

----- Tour 1-----

“Downtown San Jose in Motion – Concept to Construction” Downtown Real Estate Tour (#1) Talking Points – October 9, 2008

Tour Guides:

Navigator:

Disclaimer: Every attempt has been made to ensure the accuracy of these notes as of the tour date. Please note that the demographic and project information is subject to change. For the most current status and numbers, please consult with each project directly.

Monthly division reports from the San Jose Redevelopment Agency can be found at:
<http://www.sjredevelopment.org/monthlyreports.htm>

Overall City Facts:

- Northern California's 3rd largest city, population of 945,000
- Projected population in 2035 is 1.35 million
- California's oldest City, site of the first state capital
- The tenth largest city in the nation
- One of the top three Safest Big Cities in America
- San Jose boasts the highest median household income in the nation
- 70 degree avg. temp../ 300 days of sunshine a year
- More than 6 million visitors annually
- One of the most diverse, cosmopolitan populations in the nation- Our residents speak more than 56 languages
- The San José area is home to the largest concentration of technology expertise in the world—more than 6,600 technology companies employing more than 254,000 people
- Highly educated: 44% have college degrees, compared with 25% nationally

Major Tour Themes:

- Downtown is resilient with a diverse employment base and evolving residential base that is helping to balance the live/work landscape downtown and the immediate neighborhoods.
- The burgeoning residential population is allowing retailers to extend their hours of operation into the weekends and evenings that is attracting new businesses downtown (Popeye's, Penguin FroYo, Billy Berks, etc...).
- The office sector is holding its own and continues to gain traction within technology circles as the place to locate for the quality of work life. Downtown boasts one of the highest concentrations of software development companies in all of Silicon Valley.

4th STREET GARAGE (START HERE)

- **City Hall:** With 18 stories and 1,800 employees this project is meeting its original intention of consolidating city services and spurring downtown development eastward. With a daytime population of 3,000, and a beautiful dome rotunda that is booked 7 days a week for public events from weddings to fundraisers, this new “headquarters” has made a big impact. Designed by world-renowned architect Richard Meyer (who designed the Getty Museum in LA). Total square feet: 530,000 sf. Retail at City Hall has been explored since City Hall opened in 2005, and those deliberations continue...
- **4th Street Garage:** (On the left) 750 public parking spaces, 22,000 sf of retail space and a public banquet facility on the top floor that was developed in partnership with the San Jose Rotary Club. *Retail tenants include: Kaleid Gallery, San Jose Credit Union, and Flames Diner (rumored to open in early November—there are “Now Hiring” signs in the windows!).*
- **Paseo Plaza & Villas:** 210 for-sale residential units in Paseo Plaza (1997), 104 for-sale residential units in Paseo Villas (2000). Units offer high ceilings, fireplaces, rounded rooms, and views of the foothills. One of the initial housing projects in Downtown, Paseo Plaza and Villas marked the beginning the area’s explosive growth in the residential market. *New retail tenants include Yolicious and Blendz.*
- **Residential Profile:** for Paseo Plaza

<ul style="list-style-type: none"> ➤ 68% of Buyers Under 40 (77% Single) ➤ 24% of Buyers Over 55 (48% couples, 20% paid cash) ➤ Gender: 57% Male, 43% Female ➤ Average Educational Level is Master’s Degree

- **SJSU**

<ul style="list-style-type: none"> ➤ the 5th largest public comprehensive university in U.S. (no PHD). ➤ The oldest campus in the California State University System ➤ This year celebrating their 150th anniversary ➤ The largest provider of engineers in the Bay Area ➤ 1 of 16 students is an industrial/graphic design major ➤ Student Profile: 54% Female, 46 % Male, with 50% of the students originating from within Santa Clara County. ➤ Over 30,000 students. ➤ The largest educator of art and design graduates in the Bay Area. ➤ Art and Design is another asset and strength for building a creative DT core-animation/illustration program graduates have contributed to more than 45 major motion pictures produced by Pixar, Dreamworks, Walt Disney, Warner Brothers, and Industrial Light and Magic.

- **City/SJSU Initiatives:** Since the launch of the award-winning joint library in 2003, City and university leaders have stepped up communication and collaboration:

- **South Campus District Plan:** This joint planning effort will evaluate potential land uses and shared opportunities to create a multi-purpose recreation district in the vicinity of: South Campus/Municipal Stadium/Kelly Park/Logitech Ice/Story Road landfill area, to serve both organizations and the community-at-large. The planning effort has a 18-24 month timeline including a public engagement process. Currently, it is at the data gathering and facility assessment stage.
- In partnership with the Redevelopment Agency, SJSU runs the nation's largest university-affiliated incubator programs. In ten years, incubators have launched 240 companies, 4 of which have gone public). The most recent incubator focuses on bioscience.
- Other joint initiatives include the Public Sector Career Initiative, the Faculty Homeownership Program, and the Zero One San Jose Art and Technology Festival.

