---- Tour Route #1----
(First Stop – The Bank of Italy Building)
San Jose Downtown Real Estate Tour 2018
SPEAKING NOTES

Welcome to the DT Tour: Our theme this year is the "Hub of Connectivity" because Downtown San Jose is where a variety of aspects critical to the development of a city are currently intersecting and connecting - robust public life, a sustainable work environment, easily accessible transit, varied shopping and dining choices, attainable urban living options and uplifting arts and cultural offerings. With the recent infusion of substantial private investment and the expectation of additional substantial investment in the near future we have a real opportunity to strengthen our urban core with additional commercial and residential infill and more than double the size of our downtown with westward expansion into the Diridon Station area. We're excited to showcase what's happened downtown since the last time we had this tour in 2016 and invite you to think about how you can get involved in shaping downtown for your children, grandchildren and great-grandchildren. We all have a part to play in the current evolution of downtown San Jose. This is the time to make the most of our collective abilities and resources!

Facts:

- **Current Population**: Approximately 1,042,094
- **Tech Companies Downtown:** There are 180+ tech companies downtown! In 2014 we reported just over 100 tech companies.
- **Employment** – The San Jose metro added 33,800 jobs between June 2017 and June 2018.
- **Metro Gross Domestic Product** – The San Jose metro's GDP exploded by 36.5% between 2010-2016, the largest increase by far nationally.
- **Metro Area Education Ranking** – 3rd most educated region in the county, according to WalletHub, in a study released in 2017.
- **Job Opportunity:** San Jose was ranked as the #1 Best City in America for job seekers in 2018, according to Indeed.com. The job website took into account the number of job openings, work-life balance scores, and career advancement opportunities.

Massive Investment of capital- More than $915 million in property has changed hands in the past 12 months alone, which is a healthy sign for downtown:

- **1 N First Street –** Jay Paul $46M acquisition 82K SF building $560/PSF, Sold August of 2018
- **City View Plaza –** Jay Paul $283.5M acquisition, closed July of 2018
- **Valley Title –** Gary Dillabaugh $61.5M acquisition from KT Urban of approximately 3 acres of land for future development
- **152 N. Third Street –** Gary Dillabaugh, $40M acquisition, 158 K SF building ($255 PSF) June of 2018
- **Fountain Alley –** Gary Dillabaugh, $25.7M ($471 PSF) acquisition of 1.25 acres closed in March of 2018
- **160 West Santa Clara –** Canadian Based fund acquired April of 2018 for $101.5M ($450 PSF)
- **The Towers aka WeWork Towers –** Sold from Invesco for $127M ($290 PSF) December of 2017
- **200 Park Avenue –** DiNapoli Development from Terry Rose in May of 2018
- **Riverpark Towers –** Divco Rockpoint $164.7M ($250 PSF) acquisition from Steelwave in December of 2017
- **Adobe –** Adobe acquisition of the 2.13 acre parking lot at 333 W. San Fernando for $68M from DiNapoli for the construction of their 4th tower.

Explosion of Tech tenants: We hear a lot about Google, but what about the tenants who have already moved and expanded here? There are 180+ tech companies downtown! Since January 1st of this year, downtown had more than 280,000 square feet of tech tenant leasing activity (Okta, Cohesity, and WeWork to name a few). And this does not include the planned 4th tour for Adobe of 650,000 square feet that will allow Adobe to double its downtown workforce. We have added more than 60 tech companies downtown over the past four years. Many of which are startups.

*****ADDITIONAL INFORMATION*****

- **Retail Profile:**

  - 250+ restaurants and cafes
  - 60+ art galleries and cultural institutions
  - 5 breweries (in or in close proximity to Downtown) and 4 more on the way
  - 5 active co-working spaces
  - 11% ground floor commercial vacancy rate

- **This year, San Jose was granted 11 Opportunity Zones**, including most of downtown. The federal Opportunity Zone program provides capital gains tax benefits for investors and businesses in the zones. Those who invest in qualifying projects can realize a deferral, reduction and permanent exclusion in their capital gains tax obligations. The program rewards "patient money," with more benefits accruing the longer you keep your money in. The San Jose Opportunity Zones include the core area of downtown, as well as SoFA.

- **City upgrades for development applications:** Mayor Sam Liccardo has convened the Ad-Hoc Committee of Development Services to make the permitting process more efficient. As of July 2018, the city was processing 2.6 million square feet of retail space, 14.8 million SF of office space, and 2,036 hotel rooms either under review or under construction. There are also approximately 7,000 residential units under construction citywide, and 12,000 either approved or under review.

- **Downtown retail strategy:** Access to goods, services and entertainment is crucial for residents and employees alike. In 2017, the city engaged a consulting firm to prepare a Downtown Retail Strategy. The goal is to develop a work plan that facilitates retailer attraction and retention.

- **Upgraded permit process:** The city has also initiated an $8 million upgrade to its permitting-related technology so they can achieve a more paperless process including electronic submission and review, and on-line permit approvals and remote access for inspectors in the field.

