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December 13, 2011

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Mayor Chuck Reed & Council
City of San Jose
200 W. Santa Clara St., 18th Floor
San Jose, CA 95113

Re: Council Agenda Item: 4.3, Development Taxes, Fees and Costs

Dear Mayor Reed & Council:

On behalf of the San Jose Silicon Valley Chamber of Commerce, I am writing in support of the staff's November 30 recommendations to the Community and Economic Development Committee and in Mayor Reed, Council members Herrera, Liccardo, Chu and Kalra December 9th memo to return to Council. In summary, for the staff to return to Council no later than the last Council meeting in January 2012 with:

- An Ordinance to approve changes to the construction taxes as discussed in item (a) of the staff report;
- An amendment to the North San Jose Area Development Policy to promote near-term development as discussed in item (c) of the staff report; and
- A fee incentive program for Downtown high-rise residential development for a limited time period

San Jose's Economic Development Strategies program is a critical program in directing and attracting economic development opportunities for the City of San Jose. The recommendations before the council today to develop an ordinance to modify the C&C taxes, amend the North San Jose Area Development Policy and create a fee incentive program for downtown high-rise residential will provide the city with additional fiscally based tools to attract new development to the City of San Jose.

The commercial real estate industry has shown signs of recovery in the peninsula cities of Palo Alto, Mountain View and Sunnyvale over the past year. To participate in this recovery, timely modification of San Jose to the North San Jose Area Development Policy fiscally based incentive programs and enhanced outreach and communication to the commercial real estate and the Silicon Valley corporate community are a good start as we begin 2012.

Sincerely,

Patricia E. Sausedo, Vice President
San Jose Silicon Valley Chamber of Commerce

Cc: Councilmembers
Dennis Hawkins, City Clerk