RIGHT ON SAN CARLOS

- **San Carlos Streetscape:** The Streetscape project is in the design process. The intent is to upgrade the streetscape between the Convention Center and the Civic Theater and let that design inform the design for the rest of the street, creating an elegant boulevard sweeping from the Convention Center through to the Gateway of San Jose State University.
- **300 S. 2nd Street:** (Across the street & on the left at the SE corner) Future mixed-use project by Next Group.

LEFT ON SECOND

- **Valley Title Block:** This parcel was rumored to be in escrow with a local developer with long term plans to develop several residential towers on site.
- **SOFA – South of First Area:** Located at the southern end of downtown, SoFA is a distinctive and “funky” arts/entertainment/dining district. Home to “South First Fridays” – an eclectic evening of arts & culture featuring SoFA’s many art & culture venues on the first Friday of every month. The SoFA District Committee of the Downtown Association, The Redevelopment Agency and First ACT, are investing a significant amount of staff time and financial resources in a public/private partnership to help SoFA Continue to evolve its art district identity.

RIGHT ON WILLIAMS

- **SJICA:** (On the right @ 560 S. 1st) The San Jose Institute of Contemporary Art features innovative visual arts exhibitions and educational programs. The ICA represents the technical and cultural diversity of the region.
- **Museum of Quilts & Textiles:** (On the Right) The first museum of its kind in the United States, and the only California museum dedicated to promoting the art, craft, and history of quilts and textiles.
- **MACLA:** A contemporary Latino Arts space featuring everything from poetry, to Aztec dance to visual arts.

RIGHT ON FIRST

- **Streetscape Project:** The South First and Reed Streetscape project is replacing the curb, gutters and sidewalk on the east side of South First between Reed and Williams Street and on Reed Street adjacent to South First the project will include the Gore Park Expansion. The park will be expanded to provide more space for community events. Simultaneously, a Streetscape Demonstration Project (currently out to bid and scheduled to be awarded in November) will create platforms expanding the sidewalks in front of businesses that have committed to activating the space. Estimated completion is July 09
- **Mesa's 360 Residences:** 213-unit residential high-rise project by MESA Development, a Chicago-based development firm.
- **California Theatre:** The California Theatre opened in 1927 as a vaudeville and film house, but closed its doors 30 years ago. It re-opened in 2004 after more than five years of reconstruction and restoration. The California Theatre is one of the region's most important performance facilities. The 1,100 seat theatre is home to Opera San Jose and the Silicon Valley Symphony.
- **The Sainte Claire Building:** Purchased by Jim Fox of Saratoga Capital who is completing the transformation of the the upper floors of the 44,000 sf landmark building into residential and retail. The renovation investment, which included a new façade for **Original Joe's**, was approximately \$11,438,000, of which the Agency contributed \$3M. The restaurant also underwent significant remodeling to the interior during the summer of 2007. **Caffe Trieste**, a San Francisco favorite, opened at the ground floor in August 2008.

LEFT ON SAN CARLOS

- **Civic Auditorium:** Through Team San Jose's partnerships in the entertainment industry, this facility is receiving significant infrastructure upgrades to transform it into a Filmore-quality concert and convention venue. Already the climate control systems have been upgraded, and it will have new seats installed, aesthetic improvents and be sound engineered with a state-of-the-art sound system.

- **Marriott Hotel:** Opened in April 2003. Has 506 rooms, including 28 luxury suites. Home to “**Arcadia**” – a Michael Mina (of “Aqua” fame) restaurant in partnership with Andre Agassi.
- **Montgomery Theatre:** This theater has had its sound system completely re-engineered and upgraded recently and is receiving upgrades to the air conditioning systems. This is continuing the pattern of investment in our existing and historic medium-sized venues to accommodate the demand for venues that provide more intimate settings.
- **San Jose McEnery Convention Center:** More than 230,000 attendees use the convention center annually, generating an overall economic impact of more than \$180 million a year. The facility currently has 143,000 square feet of exhibit space and more than 30 meeting rooms.

Convention Center Expansion and Renovation: San Jose hotels are pursuing the creation of a Mello-Roos community facilities district in order to raise funds for a permanent 300 million dollar expansion to the Convention Center which would include:

- 25,000 sf of new meeting space
 - 35,000 sf of new ballroom space
 - A total of 150,000 square feet of new space
 - Renovating entire facility to Class-A standards
 - Approximately 500 new parking spaces
- Redevelopment staff will take the schematic design to Council in November.

- **Downtown Office Worker Profile:**

- 65,131 Office Workers in DT Trade area (Daytime population is 60,000 to 100,000)
- Major Employers: Adobe, AboveNet, SJSU, Price Waterhouse Coopers, Deloitte & Touche, Ernst and Young, City of San Jose
- Gender: 57% Male, 43% Female
- Median Age: 37
- Education: 67% w/ college degree, 27% w/ graduate degree

LEFT ON ALMADEN

- **Boston Properties:** Agency owned property. Boston Properties proposes an office complex (3 buildings) that will contain approximately 860,000 sf of office and ground floor retail space. Boston continues to market complex for a single anchor tenant.