- **High-Rise Incentive:** Miro (630 units across from City Hall) and The Graduate (a student-housing geared development with 1,000 beds at 3rd and San Carlos) are two high-rise developments that broke ground in 2017 that were able to take advantage of the city's Downtown High Rise Incentive Program. The incentive provided for a 50% reduction in construction taxes and park fees for qualifying projects in the downtown core. Qualifying projects had to be at least 12 stories in height and have pulled their building permit by July 31, 2018. There is one more project that is eligible for the incentive - the Post/San Pedro Tower - that will likely come to city council for approval in November. At this time the high-rise incentive program has not been extended.

- **City restaurant pilot program:** The City of San Jose and Santa Clara County Department of Environmental Health have launched the Streamlined Restaurant Pilot Program to help expedite food-based retail businesses moving through the city permitting process. The program has been in operation for the past three months and several businesses have already moved through the new coordinated system. The goal of the program is to considerably reduce the amount of time and cost it takes to open a food related business in San Jose - such as a restaurant, coffee shop or brewery. To learn more about the Streamlined Restaurant Pilot Program, and other benefits/incentives offered to small businesses, speak to Nate Echeverria from the San Jose Downtown Association or Xuan Ha, the City of San Jose's Small Business Ally.

- **Bars/Tasting Rooms specializing in Craft Beer**
    1. Good Karma Artisan Ales & Café – Also has great Vegan Food!
    2. Original Gravity Public House
    3. ISO Beers (In Search of Beers)
    4. The Fountainhead Bar - SoFA Market
    5. Forager Tasting Room and Eatery – SoFA District

- **Breweries nearby Downtown: Brewery hopping is becoming a scene**
    1. Clandestine Brewing
    2. Strike Brewing Co.
    3. Santa Clara Valley Brewing
    4. Hermitage Brewing Company
    5. Mission Creek Brewing Co.
    6. Uproar Brewery – SoFA District
    7. Camino Beer Company - includes tasting room

- **Startup power:**
    8. **Okta** (pronounced Awk-Tuh) has been leasing up multiple floors at Riverpark II. This "unicorn" specializes in "employee identity management."
    9. Project-management company, **Wrike** (like "write") took 23,000 sf at 70 N. Second St.
    10. **WeWork** has been snapping up space, most recently 72,000 SF at RiverPark II
    11. **Samsara** - which helps companies track fleets of vehicles - is a hot tech tenant at 99 Almaden
    12. Downtown unicorn **Zoom** is the hottest video-conferencing company around, and it's been taking multiple floors at 55 Almaden

- **Brew Bike:** Brew Bike now operates multiple bikes in downtown. A concept started in Sacramento. Tasters ride through the downtown bar scene on giant bikes that they all help pedal but is steered by a designated driver.

- **Downtown Doors:** An outdoor youth art exhibit and competition. Celebrating its 15th anniversary in 2018. Art selected from San Jose high school and middle school youth, many from San Jose's eastside, is enlarged, placed on decals and installed on blank utility doors and boxes in the downtown core. There are currently 103 downtown doors and utility boxes on display.

STARTING POINT:

****TOUR START – SAN PEDRO SQUARE MARKET**
Buses park on north side of St. John Street between North San Pedro Street and Terraine Street

- **San Pedro Public Market (the heart and soul of the San Pedro neighborhood):** Opened in October of 2011, San Pedro Market is a 25,000-square-foot public market in three different buildings wrapped around the historic Peralta Adobe, and is a key amenity for companies looking to locate downtown and a regional destination. The market features 22 businesses, 16 eateries and four bar and beverage purveyors, as well as a hair salon and a gift shop. The Market hosts live music, karaoke and numerous special and corporate events on a weekly basis. Recent additions include Urban Momo, downtown San Jose's only Nepalese restaurant, and 2W Salad bar, a nice healthy option. The Garage building, home of B2B@ Coffee is a popular destination for meetings or getting some work done, has recently been completely remodeled and absolutely worth a visit.

- **Moment shops** @ Market Street Garage: MOMENT is a set of four dynamic micro-retail spaces designed and programmed to advance, grow and celebrate creative retail. The project opened in May 2018 and is a collaboration between the City of San Jose, San Jose Downtown Association and San Jose Made, after having received initial grant funding from the Knight Foundation. The first cohort of retailers are all women-owned businesses. They are Bobo Design Studio (clothing and local designer goods), Fractal Flora (plants, focusing on succulents), Hapertas & Co. (bespoke men's accessories), and Empire in the Air (conscious streetwear). The project was recently awarded a Silicon Valley Business Journal Structure Award for its striking design.

- **Blanco** is now under construction at 8 N. San Pedro. It is an urban venue for corporate events and meetings, weddings and social events opening up January 2019. Located on San Pedro Square, the heart of dining and entertainment in San Jose, Blanco feature over 10,000 feet of indoor and outdoor spaces. With the only urban rooftop garden in San Jose, the venue will offer many options for dining, receptions, parties and meetings.

