central	MF	50	SZ	7/2/10
Total							**15,608**		
Projects Pending City Approval									
PDC07-098	11/21/07	iStar Site Housing	706-08-008	NW/c Monterey & Hwy 85	Edenvale	SF/MF	1,100	JC	---
PDC07-073	9/12/07	Corp Yard Mixed Use	249-39-039	NE/c Jackson & N. 6th	Central	SF	600	LM	---
PDC11-018	10/14/11	River Oaks Apts	097-33-102	N/s River Oaks, 200' ely Research	North	MF	450	LX	---
H08-001	1/2/08	San Pedro Condos (Tower 1)	259-32-044	SW/c N. San Pedro & Bassett	Central	MF	240	SZ	---
PDA05-066-01	11/3/11	Santana Row (Parcel 8B)	277-46-001	SE/c Winchester & Stevens Creek	West Valley	SF/MF	220	LX	---
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	---
CP11-034	5/10/11	North San Pedro Apts	259-23-016	NE/c Hwy 87 & Bassett	Central	MF	135	LX	---
PDA04-076-02	12/16/11	Ajisai Gardens Apts	249-37-006	SE/c E. Taylor & N. 7th	Central	MF	100	LX	---
PDC08-067	12/23/08	Summerwind Apts (annex)	477-19-060	NW/c McLaughlin & Summerside	South	MF	91	LX	---
PDC11-005	4/7/11	Race Street Terrace	261-42-072	Bet. Race & Grand, 300' sly Park	Central	MF	70	LX	---
Total							**3,210**		
GRAND TOTAL							**26,228**		

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
Projects Completed									
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
CP08-071	8/29/08	Hotel Sierra	097-03-138	SE/c N. 1st & Hwy 237	North	116,000	160	CB	12/10/08
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
PD09-021	6/11/09	Bellarmine (Academic Building)	261-11-005	NE/c Elm & Emory	Central	55,000		SD	11/13/09
PD07-105	12/20/07	Bellarmine (Humanities Building)	261-11-005	NE/c Elm & Emory	Central	53,000		ES	7/11/08
Total						**1,757,000**	**160**		
Projects Under Construction									
PD10-025	11/5/10	M8trix Casino/Hotel	230-29-065	SE/c Airport & Old Bayshore	North	798,000	600	JH	3/18/11
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
CP08-057	6/26/08	Brokaw North Retail	237-03-074	NW/c Oakland & Brokaw	Berryessa	102,000		ES	10/22/08
H07-053	5/25/07	Retail @ First	097-03-138	NE/c N. First & Headquarters	North	73,000		CB	4/4/08
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
PD10-011	6/15/10	Bellarmine (Life Center/Gym)	261-11-005	NE/c Elm & Emory	Central	40,000		JN	1/14/11
PD07-007	1/10/07	Fruitdale Station (Phase 2)	284-02-008	SE/c Southwest Expwy & Fruitdale	Willow Glen	30,000		SM	3/21/08
PD11-013	5/5/11	Foxworthy Retail	451-06-066	NW/c Almaden & Hillsdale	Willow Glen	25,000		JN	7/15/11
PD07-033	4/13/07	Northpointe Mixed Use	097-07-086	NW/c Zanker & Tasman	North	25,000		JB	11/30/07
Total						**1,484,000**	**600**		

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
Approved Projects (Construction Not Yet Commenced)									
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
PDC10-017	6/2/10	Harker School (Upper Campus)	303-25-001	NE/c Saratoga & Hwy 280	West Valley	316,000		JC	9/27/11
PD11-027	8/2/11	Sun Garden Retail Center	477-07-013	E/s Monterey, 300' sly E. Alma	Central	257,000		JC	10/21/11
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
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
H08-044	12/5/08	Askari Self Storage	241-12-012	E/s Oakland, 350' sly Service	Berryessa	103,000		JC	6/24/11
CP10-059	11/9/10	Courtyard Marriott @ First	097-14-108	SE/c N. 1st & Hwy 237	North	99,000	157	JN	4/20/11
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/sYucca, 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
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	Pepper Lane Mixed Use	254-15-072	SE/c Berryessa & Jackson	Alum Rock	30,000		RM	10/10/08
PD10-027	11/22/10	Chinmaya Mission	612-53-046	NE/c Clayton & Hickerson	Alum Rock	26,000		JC	3/21/11
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
H10-018	9/17/10	First United Methodist Church	467-19-078	NE/c E. Santa Clara & N. 5th	Central	24,000		LX	4/8/11
Total						**4,110,000**	**654**		

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
Projects Pending City Approval									
PDC10-006	4/13/10	Almaden Ranch	458-17-006	SE/c Almaden & Chynoweth	Cambrian/Pioneer	400,000		AB	---
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	---
SP11-046	11/29/11	Public Storage	477-22-028	SW/c Tully & Old Tully	South	115,000		JB	---
PD11-021	6/27/11	Santana Office Park	277-38-002	W/s S. Monroe, 450' nly Hwy 280	West Valley	90,000		LX	---
H08-014	3/26/08	Stevens Creek Chrysler/Dodge	294-41-003	S/s Stevens Creek, 260' ely Kiely	West Valley	50,000		ES	---
H11-027	10/11/11	Mabury Self Storage	254-02-038	S/s Mabury, 220' wly Lenfest	Alum Rock	30,000		JC	---
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	---
H08-025	5/28/08	Stevens Creek Gateway	274-57-022	NE/c Stevens Creek & DiSalvo	Central	26,000		JC	---
Total						**1,089,000**	**-**		
GRAND TOTAL						**8,440,000**	**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

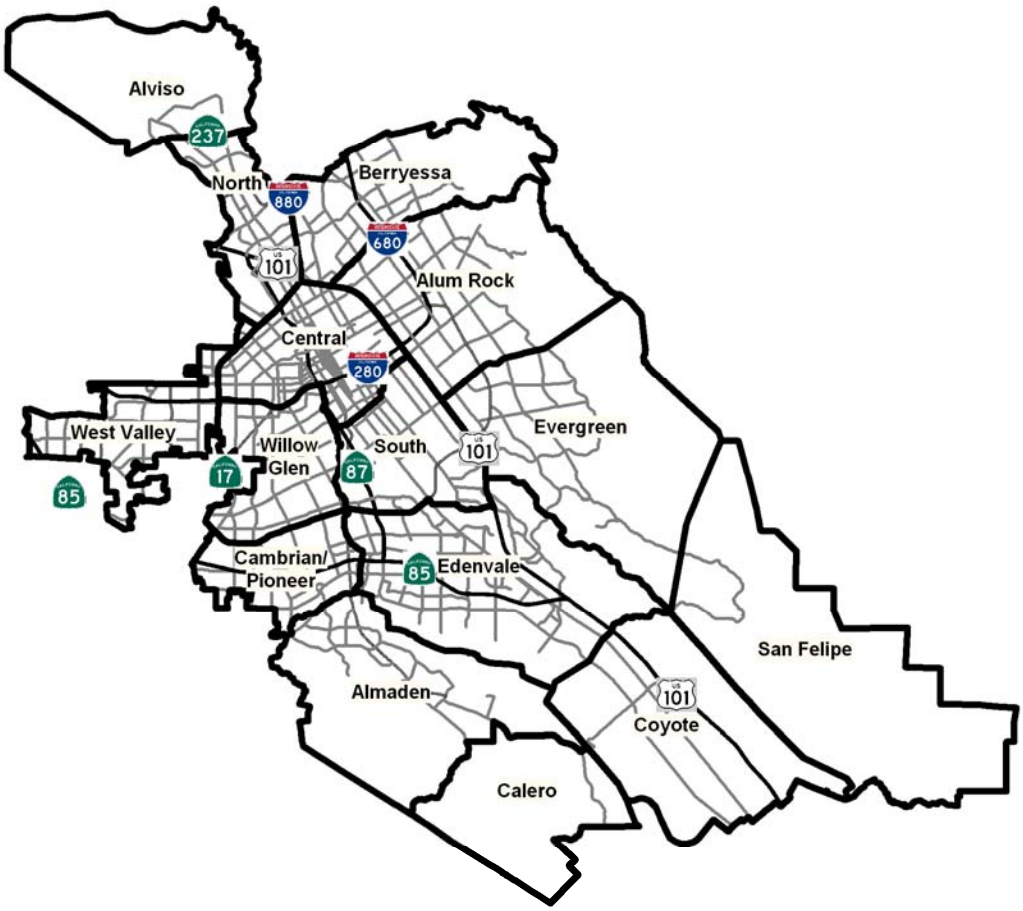
File Number	Filing Date	Project Name	Tracking APN	Street Location	Planning Area	Square Footage (approx.)	Proj. Mgr	Approval Date
Projects Completed								
HA02-040-01	3/19/07	ACM Aviation Hangar/Office	230-46-042	SE/c Coleman & Aviation	North	78,000	CB	6/22/07
Total						**78,000**		
Projects Under Construction								
H09-002	1/14/09	Brocade Communications	097-03-139	SE/c N. 1st & Hwy 237	North	1,000,000	CB	10/9/09
H07-030	8/2/07	Bay Area Self Storage	455-07-012	NW/c Curtner & Stone	South	135,000	CB	6/6/08
Total						**1,135,000**		
Approved Projects (Construction Not Yet Commenced)								
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	398,000	JB	12/21/07
Total						**4,289,000**		
Projects Pending City Approval								
Total						**-**		
GRAND TOTAL						**5,502,000**		