- **Sobrato Tower/BEA/ Oracle** : The tower currently owned by Oracle, stands 17 stories with a total of 380,000 SF and has stood vacant since 2002. It is currently on the market for sale. TAKERS?!?!
- **Downtown Office Space Profile:** The Oracle building sitting empty; and the many twists of its fate always raises questions about the the status of our Central Business District Office-Space outlook. Here are the stats as they stand today:

- Current Office Space 7.2 Million SF
- Total Space in Area of Influence: 46 Million SF
- Vacancy Rate (All office) 24.18%
- Vacancy Rate for Class A Office 25.2% with Avg. Asking Rents of \$3.42
- Class A Multi-Tenant vacancy is 11.44% if you take out 488 Almaden (Oracle/BEA/Sobrato bldg) which has been in and out of active inventory.

RIGHT ON WOZ WAY

- **Guadalupe River Park:** Is San Jose’s new 250-acre “central park”, and America’s largest new city park. A 30-year project in the making, this three-mile ribbon of parkland opened on September 10, 2005!
- **Guadalupe Gardens:** Located in the airport flight path, Guadalupe Gardens encompasses 200+ acres of land to be dedicated to passive garden uses. Completed features include a historic orchard and a Heritage Rose Garden with over 3,700 varieties of roses, more than any other public garden in the Western Hemisphere.
- **Children’s Discovery Museum:** Opened June, 1990; 52,000 sf, designed by Mexico City-based architect Ricardo Legoretta. CDM encompasses the broad themes of community, connections and creativity, exhibits invite self-directed, open-ended explorations, while programs provide facilitated, focused and sustained interactions. Over 3 million visitors since opening. The West wing was added 1997 which expanded size by 20%. The CDM is expecting to expand its exhibit space yet again, when construction begins in 2010 to accommodate a new exhibit. The exhibit features, “Lupe” the wooly mammoth skeleton that was found in the Guadalupe River Park.

RIGHT ON SAN CARLOS

LEFT ON MARKET

CIRCLE CESEAR CHAVEZ PARK

RIGHT ON SAN CARLOS

- **STOP HERE River Park Towers:** In 2007, RiverPark owner Legacy Partners completed significant upgrades to the existing 16 story tower including remodeled common areas, elevator landings and restrooms. The existing tower is better than 90% leased with the Penthouse (20,000 sq ft) being the only large vacancy. Legacy is currently under construction on the second tower of approximately 300,000 sq ft which is scheduled to be shell complete March, 2009 and ready for occupancy in Q2.

W. SAN CARLOS TRANSITION

- **Light Rail Ridership:**

- | |
|---|
| <ul style="list-style-type: none"> ➤ Downtown: 5,100 Average Weekly / 1.6 Million Annually ➤ City 16,400 Average Weekly /5.2 Million Annually |
|---|

- **West San Carlos – Overall Themes**

West San Carlos is the thoroughfare between Downtown San Jose and Westfield Valley Fair/Santana Row.

The area is in a state of transition as residential replaces industrial.

Over 3,000 units are completed or in the building/planning process.

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|---|
| <ul style="list-style-type: none"> ➤ Population: 221,805 ➤ Households: 79,592 ➤ Average Household Income: \$80,971 ➤ Percent of Households over \$50,000: 58% ➤ Percent of People with education (College 1-4+ years): 55% ➤ Median Age: 35 |
|---|

- **Legacy at Museum Park:** (after Hwy. 87, on the right) 117 Boutique style units.
- **Delmas Park Teachers' Housing:** (on the left) This project illustrates how high-density (150 units per acre), mixed-use, infill projects can be done on small parcels, and in unlikely places, and still respect the adjoining neighborhood. Completed in January 2007, this mixed use development features 123 teacher rental units and 5,000 sf of ground floor retail. The apartments wrap around a core of parking that is topped by a sixth-level, open-air courtyard. Developer is CORE Development and EHC Life Builders.

LEFT ON BIRD

- **OSH:** Been at this location since 1947. A true neighborhood store, this location is renowned for its dedicated staff, many having been employed there for 20 years or more. It is a fantastic amenity where they know remember your name and your home improvement history. The historic sign is the only one of its kind among the chain stores.

RIGHT ON AUZERAIS

- **KB Homes:** Former historic Del Monte Cannery site – water tower preserved along with the overhead conveyor belt (re-used as an entryway). 380 for sale townhomes and condos with 806 parking spaces. Residents already moving in. There is also a proposed VTA station on the West side of the development. Developer is KB Homes. Over 89% of the townhome units released are sold and 79% of the condo units released are sold. Price range for condos: mid \$500,000- low \$300,000 and price range for townhomes: low \$600,000- high \$400,000.
- **Green Valley Park Parcel:** (South Side of Auzerais) Green Valley Corporation (dba Barry Swenson) These parcels are expected to become a park as part of the Barry Swenson's Green Valley Corporation's participation in the development of the VTA site.
- **VTA Site:** Former VTA site is under contract with Urban Republic Development and Green Valley Corporation (both companies own 50% of the land) for \$18.3 million. The land is planned for transit oriented mixed use. Green Valley also acquired the Union Pacific property. The total acreage is 8.35 acres and they expect to build approximately 800 housing units.