- **New restaurants in San Pedro Square!**
  - **District** - a restaurant, wine and whisky lounge - opened its third location in Downtown San Jose after successful ventures in San Francisco and Oakland at 65 N. San Pedro Street. This is where we'll finish off our tour later on this afternoon. The District operates locations in San Francisco and Oakland with San Jose being their number one in sales volume.
  - **Urban Momo** - Downtown San Jose's only Nepalese restaurant. Try some Momos (dumplings)
  - **2W Salad** - A healthy option at San Pedro Square Market

Turn right on Notre Dame Avenue

- **Centerra High-Rise Housing Development:** 21-story, 347-unit apartment tower was completed in 2017 and is 97% leased at an average rent of $3.46 PSF, which is roughly $3,250 per month for a 935-square-foot two bedroom unit. 80 percent of the units are one or two bedrooms with a few junior one-bedrooms, three-bedrooms, and lofts. Amenities include a pool, hot tub, doggie zone, kitchen area, and multiple outdoor areas. There is also a gym and ground-floor bike shop/storage area. The project was developed by Simeon Partners and built by Barry Swenson Builders with PNC Realty Advisors as the capital partner. The retail spaces have had strong interest, however cost issues relative to build-out of the spaces have hampered leasing efforts.

Turn right on W. St. James Street

- **Davidson Towers (far corner where CreaTV is located):** Terrascape Ventures has proposed two, 18-Story towers at the corner with a total of 653 residential units and ground floor retail.

Detailed architectural renderings have been floated publically, but no formal application has been submitted to the City.

- **Swenson:** Closed on a 1.2 acre site bounded by Julian, Notre Dame and Terraine Street on Sept. 19, 2018. The property was purchased from the Redevelopment Agency for $4.7M ($90 PSF). Future Tower Site envisioned for 250 plus units.

- **Silvery Towers:** KT Urban entitled this project and it is being completed by Z&L. The project consists of two residential towers located adjacent to San Pedro Square, one 20 stories and the other 22 stories tall. The $200 million project will provide 1,100,000 SF of condominiums (643 Units), retail and parking to the area.

- **Julian Street Realignment:** Julian Street has now been converted to a two-way street with two lanes in each direction between Market and Highway 87, and the new street grid is now in place. The new grid has freed up development sites that will allow for three residential towers, midrise and townhome projects as well as an affordable development. The first project is underway. Called "SP78" and built by Trumark, it will be 78 townhomes starting from the mid-$900,000's, and homes will range from 1,300 to 2,000 square feet.

- **SP78 townhomes:** 78 townhomes being built by Trumark in the North San Pedro area, broke ground earlier this summer. Development will feature three-story, 2 and 3-bedroom townhomes with 1,300 to 2,000 square feet of living space and attached garages. Should come online by Fall 2019 and will start selling from the low $900's.

- **Aviato:** Downtown's most prolific developer, KT Urban, has submitted plans for a 304-unit residential tower at 199 Bassett Street. The 18-story building would include about 10,000 square feet of commercial space, wrapped in a sleek, glassed skin with lots of outdoor decks.

- **Market Square (formerly Community Towers):** Ridge Capital Investors has done a great job renovating and updating this two-building project; 111 N. Market Street and 111 W. Saint John Street with all new lobbies, new gym, interiors and hardscape. Rental rates range from $3.50 to $3.65 Full Service. The project is 90% leased. New ground floor tenants include: Orange Theory, Aveda Salon Professional Academy, and Village Cheese House from Palo Alto.

- **Santa Clara Family Justice Center (on your left):** Opened in August 2016. The building consolidated all six of the family-related services of the Superior Court of Santa Clara County to this one location. Estimated cost of $240.7 million. 234,000 SF for a 20-courtroom courthouse.

- **Park View Towers:** The original entitled project including 216 residential units in a two tower 19-story design is being redesigned by Z & L to fit market demands with smaller units, and includes the Historic Church of Christ Science building which is currently under restoration by Garden City Construction. The project developer pulled their foundation permit for this project back in July. Currently the project is being redesigned.

- **PATH San Jose:** Just past Park View Towers on 2nd Street to your left, PATH San Jose with developer Affirmed Housing is building permanent supportive housing. Specifically the project is 78 studio apartments with on-site case management and support services. They have 11 similar projects completed, with 8 others in the pipeline in different cities- San Diego and most notably, Los Angeles.

Turn right on Second Street

- **St. James Park Redesign:** In March 2017, CMG Landscape Architecture was awarded an initial $1M agreement for design work at St. James Park. The winning design consists of a border of Victorian Gardens around the park, a spruced up playground, a dog park and picnic area and a whimsical fountain. The plan also closes Second Street to car traffic and proposes a modern, open-air music pavilion - a Levitt Pavilion. Total project cost is estimated at $60M. A portion of the funding to build the redesigned park is proposed to come from Downtown Park In-Lieu fees, including funding placed into the St. James Park Management District, a program that allows developers developing adjacent to the park to donate 50 percent of the value of their park fees to the revitalization of St. James Park in exchange for 50 percent reduction in those fees for capital uses.