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

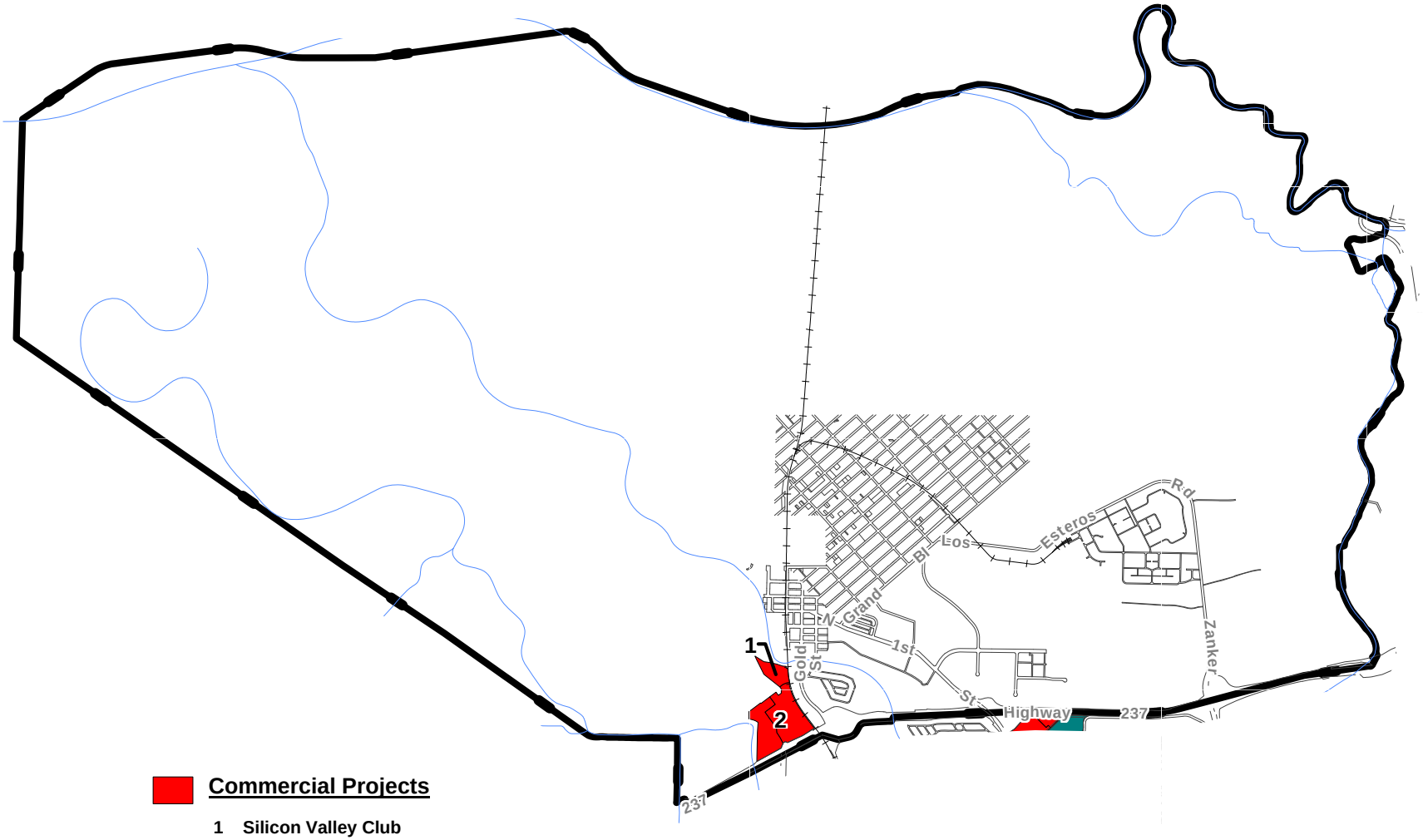
VI. MAJOR DEVELOPMENT ACTIVITY MAPS (PLANNING AREAS)