LEFT ON RACE

- **Parkmoor Apartments:** 242 for rent apartments currently under construction. Anticipated completion with first move-ins is 4th Quarter 2009/1st Quarter 2010. Developer is Sobrato Development.

RIGHT ON SADDLERACK

- **University Art:** One of five locations in Northern California. Family owned chain.

RIGHT ON MERIDIAN

- **Midtown Plaza:** Completed in 2004. Features 233 for sale condos. Developer is KB Homes.
- **Crescent Parc Townhomes:** Completed in 2002. 63 for-sale townhomes. Developer is Green Valley Corporation.

- **Parkview Family and Senior Apartments:** Completed in 1998-1999. 140 for rent senior units and 90 family units. The apartments have direct access to the Safeway. Developer is EAH Housing.
- **Aki Bakery:** Long standing local bakery. Open for over 40 years, specializing in guava cake.
- **Midtown Safeway:** Safeway services neighborhoods as far as Japantown and Downtown.

LEFT ON WEST SAN CARLOS

- **Meyer's Appliance Site:** This project just got zoning approval on September 23 for approx 218 for rent housing units and 22,600 sf of retail space. Expected groundbreaking is 2010. Developer is Urban Republic Development.
- **Ferraro Plaza:** Completed in 2005. Features 5,100 square feet of retail. Current tenants include Starbucks, Shampoo Dolls (hair salon), Venice Nails and Euphnet (internet gaming). 1,300 sf of retail space is available for lease through Meacham Oppenheimer.
- **Village Square (North side of West San Carlos):** Former site of Lou's Village. 95 for sale townhomes with an estimated completion date of 1st Quarter 2009. Developer is Summerhill Homes. Over 50% sold of the units released. Price ranges from high to low \$500,000.
- **Vista Montana on San Carlos (Northwest corner of West San Carlos):** Former site of Fiesta Bowl Lanes. Two phase development – phase one is 32 for sale townhomes and phase two features 95 for rent senior housing units. Developers are CORE Development and ROEM Corporation. Phase one completion date is 1st Quarter 2009 Over 67% sold of the units released. Price ranged from mid \$500,000 to high \$400,000.
- **West San Carlos Shopping Center (Northside of West San Carlos - between Shasta and Dana):** The 120,000 square foot shopping center participated in the façade improvement program. The center underwent a complete renovation with new facades, upgraded and improved parking, and landscaping. Completed in December 2001 and the project cost \$2.3 million - \$1.7 million from the Redevelopment Agency and \$600,000 from the West San Carlos Street Business District. This was no small feat with eleven property owners.

RIGHT ON SHASTA—cross Park to Hanchett

- **Drive through Shasta – Hanchett Neighborhood:** As documented by History San Jose, Lewis E. Hanchett acquired the former Agricultural Park from the Peninsula Land & Development Company in 1905. He decided to sub-divide the land to develop a "desirable" neighborhood. The sales brochure stated, “We challenge comparison with any subdivision offered anyplace on the Peninsula, as far as quality of the improvements and location of tract are concerned.” The amenities included electric streetlights, flush toilets, and a septic tank sewer system. Residents bought a lot and then commissioned an architect to design a custom home that met Hanchett’s design standards. Most of the homes were built between 1915 and 1930. This accounts for the distinct personality of each home. Shasta Hanchett Park continues to be a thriving community of residents and businesses, concerned with preserving their neighborhood’s history and character.

- **The Alameda Business District:** Surrounded by four neighborhoods areas, including the Shasta-Hanchett Park, St. Leo's, Garden Alameda and Cahill Park. It is supported by the Alameda Business District. The Alameda, which bisects Shasta Hanchett Park, is part of El Camino Real, Spanish for the “Royal Road” or “King’s Highway”, the first true road in California. It connected the 21 missions, 4 presidios and 3 pueblos of Alta California. The Alameda, Spanish for “tree lined street”, has served as a transportation corridor between San José and Santa Clara for over 200 years.

➤ Population: 212,603
➤ Average Household Income: \$78,882
➤ Percentage over \$75,000: 35%
➤ Median Age: 35

- **The Alameda Neighborhood Business District:** This area is a redevelopment project area with a Neighborhood Business District (NBD) overlay, running from Stockton to Magnolia is a Redevelopment “NBD”. In the last 14 years, more than 50 buildings have been improved as part of the Façade Improvement Program. The Agency has invested \$10 million on the Business District.

RIGHT ON THE ALAMEDA

- **Peet’s Coffee:** First Peet’s location in the greater Downtown area

- **Avalon on the Alameda:** One of the first mixed use housing projects along The Alameda which helped spark the transformation of The Alameda Business District. The project includes 305 rental units with 16,000 sf of retail including Starbucks, Papa John’s, Blockbuster; Rental rates are between \$1,700-\$3,000.