- **The James (on your right behind Trinity Cathedral):** This 195 unit apartment project by Fairfield Residential is set for completion in Q2/2019 and is comprised of mostly one and two bedroom units. The project includes ground floor cafe area with outdoor seating, coworking office amenity on the ground floor for residents and bike-lab to allow tenants to work and store their bikes on premises in a secure facility.

- **Wrike:** Software developer Wrike relocated its headquarters from 10 Almaden to 24,000 square feet in the newly renovated 70 N. Second Street, after moving from Mountain View in 2017. This building was long-vacant and purchased in 2015 by Lift Partners for $3.2M. After substantial investment in the renovation of the building, they secured Wrike and sold the property in 2018 for $10.6M.

- **Towers @2nd Street:** aka WeWork Towers, Home to Amazon Lab 126, and The Mercury News. This project has undergone extensive investment and several stages of renovation in recent years with the addition of collaborative work areas, conference center, state-of-the-art outdoor amenity plaza, VIP Lounge, training center and a one of a kind arcade lounge, along with a high-end fitness center and bike lab. New to the project for 2018-2019 is a basketball court, putting green and dog park on the upper level under development exclusively for the project. The current asking rent ranges from $3.80 FS to $4.05 FS and the project has a 36% available rate.

    - Ike's Place – They are located on the hard corner in approximately 2,400 SF. Ike's is more than just a "sandwich" shop that is known for its creative combinations, large portions (two meals in one) with sandwiches named for local sports figures and local institutions. They are highly popular with college students, and high-tech workers.
    - ISO Beers – ISO Beers is a retail artisan and craft beer bar with an extensive, rotating selection, great outdoor patio seating, and a "bring your own food" policy.

- **At 17 N. 2nd St., Chromatic Coffee** is a coffee "gem" that's part of the downtown's coffee renaissance. Owner Wendy Warren recently completed a renovation of a 3,000-square-foot office in the rear of the building, and leased out a second storefront to supplement store Formula Nutrition, which is staffed by very big dudes.

- **MiniBoss barcade** will be going in the old Tunes space currently under renovation - 2nd downtown business venture for the partners that own Paper Plane.

- Former Voodoo Lounge, right next door, is 4,000 sq.ft. of available space. Very cool exposed brick interior in this building.
- Also 13,000 square feet of beautiful office space available on the second floor of the building at the corner - the Saratoga Capital building - now owned by Lift Partners. Lift Partners also owns the former Voodoo Lounge space.

Turn Right on E. Santa Clara Street

- **1 N. 1st Street aka former JCPenney building**: This building, originally home to J.C. Penney is under major renovation and was recently acquired by Jay Paul Company for $46M in August from Lift Partners. Lift partners acquired the property in 2016 for $17.6M and were in the middle of a $20M renovation when Jay Paul came calling. The ground floor is still slated to include a Blue Bottle Coffee store, a must-have for any up and coming tech area. Rumor has it that Jay Paul is positioning themselves to be a partner with the VTA who is pursuing Transit Oriented Joint Development of the entire Mitchell Block and other related BART sites. A famous event took place in the JC Penny Building, what was it?

*******STOP AT BANK OF ITALY BUILDING***** (1st and Santa Clara Street)**

- **Bank of Italy:** This building was the first branch office for the Bank of Italy, which later became Bank of America. It was the tallest building between SF and LA from 1929 until 1979. No one has put any money into the project since 1979 – but the new ownership will be doing do a full renovation, and the building is expected to be occupied in Q2/Q3 2020. Trivia question, what was the color of the beacon when lit up at night time?

- **Bank of the West:** 2 West Santa Clara St., also known as "the Bank of the West" building, is a historic gem hiding in plain sight. Built in 1910 as First National Bank, it was unfortunately "re-skinned" in 1962, hiding its beautiful exterior. However, its interiors are all brick lined, and windows are all operable. Recently acquired by Divco West and Gary Dillabaugh, renovation efforts are ongoing but will include a roof deck on the southwest side of the building.

- **Mitchell Block (on right):** This site was acquired by VTA as a staging site for construction of BaRT and the main station entrance for downtown, with eventual development following the completion of BaRT. Rumor has it that Jay Paul has their eye on the acquisition of the block for future development. It's among the most potentially transformative sites in the downtown.

- **84 West Santa Clara:** The Glass House is an event space in 12,000 SF on the ground floor, which opened in 2014. They have 3 lounges, 2 dining areas and the largest outdoor patio in downtown. They can handle events from 50-1200 people. The current asking rent is $3.25 FS and the building has an 8% availability rate.