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

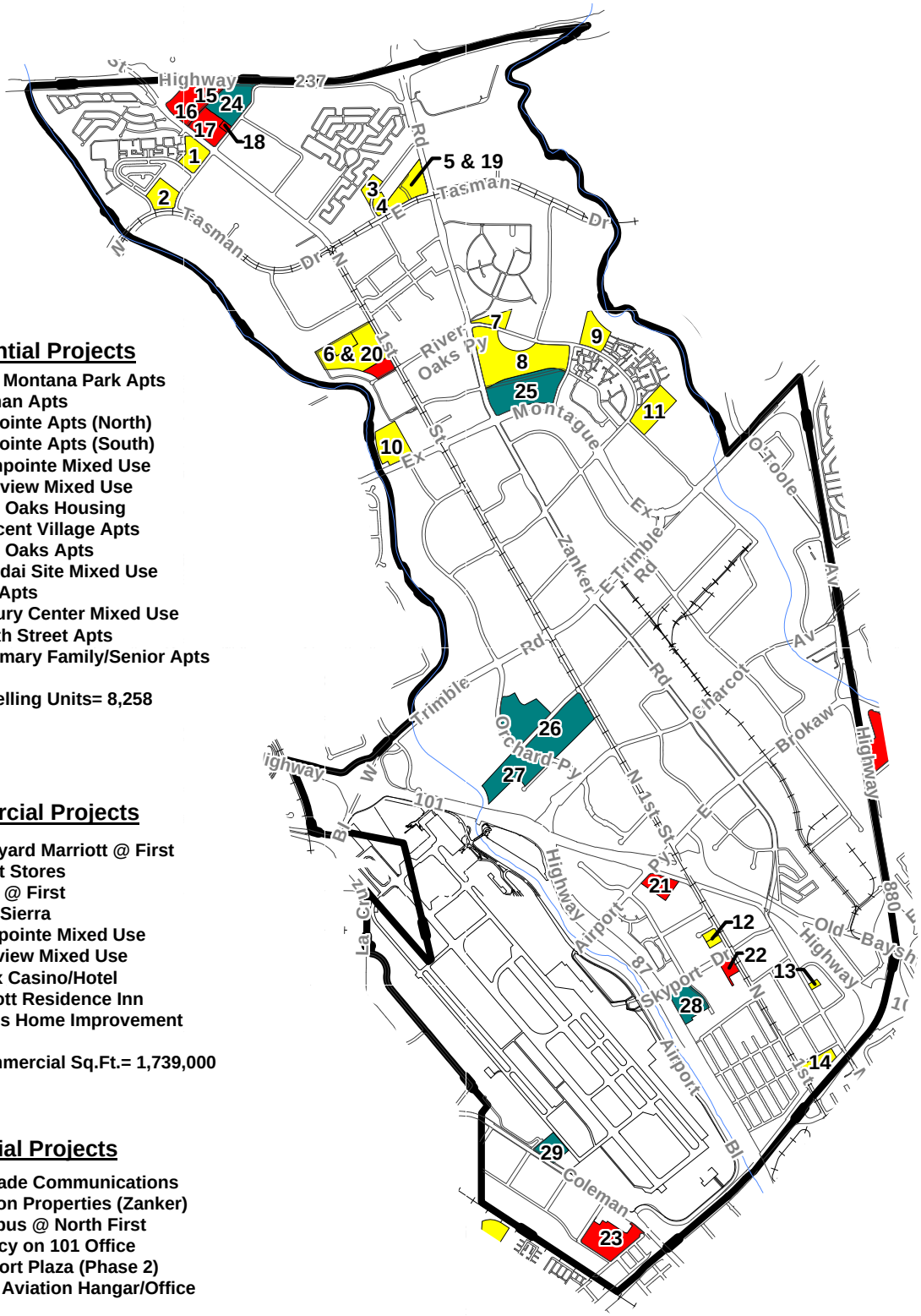


Commercial Projects

1 Silicon Valley Club
2 America Center

Total Commercial Sq.Ft.= 1,041,000

North Planning Area
Major Development Activity



Residential Projects

1 Vista Montana Park Apts
2 Tasman Apts
3 Baypointe Apts (North)
4 Baypointe Apts (South)
5 Northpointe Mixed Use
6 Riverview Mixed Use
7 River Oaks Housing
8 Crescent Village Apts
9 River Oaks Apts
10 Hyundai Site Mixed Use
11 Epic Apts
12 Century Center Mixed Use
13 Fourth Street Apts
14 Rosemary Family/Senior Apts

Total Dwelling Units= 8,258

Commercial Projects

15 Courtyard Marriott @ First
16 Target Stores
17 Retail @ First
18 Hotel Sierra
19 Northpointe Mixed Use
20 Riverview Mixed Use
21 M8trix Casino/Hotel
22 Marriott Residence Inn
23 Lowe's Home Improvement