- **Rosie’s NY Pizza:** (On right) Received a new sign through the Agency’s sign grant program.

- **J.Lohr Winery:** A hidden gem off of The Alameda at Lenzen Avenue

- **Avalon at Cahill Park:** 218 rental units with 7,000 sf ground floor retail including “7” Restaurant and Quiznos. Rental rates: \$1,650-\$2,800.
- **The Lofts on the Alameda:** A Barry Swenson Builders project; 40 for sale lofts. Price range: upper \$400K (for sale); rental units \$1,900 - \$2,300/month.
- **Morrison Avenue/The Alameda site:** (On the left) The newest neighborhood retail strip center on The Alameda with 9,400 sf including tenants such as Chipotle (the first location in the greater Downtown area), FedEx Kinko’s and Mustard’s Café (first location in Northern California). Development and leasing was managed by Biagini Properties on behalf of the Campisi family.
- **Martin Street/The Alameda:** (On Right before Race Street): Former Tiny’s Diner site which was renovated by Jim Fox. The retail line up includes Togo’s, Baskin Robbins and Pasta Pomodoro.
- **Stockton Avenue/The Alameda:** (On the Left) Site of the future Whole Foods project; 33,000 sf store with a surface parking lot. Projected completion in 2010. Agency contributed \$250,000 towards the demolition of the on-site buildings.
- **Bush Street/The Alameda:** (On Right) This approved mixed-use development includes eight condos and 2,300 sf of retail; it is the second project in San Jose to receive approval for indoor parking lifts.
- **51 Housing Development:** (On Right) New developer Corona Land Company is completing construction which includes a total of 265 market rate units. The project maintained the historic brick warehouses, and integrated them into the urban design. Agency contributed \$500,000 for street improvements on Bush Street.
- **Parkside Condos:** First condominiums built in the Downtown by Core Development. 116 units. Built ‘87-’88.
- **San Jose Arena/HP Pavilion:** (On Left): The 13-year home of the San Jose Sharks, the Sabercats (indoor football), the Siebel Open, and Bay Area Lacrosse. The “shark tank” can hold over 17,000 people on game day and features 24 luxury boxes. The Arena hosts over 200 event days a year. The Sharks season is in full swing! Tina Turner, Disney on Ice and Celine Dion will be performing before the year’s end.
- **San Jose Sharks:** Sharks recently expanded their franchise to include a Chinese team in Shanghai. China Sharks is the team name and the San Jose provided five players and three coaches to help seed the new team with talent.

- **The San Jose Water Company Property:** Total of 6.7 acres purchased by Adobe for \$32.5M with plans to expand its headquarters to this site. Property equipped with City development rights for a million square feet of offices, 325 high-rise condos and 65,000 sf of shops. Also purchasing property across street which is currently a parking lot.

RIGHT ON CAHILL

- **Diridon Station:** (at the railroad tracks, look left!) Diridon Station, the restored historic train depot formerly known as the Cahill Station, is a regional transit hub serving...

- Caltrain running from Morgan Hill to San Francisco,
- Amtrak,
- “ACE” the Altamont Commuter Express train to/from Stockton,
- Capitol Corridor train to/from Sacramento,
- County Buses,
- Vasona Light Rail service began on October 1, 2005
- (NOTE UNDERGROUND TUNNEL!)
- Future BART from Fremont, and potentially,
- Greyhound, and High Speed Rail.
- The “DASH” (**free**) shuttle transports people arriving at Diridon to various stops in the downtown.

LEFT ON SAN FERNANDO

- **Stephens Meat (Parking):** The Stephens Meat lot serves the Diridon station transit customers as well as the Arena patrons during events. The lot has 135 spaces. During non-event times, daily parking is paid via one of two available paystations (which operate on solar power) at a rate of \$3/day. Rates range from \$10-20 for major events (i.e. Sharks, concerts, and sporting events), at which times there is an attendant to manage the lot and take parking payment. Currently there are no monthly passes offered.

RIGHT ON MONTGOMERY

- **Downtown Mixed-Use Site Assembly:** Redevelopment Agency staff is pursuing the acquisition of 14 acres from 10 owners in this area between Park Avenue and San Fernando Streets. The site will be assembled for the continuation of large-scale planned mixed-use development in the greater downtown through the RFP process.

LEFT ON PARK

- **Adobe:** Just ahead is Adobe's world-wide headquarters. Adobe's third tower in their downtown corporate campus added approximately 269,000 sf of office space, and contributed 2,300 employees to their workforce.
- **Center for Performing Arts:** On the left is the "CPA" -- designed by the Frank Lloyd Wright Foundation. This 2,665-seat facility hosts Ballet San Jose and The American Musical Theater. Soon you will be able to see the coming attractions via a new electronic hi-definition marquee, similar to the one at HP Pavilion. The CPA is one of four downtown theaters managed by the community-based group Team San Jose (Civic, Montgomery, California, CPA).