- **Silicon Valley Organization**: Built in 1942, a classic example of Art Deco architecture and built for the Anglo California National Bank and the former home of the San Jose National Bank, **The Silicon Valley Organization (The SVO)** Building was purchased by the former *San Jose Silicon Valley Chamber of Commerce* back in 2008 and fully paid off in 2017 through the generous donation of an anonymous benefactor. Located in the core of San Jose's burgeoning downtown, this building not only serves as **The SVO**'s headquarters but is also home to four tenants and offers **SVO** members and partners alike a central meeting location throughout the year for both internal and public meetings and events.

Turn left on Market Street

- **One South Market Apartments**: Developed by Essex Property Trust in 2015, this striking blue tower includes 312 units and was the first purpose-built apartment tower downtown in several years. Units range from 510 square feet to 2,030 square feet. Its ground-floor tenant mix adds to the vibrancy at the key corner of Market and Santa Clara streets.

- **Metropole Hotel aka Alcantara Building** was purchased by Valley Oak Partners last year and was fully renovated a number of years ago. The building has been home to Xactly and Electric Cloud who both outgrew the facility.

- **60 SOMA (60 S. Market Street):** Last sold in August 2016 to Intercontinental Real Estate Corporation for $87.6 million, making Harvest Properties a nice profit of $32.5 million in less than three years. A major remodel of the lobby including the addition of a fitness center on the ground floor with showers and lockers, and smart elevators was done under Harvest Properties. Currently quoting $4.10 to $4.30 PSF/FS with 17% availability rate. Several new retail spaces have opened there in the past year, including Skewers & Brews. The Skewers are composed of meat and vegetables dusted with a proprietary Northern Chinese spice blend. The brews are a rotating selection of approachable craft beers. Also recently opened is Pageboy Salon on Post St., a local, independent, female-owned business.

- **Tower 55 (55 S. Market Street):** In 2013 the building completed a full redesign and remodel of the common area and lobby. The project has one full floor available with approximately 12% availability in the tower and asking rate of $3.25 PSF/Full Service.

- **San Jose Museum of Art:** The Richardsonian Romanesque sandstone building which was once the Post Office was threatened with demolition was saved in 1969 by a group of San Jose citizens who transformed the beautiful old library into a fledgling art gallery. The museum has earned a reputation for its fresh, distinctive exhibitions, which are conceived to engage Museum visitors of various ages and cultural backgrounds. They present nine to twelve exhibitions per year. SJMA is accredited by the American Association of Museums, a recognition given to just 750 of the nation's 8,000 museums. The museum serves 100,000 people per year including 40,000 school children. The current exhibit is Wan Ju Lim: California Dreamin', a multisensory experience.

- **Fairmont**: The Fairmont San Jose opened its doors as the first luxury hotel in the Silicon Valley in October 1987. Tenants: The Daily Grill (great happy hour), Tova Day Spa and Bijan Cafe. The Fairmont Annex includes McCormick & Schmick's Seafood Restaurant, Bijan Bakery and Muji, a great spot for apparel and housewares. The hotel changed hands earlier this year and was purchased by Eagle Canyon Capital for $223M, $277K per key. The hotel sits on the land that was once San Jose's Chinatown.

- **Cesar Chavez Park** is the oldest continuously used public open space in San Jose. Originally called the Market Place, it was also home to City Hall and the jail until its demolition in 1958. And was 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. You can also join in on CityDance every Thursday evening through October. January 3-6, 2019 Downtown San Jose will host all of the events leading up to the College Football National Championship Game at Levi's

Stadium and Cesar Chavez Park will be transformed into a college campus "QUAD" with ESPN doing all of their live broadcasting from the park for 4 days.

- **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 Tech is hosting a 10-year engagement of Body World Decoded, presenting preserved "Plastinated" human bodies like you've never seen them before.

- **City National Civic Theatre:** Was fully renovated in 2012 and is a great small venue for live acts. The Who, The Rolling Stones, Bob Dylan, Frank Sinatra and Diana Ross have all played here.

- **The Westin Sainte Claire Hotel**: Aju Hotel Silicon Valley (a Korean Based Hotel & Resort owner) acquired the hotel in June 2017 for $64 million ($376K Per Key), the hotel features 171 guestrooms and is 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 in San Jose.

Total Downtown Hotel Rooms = 2,381		
Occupancy Rate	*80%*	*(2018)*
Average Daily Rate	*$221*	*(2018)*

- **Marriott Hotel:** The hotel sold in 2016 to Carey Watermark Investors, a non-traded real estate investment trust for $154 million or $302,000 per key. It opened in April 2004; has 506 rooms, including 28 luxury suites. Home to "**Arcadia American Steakhouse**" – a Michael Mina restaurant in partnership with Andre Agassi.

- **San Jose McEnery Convention Center:** In 2010, the City, Team San Jose, and the hotel community campaigned and won the creation of Community Facilities District, which added an additional 4% for Transient Occupancy Tax (TOT). This created a $130 million dollar expansion and renovation project. The City of San Jose recently agreed to purchase the South Hall site and its (in)famous blue tent for $47 million with the aim of one day expanding the convention Center and its amenities even further.