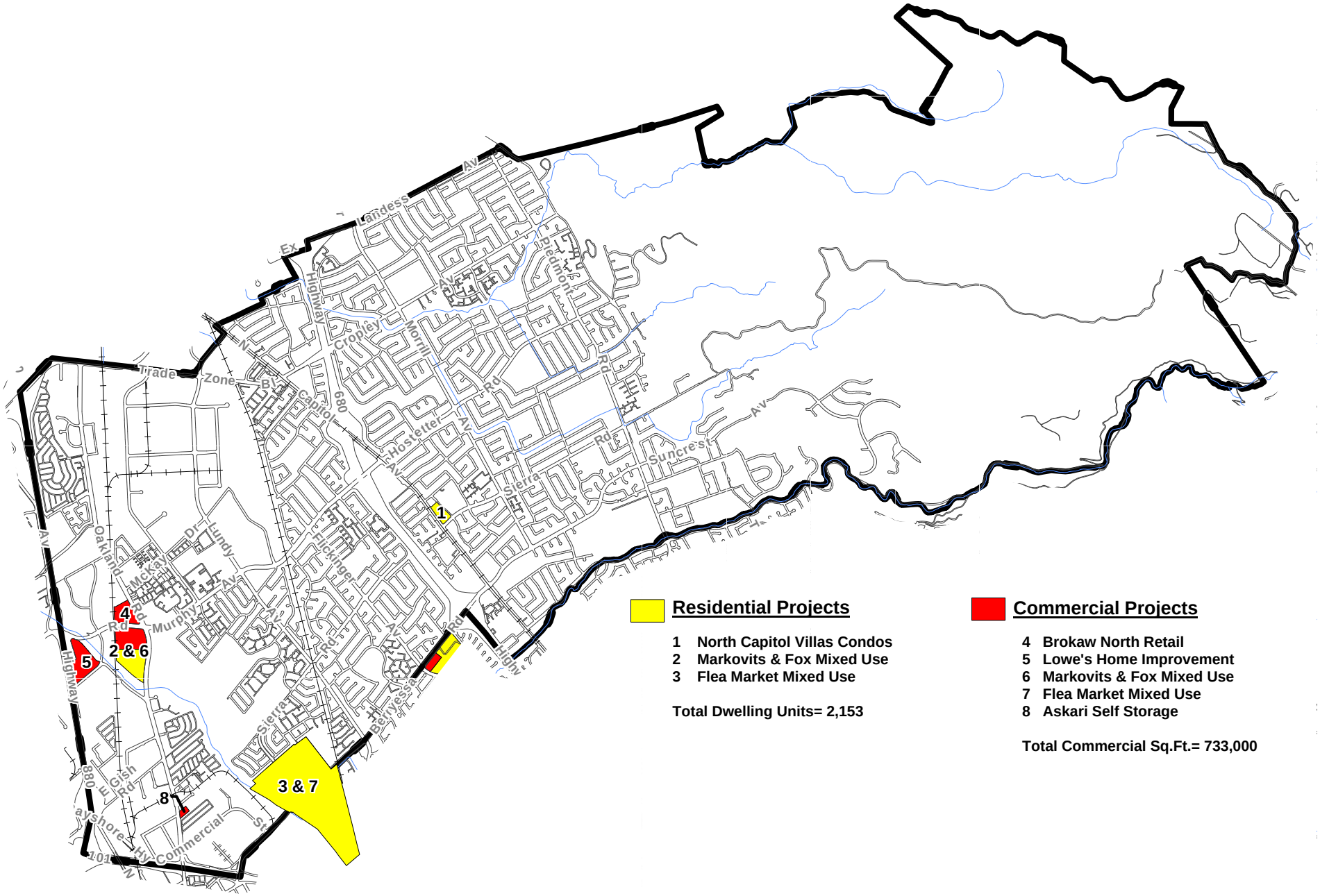
Total Commercial Sq.Ft.= 1,739,000

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

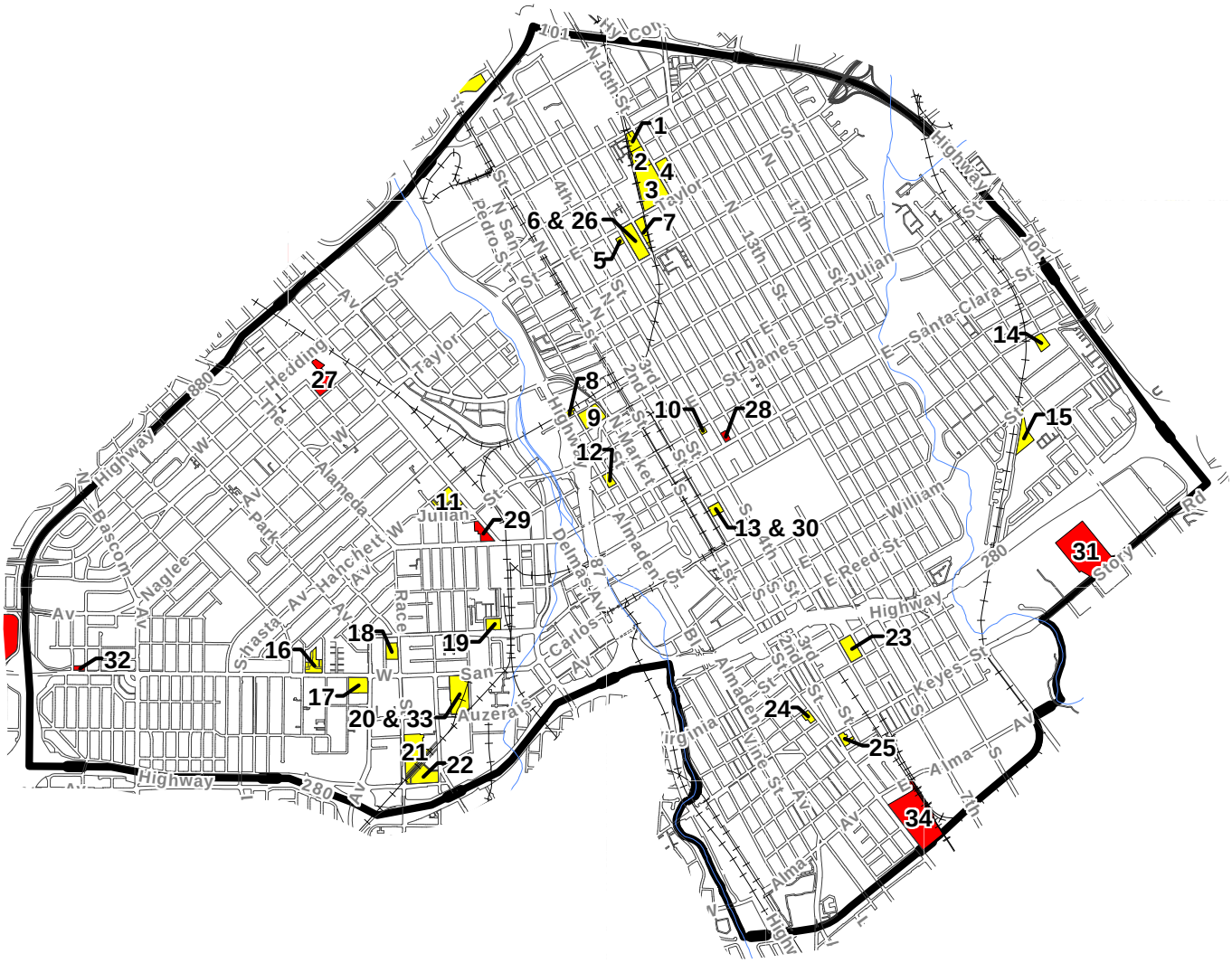
Total Dwelling Units= 2,153

Commercial Projects

4 Brokaw North Retail
5 Lowe's Home Improvement
6 Markovits & Fox Mixed Use
7 Flea Market Mixed Use
8 Askari Self Storage

Total Commercial Sq.Ft.= 733,000

Central Planning Area
Major Development Activity



Residential Projects

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 Apts
8 North San Pedro Apts
9 San Pedro Condos
10 Donner Lofts
11 Morrison Park Townhomes
12 The Carlysle Condos
13 The 88 Condos (Phase 2)
14 Brookwood Terrace Apts
15 22nd & William Housing
16 Fiesta Senior/Vista on San Carlos
17 San Carlos Mixed Use
18 Race Street Terrace
19 Park Avenue Lofts
20 Ohlone Mixed Use
21 Mosaic Apts
22 Elements Apts
23 Virginia Terrace Condos
24 Edwards Mixed Use
25 South 2nd Mixed Use

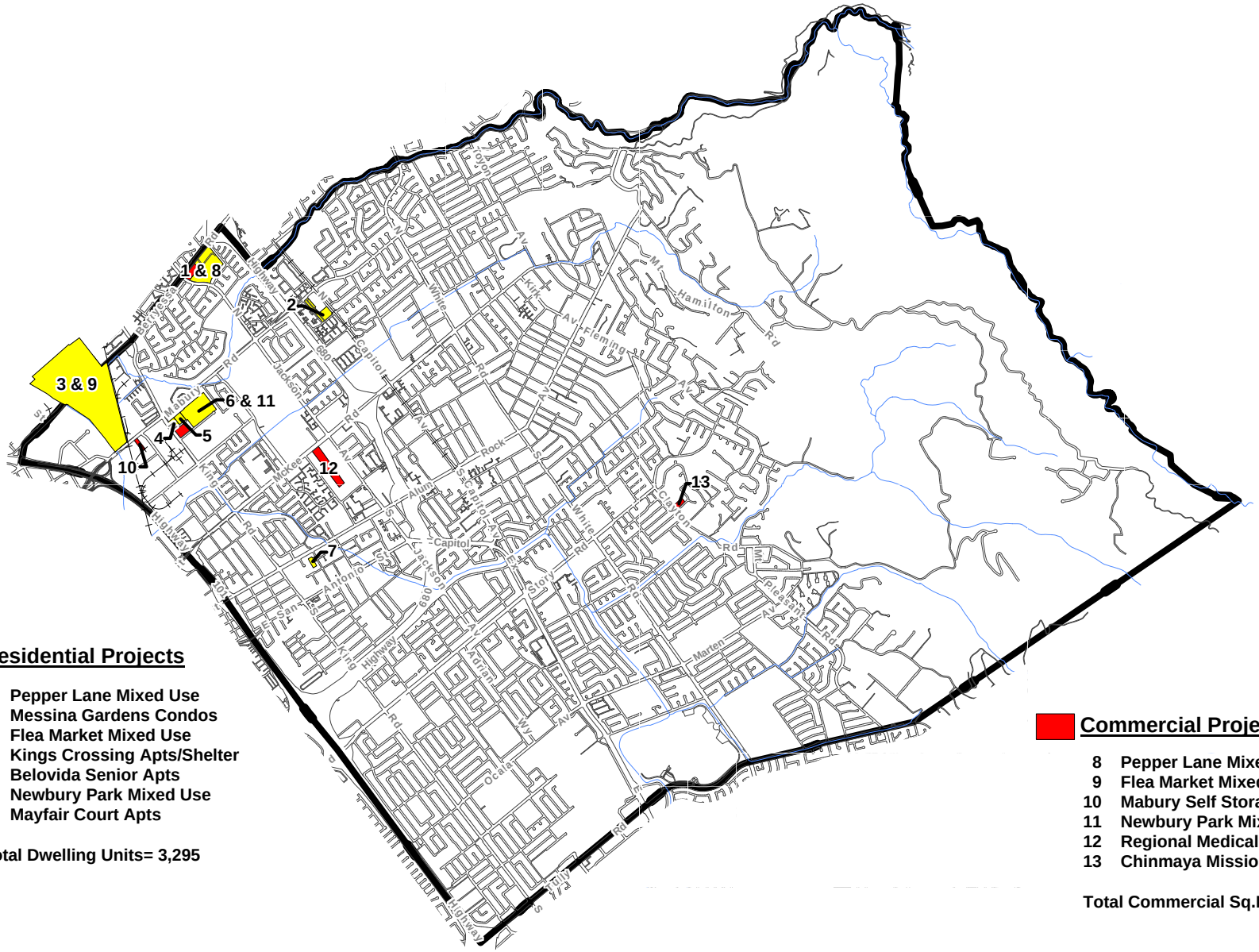
Total Dwelling Units= 5,340

Commercial Projects

26 Corp Yard Mixed Use
27 Bellarmine College Preparatory
28 First United Methodist Church
29 Whole Foods Market
30 The 88 Condos (Phase 2)
31 Vietnam Town Shopping Center
32 Stevens Creek Gateway
33 Ohlone Mixed Use
34 Sun Garden Retail Center