LEFT ON ALMADEN

- **Legacy Financial Plaza:** acquired by Legacy Partners in 2007, the project has undergone major renovations in excess of \$11 million that has transformed the project from a 1960's class B building to a fully modernized project with Class A features.
- **Axis:** This residential tower, being constructed on the left by Almaden Tower Ventures, will include 358 for-sale units.
- **Axis II:** The vacant lot at the corner is being considered for Phase 2 of the Axis project. With 30 units, it will be smaller with a retail component, and set-back from the DeAnza Hotel. This project is still in design review.
- **De Anza Hotel:** 144-room historic Hotel De Anza opened its doors in 1931. In the 1970's the hotel lost its luster and deteriorated and was almost torn down. Restoration was completed in 1990 by Jim Fox of Saratoga Capital, with Agency assistance for historic rehabilitation.

RIGHT ON SANTA CLARA

- **225 W. Santa Clara:** On the left. Newly acquired from EOP by Blackstone, and originally developed by Opus. Major tenants include: Deloitte & Touche, Jeppeson Sanderson, and CB Richard Ellis. Office space fully leased. Ground floor corner is home to Amici's East Coast Pizzeria.

LEFT ON SAN PEDRO

- **Aconda Hotel Building:** A new office/retail mixed use development is underway in San Pedro Square (behind Starbucks) which will include 4,400 sf Ground Floor Retail Space and 21,000 sf total on the 2nd and 3rd floors. The Redevelopment Agency is contributing \$275,000 towards a new facade at this site, the former Aconda Hotel, as well as Starbucks, Quizno's and La Victoria's Taqueria.

- **San Pedro Square:** Downtown San Jose's historic dining and entertainment district. With its antique archway and Euro-style patio dining, San Pedro Square offers first class restaurants, cafes and bistros, a microbrewery, nightclubs, and a small performance theater. Discussions are underway regarding a proposed public market project for the San Pedro Square area.
- **Farmer's Market:** Takes place on San Pedro Square, May through December on Fridays, 10 a.m. to 2 p.m.
- **The Carlylse:** (Rosicrucian Press Site – after Santa Clara St.) The lot on the right side of the bus was originally proposed for a condominium housing project. Currently, developer Barry Swenson is in discussion with a high-density apartment developer for a mixed use development with a significant ground-floor retail component.
- **North San Pedro Housing Site:** 10-acre site. Two developers (Barry Swenson and Olson Urban Housing) to build up to 600 for-sale residential units of various types, at least 20% moderate. A Disposition and Development Agreement was approved by the Agency Board in June 2007. First phase of construction and street realignment work scheduled to begin in Summer 2009.
- **City Heights:** First high rise 17-story residential for-sale project by Barry Swenson consisting of 124 units. Parking ratio is 1.4. Density is 161 units/acre. Occupancy. Developer is receiving an average of 4 reservations per week requiring deposits. Loft units begin in the high 400's. Unit sizes range from 700 to 1,800 sf.

RIGHT ON SAINT JAMES

- **Juvenile Courthouse:** The new Family Resources Court will be built at St. James and Market, across the street from the Downtown San Jose courthouse. The site is now being used as a parking lot but would sport a new custom-built facility in 2013 if the proposed funding plan meets the agreement of state court officials. The project is expected to cost \$209 million.

RIGHT ON MARKET STREET

- **Community Towers:** Owned by Sierra Management, Community Towers recently underwent more than 6.5 million dollars in exterior and interior improvements. The San Jose Redevelopment Agency provided a \$440,000 grant to restore the exterior and interior of its buildings which included new signage, landscaping, entryway tile, awnings, lighting, and paint.
- **BART:** \$4.7 billion plan to extend the 21.7 miles from Fremont through Milpitas to Downtown San Jose. Will build 5-mile tunnel beneath Santa Clara Street with two proposed stops in Downtown - City Hall/SJSU/Market St., and Diridon Station. Possible opening in 2018. Projected weekday ridership is over 110,000