  More than 370,000 attendees use the convention center annually, generating an overall economic impact of more than $80 million a year. The facility currently has 143,000 square feet of exhibit space and more than 40 meeting rooms, including the new 35,000 sq.ft. Grand Ballroom- the largest premiere event space in Silicon Valley (total of approximately 340,000 sq.ft.).

- **Firestone Tires:** There is a development proposal into the city for 130 apartments on this site from Insight Realty with 5,000 square feet of ground floor retail space and three levels of underground parking.

- **SoFA – South of First Area**: Located at the southern end of downtown, SoFA is an arts and entertainment hub and ground zero for the growing late night gallery crawl, South First Fridays every first Friday of the month. The San Jose Downtown Association's SoFA District Committee, community arts organizations and the city have invested a significant amount of resources in a

public/private partnership to help SoFA continue to evolve its art district identity and urban.

- **SoFA EVENTS:** The businesses work together on:
  - South First Fridays Art Walk + Street Market – The first Friday of every month except July and January. The summer Street MRKT and Sub Zero versions are San Jose's premier art and culture events, regularly drawing thousands of participants.
  - SoFA Street Fair – Brings the best local, regional and national live music acts to the middle of South First St. And now it happens twice a year in April and September. This is a revival of a popular event from SoFA's mid-90's heyday.

- **Gateway Tower:** Core Companies has plans for a 24-story residential tower, 275 units with ground floor commercial. The design is inspired by the Flat Iron building in Manhattan. The project will reflect the colorful vibrancy of the SoFA District. It is being designed by Kwan Henmi whose playful and colorful design of a project dubbed Vida, in San Francisco's Mission District became something of an icon there.

- **Parque de los Pobladores (formerly Gore Park):** This park connects the four arts groups facing the park – MACLA, The San Jose Museum of Quilts and Textiles, the San Jose Institute of Contemporary Arts and San Jose Stage and activation of it is a work in progress. This year, ArtPlace granted MACLA $750,000 for a number of projects: one of them including a shade structure in this park, and another the development of portable "tiendas" which can serve a number of purposes, including pop-up retail.

- **The Pierce:** Sares Regis opened this site in late 2016 and is fully leased up at above pro-forma rents and at a higher leasing velocity than projected. The project consists of 240 residential units on a 2.17 acre site. The seven-story project includes 9,400-square feet of street front retail along Market. And an exciting piece of the city's Illuminations light project ($750,000 ArtPlace grant) called VOXEL CLOUD by Brian Brush, shines from the rooftop along Pierce Street and is visible from Interstate 280, helping to mark the southern gateway into Downtown. The residential portion is fully leased, there are up to four retail spaces on the ground floor that are still available.
  NOTE: ArtPlace, is an initiative of 11 of America's top foundations – including Bloomberg Philanthropies, and the Ford, James Irvine, John S. and James L. Knight, Kresge, and Rockefeller foundations – working in conjunction with the National Endowment for the Arts and seven federal agencies.

Left on E Reed Street

- **Sparq/598 South First (under construction):** The 105 unit apartment is now topped out, and is anticipated to be completed in Q3 2019. Its interior and exterior design draws inspiration from the innovative culture that drives Silicon Valley and from SoFA district.

- **KT Urban / Garden Gate Tower (on the lot occupied by Garden City Construction and their adjacent building):** If built as currently proposed, this would be the tallest building in San Jose. 285 residential units and 6,000 square feet of ground floor retail are proposed. The little green fourplex is available for sale at $1, but requires the buyer to move the building and preserve the structure. If you have the dirt, you can have the building, call Jim Salata. A note of interest, one of the few remaining Diving Lady signs in the US will be erected on the rooftop patio of the new development.

- **605 S. Second Street - Hotel Site at Hard Corner (SWC of 2nd and Reed):** 109 Room, 7-story project by Krishna Hotels, LLC.

Left on Third Street

- **Notre Dame High School:** Notre Dame High School is the oldest private secondary school for young women in California and a partner with the City of San Jose since 1851. In 1999 a capital development program was announced to provide funds for a new 34,000-square-foot classroom building that incorporated the latest facilities for science and technology education, as well as a larger, modern library and up-to-date classrooms.

- **The Graduate**: 300 S. Second Street – Barry Swenson Builder and their student housing partner AMCAL are well under construction on The Graduate. When we last did this tour in 2016 The Graduate was still in entitlements, but the project was "fast tracked" through the City from entitlement to building permit in 12 months, and as you can see is blowing and going. The project will contain approximately 260 units with 1,039 beds and 14,750 SF of ground floor retail l space. It is one of the highest density projects proposed in downtown to date.

- **Hammer Theater Center:** Built by the San Jose Redevelopment Agency for the San Jose Repertory Theatre, the four-story 58,000-square-foot Susan and Phil Hammer Theatre Center opened in 1997 and operated by the Rep until 2014. After a year-long public process to select the new operator, the City selected San Jose State University to operate this distinctive performance venue. Audiences can now enjoy year-round programming that includes live music, theater, dance, cutting-edge multimedia performances, National Theatre Live screenings and National Geographic Live lectures. The Hammer Theatre Center is also a popular rental venue, boasting state-of-the-art acoustics in its 532-seat auditorium, a smaller black-box theater/multi-purpose space and a rooftop terrace with breathtaking sunset views for parties and receptions.