Total Commercial Sq.Ft.= 886,000

Alum Rock Planning Area
Major Development Activity



Residential Projects

1 Pepper Lane 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 Mayfair Court Apts

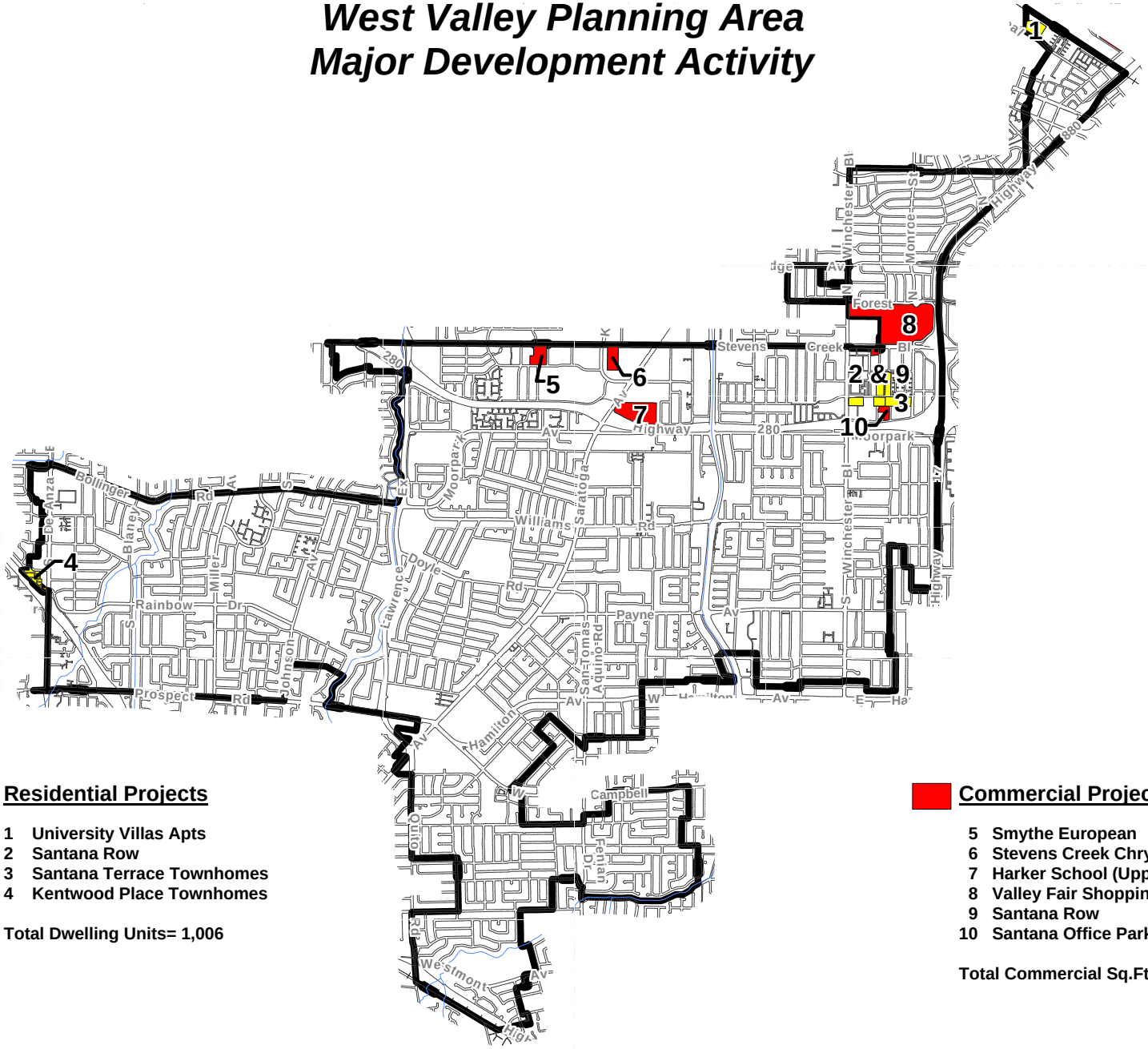
Total Dwelling Units= 3,295

Commercial Projects

8 Pepper Lane Mixed Use
9 Flea Market Mixed Use
10 Mabury Self Storage
11 Newbury Park Mixed Use
12 Regional Medical Center
13 Chinmaya Mission