- by year 2030. City and VTA working cooperatively to support land uses that will enhance the uses for BART and promote a more livable and safe community.
- **Mitchell Block:** This site was acquired by VTA as a staging site for the BART construction, with eventual development following the completion of BART. Measure B is on the November ballot for the voters approval. Funds from this measure are to provide operating costs for the proposed BART expansion from Fremont to San Jose. If the measure fails to be approved, VTA will reassess its position.
 - **One South Market:** (On the right-hand corner) An office tower, contemplated by KT (Tersini) Properties/Spring Capital Group from Oregon.
 - **Cathedral Basilica of St. Joseph:** In 1803 first parish established in California.. First restoration completed in 1952. Dedicated as a Cathedral and second restoration as you see it now completed in 1990. Given the status of “minor basilica” in 1997.
 - **San Jose Museum of Art:** Original building built in 1892 as San Jose’s main post office until they moved to St. James Park area in 1933. From 1937-1970 was used as public library. In 1971 became San Jose Museum. In 1991, 45,000 sf wing added. The Museum is the largest visual arts education provider in Santa Clara County.
 - **City View Plaza:** City View Plaza is in its second phase of renovations that were started in 2005 that included a complete revamping of the Plaza area including all new hardscape and landscape improvements. Current work to the project includes all new common area improvements to several of the buildings including the addition of a new fitness facility and conference center. Recent additions to the Plaza include Specialty’s Bakery Café, and the expansion of Morton’s by an additional 2,800 square feet to meet demand for board room space. This Morton’s location is one of the highest grossing new locations in their U.S. portfolio. Opportunity: 17,000 square foot retail/restaurant opportunity in the former Bank of America space fronting Plaza D’ Caesar Chavez.
 - **Cesar Chavez Park:** The oldest continuously used public open space in San Jose. Home of City Hall until its demolition in 1958. Dedicated to Cesar E. Chavez in 1993. Called “the living room of San Jose” this park hosts many outdoor events throughout the year, which attract hundreds of thousands of people -- including Music in the Park, the Jazz Festival, and Christmas in Park An average of 75,000 people attend events on a weekly basis.
 - **Fairmont:** The Fairmont San Jose opened its doors as the first luxury hotel in the Silicon Valley in October 1987. In February 2002, The Fairmont San Jose opened the Fairmont Tower and welcomed the addition of 264 new rooms, bringing the total number of rooms to 805. New tenants: Tova Day Spa and Café Stretto. Addition includes 17,000 sf of retail space including McCormick & Schmick

Seafood Restaurant, Bijan Bakery (2nd location) and MESA's 360 Residences Sales Office.

- **Tech Museum of Innovation:** This hands-on museum on the right is dedicated to how technology works. The Tech is one of California's most popular destinations with an estimated 650,000 visitors a year. Designed by Mexico City-based architect Ricardo Legorreta, the Tech includes an IMAX Dome Theater, theme galleries, a retail store, and café. The renowned *Body Worlds* exhibit was recently at the Tech, and currently the *Leonardo Da Vinci: 500 Years Into the Future* is visiting through January 4th, 2009—Its only North American appearance.

LEFT ON SAN CARLOS

- **The Sainte Claire Larkspur Hotel:** (On the left) Designated as a National Register Historic Landmark and is a member of the prestigious Historic Hotels of America, exhibiting the largest privately owned art collection. The hotel features 171 guestrooms.

Total Downtown Hotel Rooms = 2,333	
<i>Occupancy Rate</i>	<i>63.25% (August 08)</i>
<i>Average Room Rate</i>	<i>\$ 157 (August 08)</i>

- **City Front Square:** Urban West proposed 3-tower mixed use project at this site. To include 414 market rate for-sales units in two towers, and the relocation and expansion of the Casa del Pueblo affordable project to 288 units. The project also includes 28,000 sf of retail space, public and private open space, and over 1,000 parking spaces on three levels below grade.

LEFT ON FIRST

- **Historic Montgomery Hotel:** Moved 186 feet south to make room for Fairmont Annex. This 86 room boutique hotel is managed by Joie de Vivre and features in-house Paragon Restaurant and Bar, and outdoor bocce ball courts.
- **Twohy:** Historic building on the right was converted by CIM group into 36, 1x1 residential lofts which are fully leased. Ground floor retail tenants include Asqew Grill, with 4,000 sf available.
- **Pavilion:** (On the right) Opened as a specialty retail mall in the early 90's and has since transitioned into a mixed-use office/retail development, with AboveNet leasing the interior space, and the perimeter dedicated to retail tenants including *Bally Fitness, Johnny Rockets, House of Siam, Quizno's, Tandoori Oven, Pita Pit and Starbucks*. Purchased in 2005 by Global Innovation, now "Digital Realty" for \$36.5 million. New retail tenants – *Baja Fresh & Sandellas*.

- **Paseo de San Antonio:** (Look to left and right) A beautiful pedestrian thoroughfare, lined with retail uses linking Cesar Chavez Park to San Jose State University.
- **Camera Theaters:** This 12-screen venue shows both independent and first-run movies. The Cameras is the primary host of Cinequest Film Festival, one of the top 10 film festivals worldwide. *Note re-opening of Camera Three and Café, Too.*
- **Retail Profile:**

<ul style="list-style-type: none"> ➤ 1.43 Million Square Feet in the Downtown ➤ Over 170 Eating Establishments ➤ Over 70 Retailers ➤ Over 45 Retail Services ➤ More than 40 Cultural Entertainment Venues
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- **Block 2:** Proposed mixed-use development by Mesa Development (210 luxury hotel rooms, 216 condos & 18,000 sf of retail). Council approved to explore sale of site to Mesa in June.