- **Sobrato Block 3:** Sobrato has submitted a Site Development Permit application to build a 23-story, 399 unit apartment tower with ground floor commercial on the parking lot adjacent to the Repertory Theater and the 88. However, Sobrato is also working on a 550,000 SF office project for "Block 8," a one-acre site on San Carlos and Market, and is expecting to submit an application to the city soon.

- **The 88:** This 22-story tower is a $276 million project developed by CIM Group with Wilson Meany Sullivan. The tower includes 197 units with 268 residential parking spaces, and 338 public parking spaces.

- **Amazon Lockers**: During our last Tour we talked about Amazon Lockers looking for a space nearby SJSU on the Paseo De San Antonio. They landed in The 88 at the corner of San Fernando and Third Street about a year ago. The single point drop off facility allows Amazon to drop numerous packages off at a single point**.** Access to the facility and to individual lockers is all controlled via an app on your smartphone that provides unique access.

- **101 San Fernando Apartments (on right):** 323 apartment units and 9,900 sq.ft. of retail developed by Forest City Development. 7 Eleven is pursuing building permits to occupy the form Brixton Hue space at the corner to your left.

- **Former Pieology:** Unfortunately Pieology was not able to capture SJSU and market share in what is a very competitive pizza market downtown (Voted Best Pizza is Bocca Lupo at San Pedro Square Market). Good news is that they had 20 offers on the space and are very close with a national bank to lease the space long term.

- **Coca Furniture Building:** This signature downtown building (33K square feet) just recently sold to an affiliate of Leisure Sports for $6M and is back on the market again with an asking price of $8M. It's been owned by the Coca Family and operated as a furniture store for over 60 years and an Odd Fellows lodge way back in the day.

- **Hotel Clariana:** RSTP Investments acquired the 5-story office building in 2009, and in 2016 completed a renovation into a new 44-room boutique hotel. The ownership also owns an adjacent parking lot, and is working on plans for a 63-room addition that would include a grand lobby, indoor pool, as well as a 6,000 SF restaurant and lounge.

Right on E. Santa Clara Street

- **Meteora Bakehouse (formerly 2nd Story Bake Shop):** This Organic bakery is fantastic, and recently expanded their menu to include sandwiches. They still have limited hours Tuesday through Friday but the new owner's goal is to expand them over time. You can find their bread in the Whole Foods on The Alameda and on Stevens Creek in Cupertino.

- **Chevron (corner of Santa Clara and 4th):** This longtime local business is the only gas station currently operating in the downtown core. The site is listed as a potential staging area for BART construction, but no determination has been made about how this will affect operations. It's also long been sought after as a development site.

- **City Hall:** With 18 stories and more than 3000 people, San Jose City Hall is a vital anchor on the east side of Downtown. The building complex was designed by "starchitect" Richard Meier and completed in 2005. At 530,000 SF, it's among downtown's largest employer. By design, there is no cafeteria, a move designed to spur employees to get outside and patronize local businesses.

- **MIRO:** Miro is a two-tower residential project from Bayview Development Group that promises to transform this part of downtown. The proposal includes 630 rental units as well as two floors of active commercial space -- about 15,000 square feet of retail on the ground floor and a second floor for startup "flex space". The project is being built by Suddath, and crews recently completed excavation for the basement.

Left on 6th Street

- **27 North:** Symphony Development did this project in 2015 and helped prove out the model for private student housing in downtown San Jose by being fully leased five months prior to completion. The project includes 119 units, with a total of 475 beds. The project is fully furnished with cable, broadband access and common area amenities including a fitness center, barbecue patio, computer lab, recreation room, and resort-style pool.

- **61-99 N. 6th Street (SW corner of 6th and St. John):** This ⅓-acre site was approved in 2015 for a 10-story, 197-unit building with a 2,400 SF commercial space on the ground floor. Some internal squabbling among property owners stalled the project, but we're told it's close to being put back together again and remains an enticing project.

Left on E. St. John Street

- **Donner Lofts (housing project at 4th and St. John):** Completed project by MidPen. 102 affordable housing units and fully leased. The ground floor space remains available and could be a great spot for a cafe or small professional office. There are plans currently in the works to have part of the space utilized by the SV Bike Clinic.

- **First Presbyterian:** Swenson recently rezoned the property to Downtown Commercial in anticipation of future development.

- **100 North 4th Street (NEC of 4th and St. John):** The owner, Brent Lee who sold 152. N. Third Street to Gary Dillabaugh, retained this roughly 1-acre site. In 2017, Lee submitted plans for a 400-unit student housing tower, but a general plan amendment to allow the project is under CEQA litigation. Still, this is eventually a development site.