Total Commercial Sq.Ft.= 455,000

West Valley Planning Area
Major Development Activity



Residential Projects

1 University Villas Apts
2 Santana Row
3 Santana Terrace Townhomes
4 Kentwood Place Townhomes

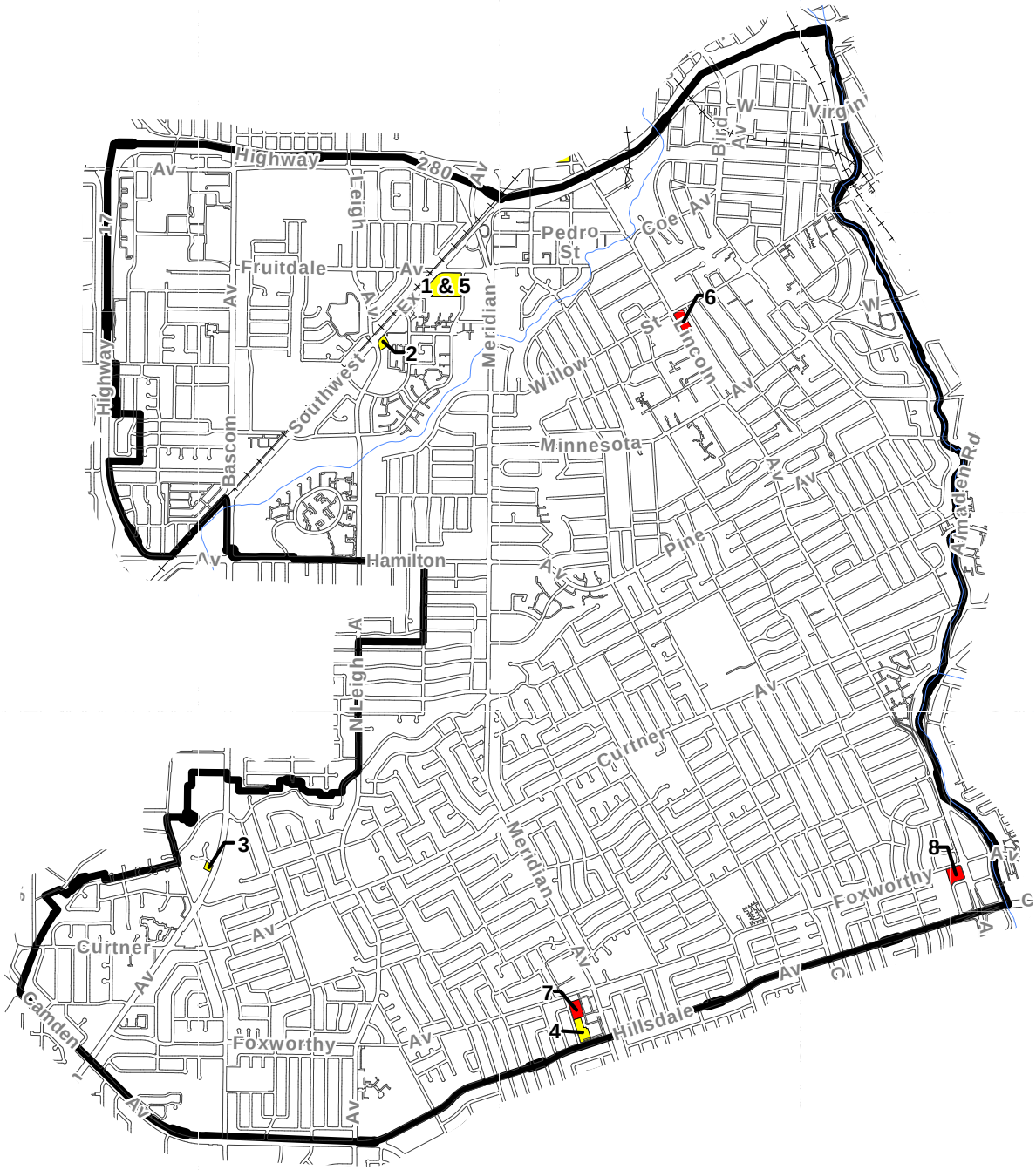
Total Dwelling Units= 1,006

Commercial Projects

5 Smythe European
6 Stevens Creek Chrysler/Dodge
7 Harker School (Upper Campus)
8 Valley Fair Shopping Center
9 Santana Row
10 Santana Office Park

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
4 Hacienda Gardens Townhomes