CROSS SAN FERNANDO

- **Crescent Building:** URM project. *New retail tenants – Billy Berks, part of the Max's Restaurant group and Mezcal Restaurant and Bar. (opens end of Oct!)*
- **Porter Stock Lot:** Proposed development site owned by Barry Swenson Builders.
- **Historic District:** We are within the 2.5 blocks that comprise a National Register Historic District. The collection of historic buildings in this area lends significant character, and a pedestrian scale to San Jose's urban core – and creates a main-street ambiance for retail and restaurateurs which include *Plum Spa, On First Boutique, E&O Trading company, A Perfect Finish wine bar on the left at the Post Street corner. Additional tenants - La Nostra Pizzeria, Purist Boutique, Bella Mia, Wow Noodle House and a third Downtown location for Subway.*
- **Black Sea Gallery:** On the left is Black Sea Gallery's 25,000 sf flagship store at the former Woolworth's building. The Black Sea concept includes furniture, a rug gallery and home design center. Black Sea has multiple locations in California.

RIGHT ON SANTA CLARA

- **Bank of America Building:** Downtown San Jose has been defined over the last 30 years by this 13-story landmark building on the right. Built in 1926, this was the first location for Bank of America, the first earthquake proof construction in area, and San Jose's first "skyscraper". The upper floors of this building are on the market as office condominiums. The building continues to be the preferred

location for a central BART station in Downtown San Jose, however, the costs of the required seismic upgrades and rehab of the Bankers Hall into a BART terminal are considerable. The alternate site for the BART portal is the Western Dental building.

- **Dr. Eu & Fountain Alley URM's:** The Agency has invested over \$9M in the recent rehabilitation and retrofit of historic buildings in Downtown including the Crescent Jewelers, Bassler Haynes/Dr. Eu and Fountain Alley/Kotansky buildings.
- **Fountain Alley/Kotansky Historic Building:** (On right) *Newtenants include Penguin FroYo, Popeye's Louisiana Chicken and Extreme Pizza, Pure Matter and PenData.*
- **Bassler Haynes/Dr. Eu Historic Building:** (On left at Third St.) 5,900 sf of new ground floor retail space and close to 12,000 sf of office represented by Jones Lang LaSalle.
- **Legacy Civic Towers:** (On the left - formerly Horizon Center) Legacy Partners recently completed an \$8M renovation to reposition this 420K sf project. Improvements include upgraded lobbies, elevators, restrooms, a new courtyard, and expanded ground floor retail space.

RIGHT ON SECOND

- **The Globe:** The new residential mixed-use project by CIM on the left consists of 76 units, and 176 parking spaces. The site has 17,500 square feet of retail on the ground floor which is still under discussion with Lucky Strike Lanes, a hip bowling/restaurant/entertainment concept.
- **Fountain Alley Project:** Redevelopment Agency-owned parcel is now back in Redevelopment control, and improvements are currently under construction and to be completed in December 2008. The improvements include repairing the pavement, adding lights to the building, new street furniture (benches, flower pots). The purpose of the improvements is to restore the historic nature of the alley and match the work down between the Second and Third Streets (next to the Globe).
- **Zanotto's:** Known for their deli, meat counter, and friendly service, Zanotto's is a downtown treasure.
- **The San Jose Improv:** Opened in November '02. One of the highest grossing Improv clubs. Craig Shoemaker, who has aired on Comedy Central, and Anjelah Johnson of Comedy Central, Mad TV and Fox, will be performing this month.
- **Downtown Restaurants & Entertainment Venues:** 2nd Street tenants P.F. Chang's, Loft Bar & Bistro, San Jose Bar & Grill, Tres Gringos, Koji Sake Lounge & A Perfect Finish Wine Bar create a lively dining enclave.

- **Repertory Theater:** (On the left) In 1995, the San Jose Redevelopment Agency and the San Jose Repertory Theatre (founded in 1980) joined forces to give San Jose's premiere theatre company a permanent home. The agency contributed \$28.5 million toward building the new theater, and the theater company raised \$3.2 million. In March of this year, the the agency invested \$60,000 for the new sign, and the theatre was rededicated as The Susan and Phil Hammer Theatre Center. The name of San Jose Repertory Theatre,-- the nonprofit theater company, remains the same and it will continue to make its home here. Performances coming soon include Splitting Infinity, Around the World in 80 Days, A Picasso, The Kite Runner. The San Jose Repertory Theatre will also host The 25th Annual Putnam Spelling Bee.

CROSS SAN FERNANDO

LEFT INTO CENTRAL PLACE

- **The 88: TOUR STOP:** This 22-story tower is the first phase of a \$276 million project being developed by CIM Group in partnership with Wilson Meany Sullivan and the Redevelopment Agency. A new east/west retail street will divide the site creating better circulation and additional retail frontage. The two high-rise towers combined will have a combined 400 condominiums, 61,250 sf of retail space, and 857 parking spaces -- 338 spaces of which will be public. The first phase tower includes 197 units, 31,000 sf of retail space, 268 residential parking spaces, as well as 338 public parking spaces, and the new Central Place Street. Phase Two will consist of a 23 story tower containing approximately 204 condominiums, 30,250 sq. ft. of retail, and 312 residential parking spaces. They are currently working through the planned development process for phase two.

Disembark...

Tour notes can be downloaded from: www.downtownsanjosetour.com