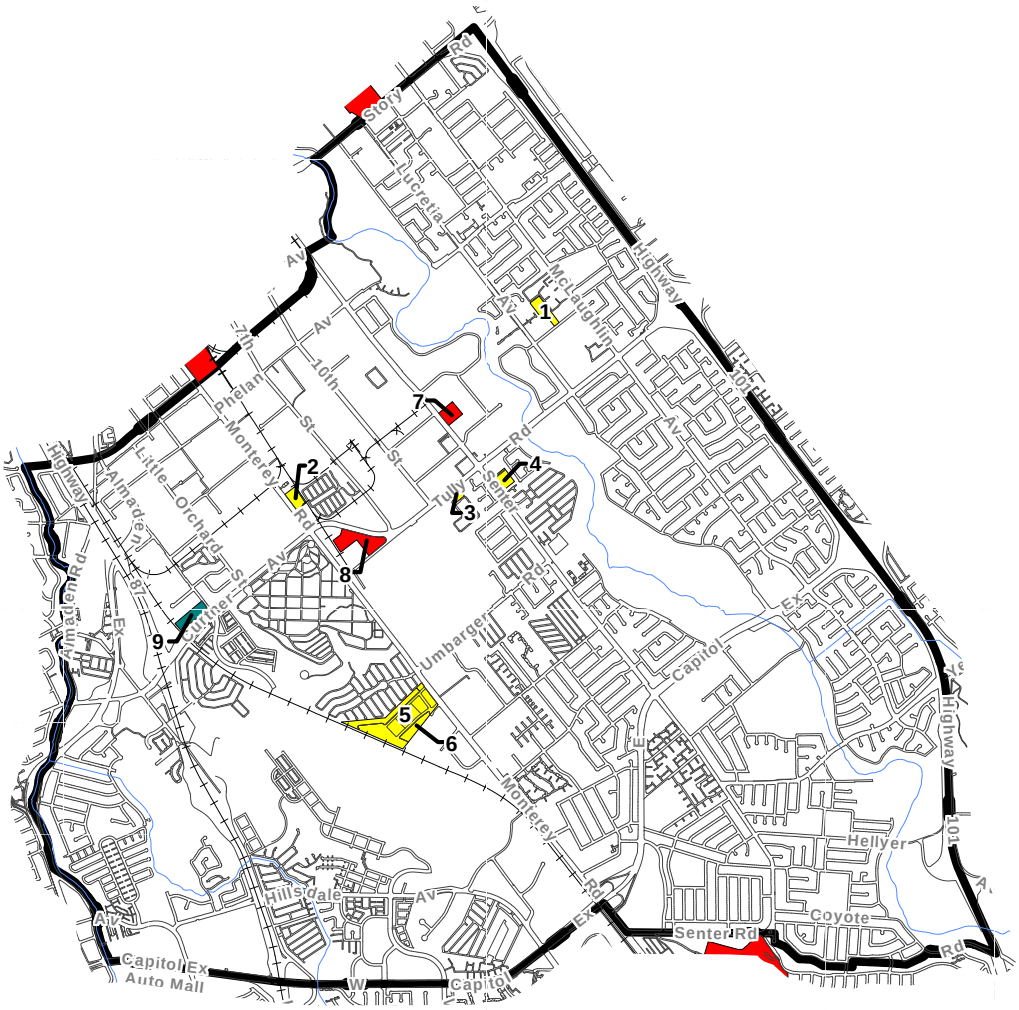
Total Dwelling Units= 440

Commercial Projects

5 Fruitdale Station (Phase 2)
6 Lincoln Office/Retail
7 Orchard Supply Hardware
8 Foxworthy Retail

Total Commercial Sq.Ft.= 147,000

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 Public Storage

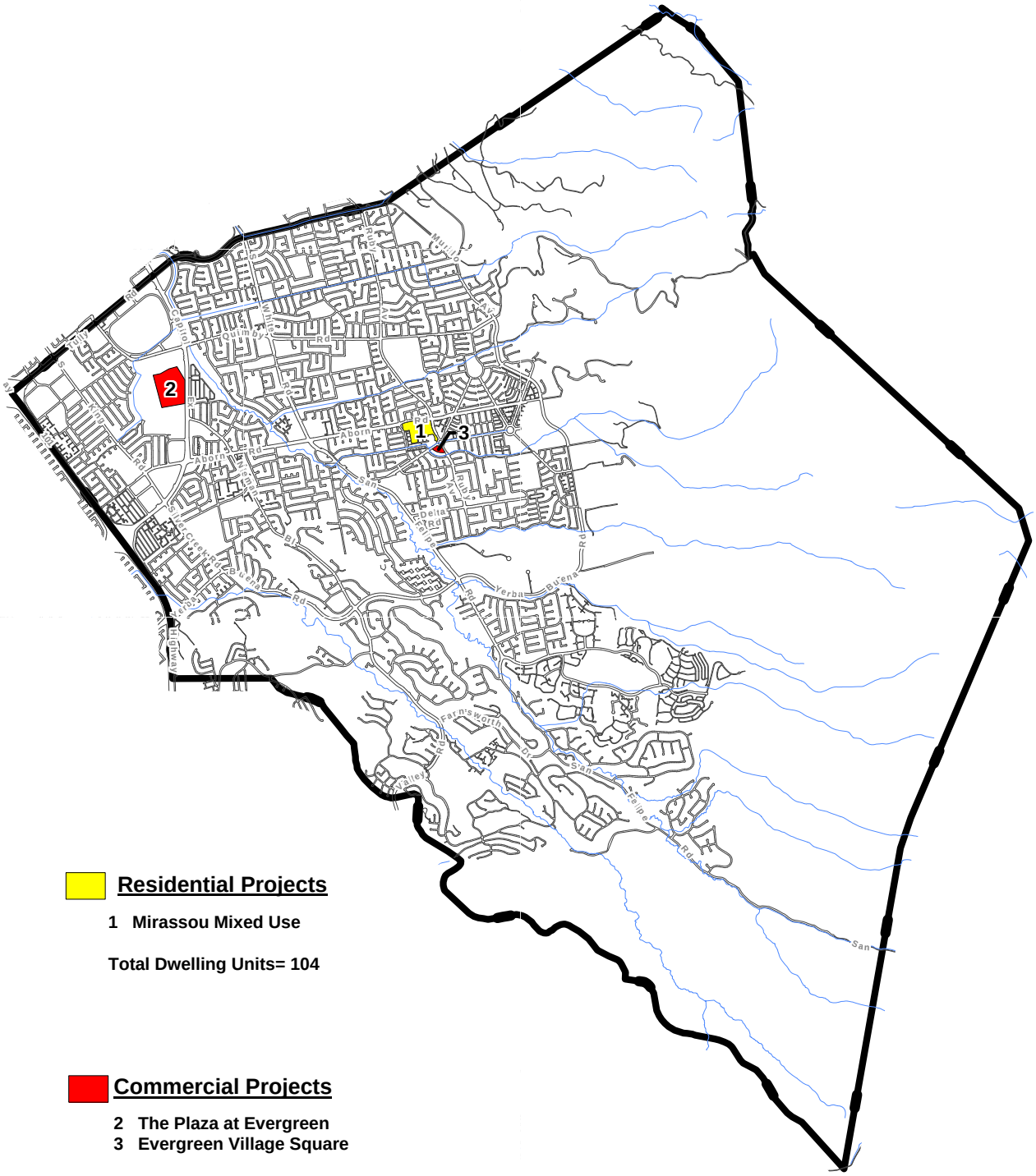
Total Commercial Sq.Ft.= 175,000

Industrial Projects

9 Bay Area Self Storage

Total Industrial Sq.Ft.= 135,000

Evergreen Planning Area
Major Development Activity



Residential Projects

1 Mirassou Mixed Use

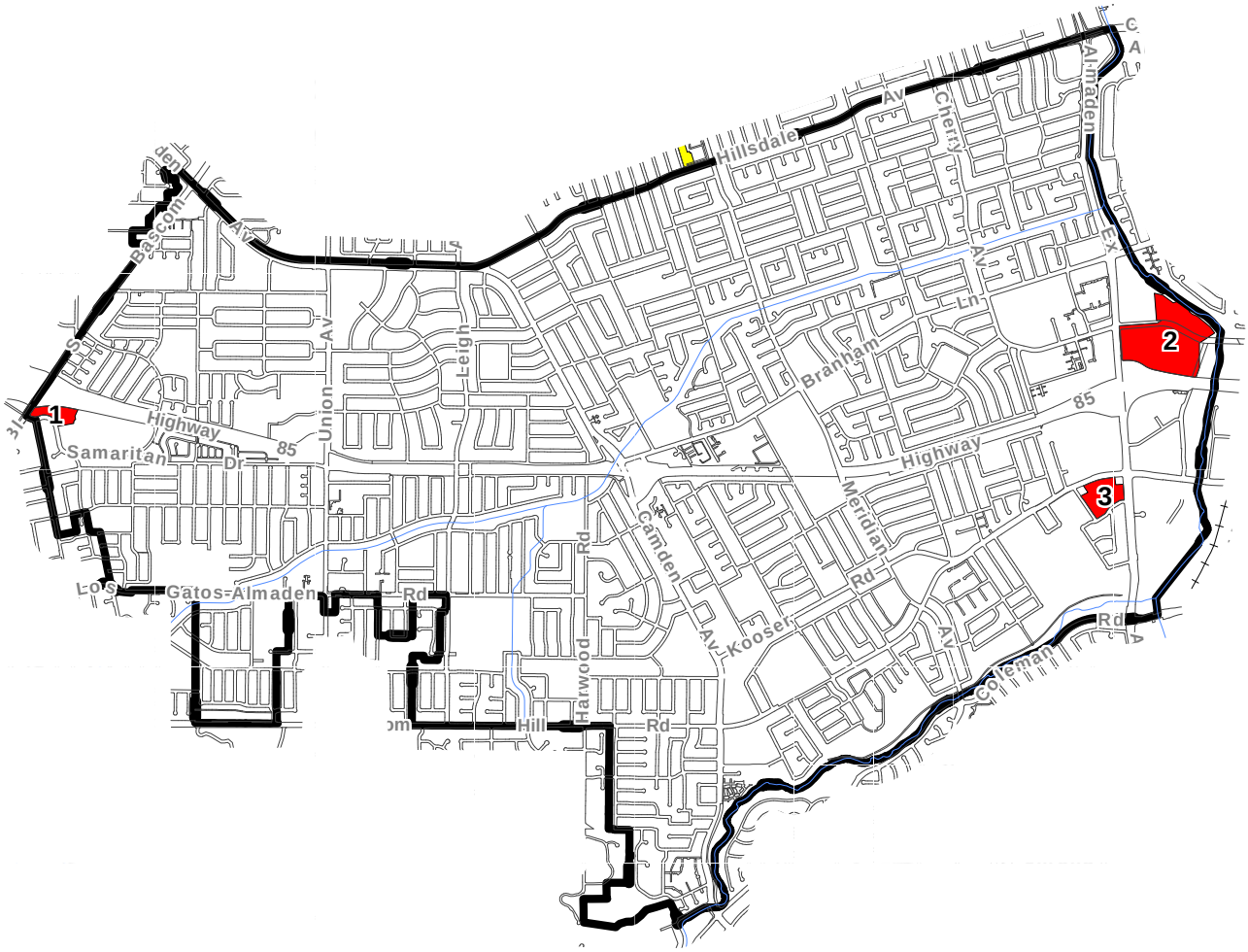
Total Dwelling Units= 104

Commercial Projects

2 The Plaza at Evergreen
3 Evergreen Village Square

Total Commercial Sq.Ft.= 237,000

Cambrian/Pioneer Planning Area
Major Development Activity

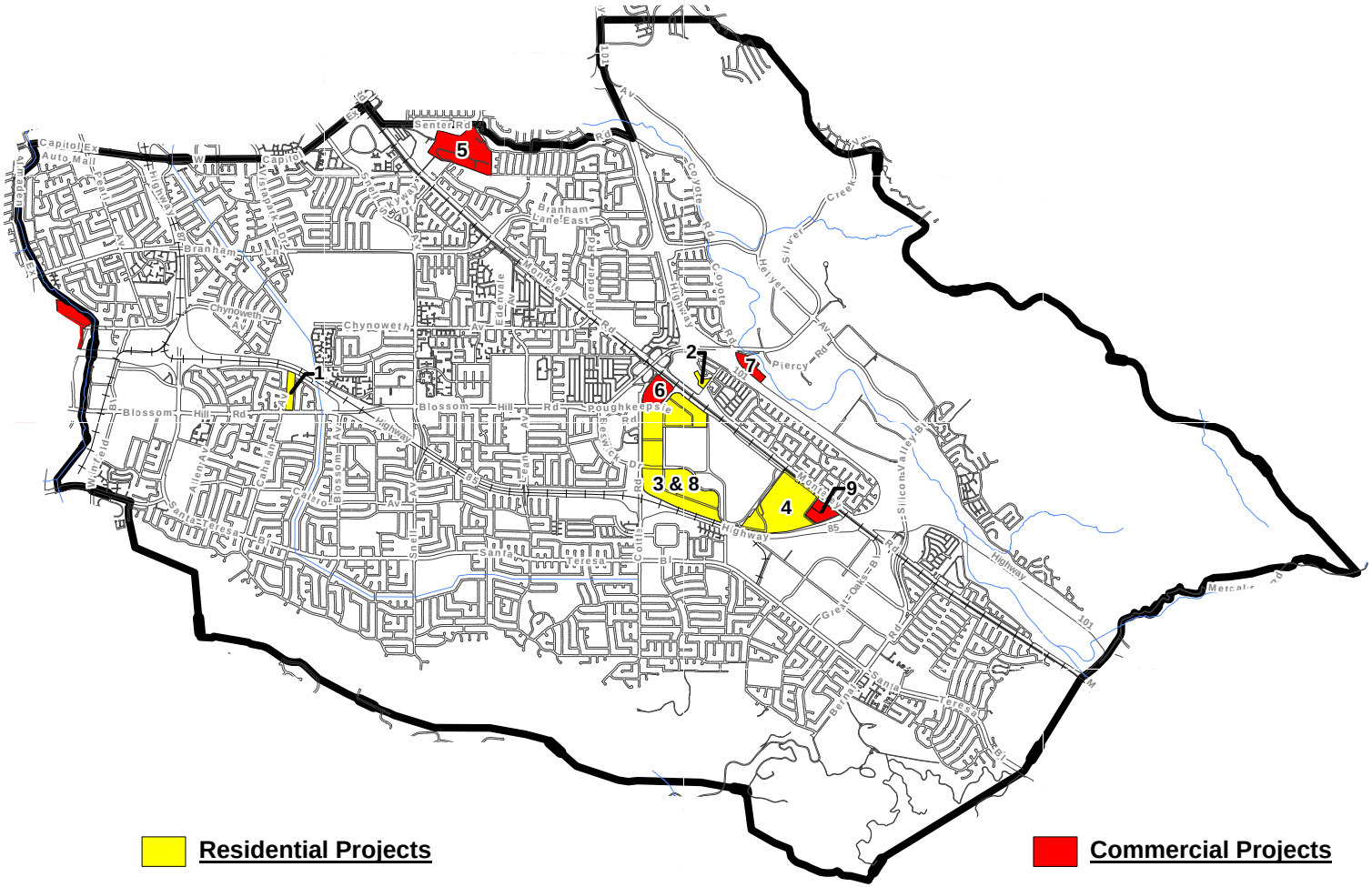


Commercial Projects

1 Samaritan Medical Center
2 Almaden Ranch
3 Whole Foods Market

Total Commercial Sq.Ft.= 548,000

Edenvale Planning Area
Major Development Activity



Residential Projects

1 Lester Property Housing
2 Ford Apts
3 Hitachi Site Mixed Use
4 iStar Site Housing

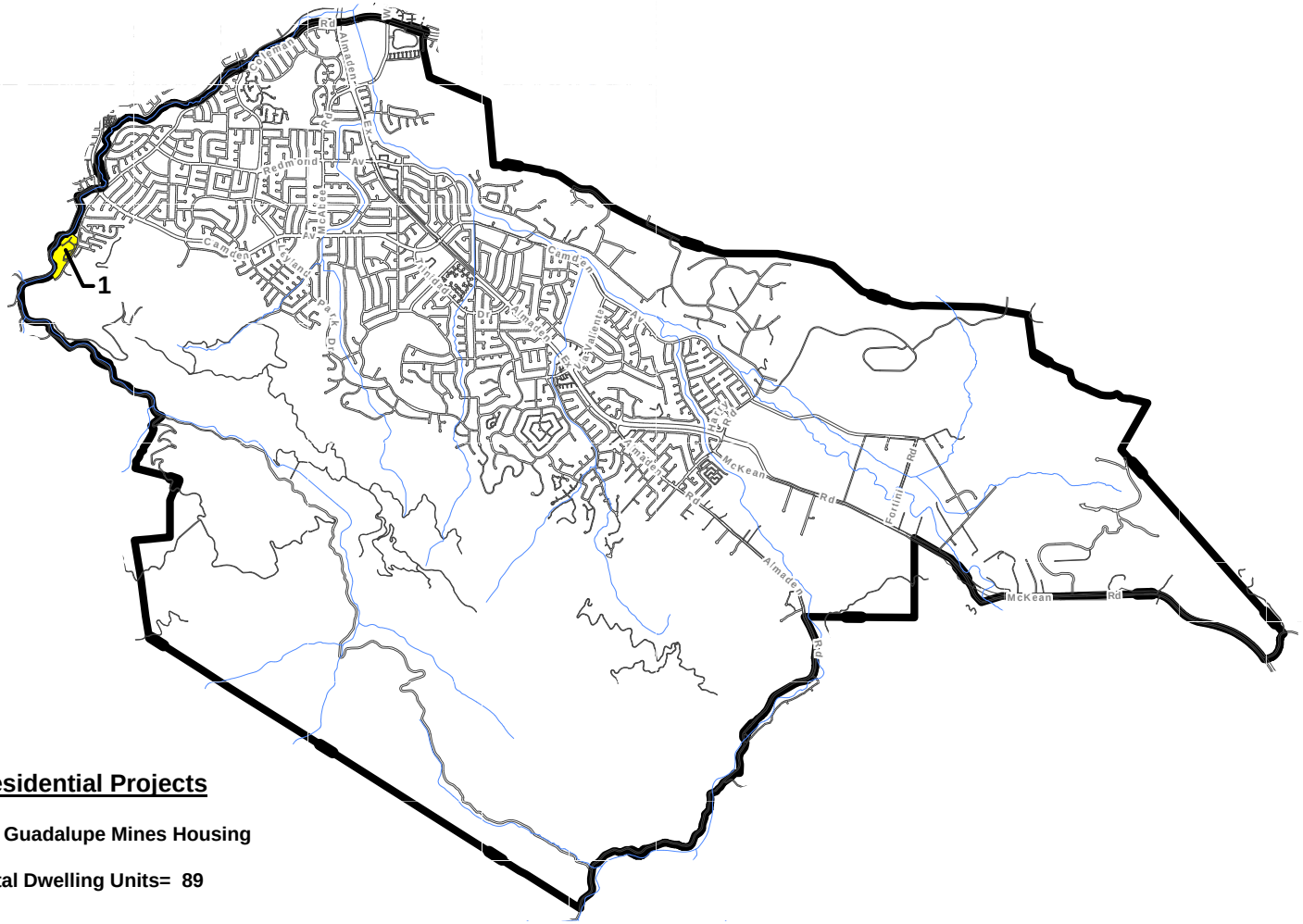
Total Dwelling Units= 4,211

Commercial Projects

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

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

Almaden Planning Area
Major Development Activity



Residential Projects

1 Guadalupe Mines Housing

Total Dwelling Units= 89

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 and Office of Economic Development. 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 2011*, Joint Venture Silicon Valley Network's *2011 Index of Silicon Valley*, the U.S. Census Bureau's *Census 2010*, Marcus & Millichap's *Market Research Reports* (periodic), and Cassidy Turley/CPS's *Market Newsletter* (quarterly).