- **152 N. Third Street:** The brick clad building off to your right that fronts on St. James Park was sold to Gary Dillabaugh and partners on 6/25/18 for $40M/$255 PSF from Brent Lee. Dillabaugh has plans to fully renovate the 9 Story, 158,000 sq.ft. building starting in 2019. Given Gary's relationship with WeWork, there is speculation that WeWork may have their eye on further expansion downtown only one block from their first location in DTSJ.

- **Freshly Baked Eatery:** Located in the ground floor of 152 N. Third is famous for their fresh baked bread hot from the oven and their fresh carved roasted turkey.

Left on Second Street

- **Ground Floor of the Globe:** Common Grounds co-working and Invita Cafe are set to make their debut in the "vacant-since-construction-in- 2007" ground floor of the Globe Condominiums. Official grand opening for the space will be in early November however tomorrow, September 21, they are starting with Common Grounds Coffee & Walk, and opening the space every morning from 8-10 a.m. for free coffee and sneak peek tours of the space.

- **Fountain Alley:** A number of collaborative public art projects have occurred along Fountain Alley. The first project was the beautiful glass mosaic snake pattern on parking lot half wall through the downtown PBID. That project added a "pop of color" to the otherwise drab streetscape. The second was a collaboration with the DA's Office, Lido nightclub owner, and a local gallery in which a large-scale mural was commissioned titled Phylum of the Free by Jeff Hemming. With consolidation of ownership of the parking lots and buildings along Fountain Alley there is an opportunity for some really exciting stuff short-term and long-term activation in this space - stay tuned.

- **The Tech Shop**: The national chain of tech Shops has gone into bankruptcy, leading to the closing of this location. The 18,000 sq.ft. is being marketed as "brick and timber" office/R&D space to creative tech tenants. Features include an all-hands amphitheater, private courtyard massive basement and access to a drive-in loading dock.

- **The Jose Theatre:** The Jose Theater is for sale as part of the former Redevelopment Agency properties. The starting bid is $1.53M and bids are due at the end of October.

- **Saratoga Capital Vacant Ground Floor Space:** 10,000 square feet of a cold shell has LONG been available.

- **Safeway "The Market":** This spot was one of Safeway's first urban prototype stores in approximately 23,000 square feet.

- **Camera 12 Theater:** Was acquired by Imwalle Properties and Gary Dillabaugh in 2017 with plans to back-fill with a state-of-the-art dinner theater. The owners are making progress on landing an operator, but due to the project's multi-level design and inherent inefficiencies, the cost to convert the existing theaters is substantial.

- **Paseo De San Antonio Walk:** Opened as a specialty retail mall in the early 90's, known as The Pavilion. It has since transitioned into a mixed-use office/retail development, with AboveNet leasing the interior space, and the perimeter dedicated to retail tenants including Fitness Evolution, Johnny Rockets, Subway, Tandoori Oven, TacoMania, Starbucks, My Milk Shake, and Nox Cookies. French-Vietnamese fusion restaurant Elyse opened in the old House of Siam location last year. The project is rumored to be on the market for sale.

- **3 Below Theaters:** is the new name for the recently-redesigned Camera 3 space. As the name suggests there are 3 screens, one each dedicated to events like sing-along film showings and live performance, one for independent films, and one is the long-term home of improv comedy troupe Comedy Sportz. The re-model included an all new lobby cafe, new seats, floor, and wall coverings and updated restrooms. With the new operation in place and fully renovated, it helps to ensure screen capacity for the annual Cinequest Film Festival held each year in San Jose.

- **Valley Title Property:** Gary Dillabaugh and his partners acquired the Valley Title property from a consortium of owners that includes KT Urban for $61.5M in August. This site is among the largest blank-slate sites in downtown, with enormous capacity for growth. The new owner has not announced any plans for the site which actually generates a positive cash flow due to the lucrative parking income. Time will tell what Gary and his partners have in store for one of the largest developable parcels in Downtown.

- **Academic Coffee:** SoFA's newest hotspot opened earlier this year and is one of those "little details" that make a downtown cool. The husband and wife team of Frank Nguyen and Kathy Duong have transformed this dilapidated and just plain scary laundromat into an amazing craft coffee bar. If you swing by here on a Sunday afternoon to see the crowds sitting outside you can really see the complete 360 degree transformation Frank and Kathy have achieved - amazing.

- **City Lights Theatre (on Second Street, just before Notre Dame High School)**: City Lights Theater Company creates provocative live productions that engage, inspire, and challenge audiences. Founded in 1982 City Lights Theater Company, is a non-profit organization, producing seasons of six plays a year in its intimate 100-seat venue. They are definitely one of downtown's hidden gems but will be relocated as a result of the Invicta Project.

- **Proposed Invicta Residential Towers:** Speaking of City Lights, the theater would gain a new home under plans percolating for Invicta Towers, a three-tower, 667-unit residential project (40,000 square feet of performance space) that would rise partly on the theater's current site and include the former Emile's restaurant along with the Metro building facing First Street. The project proposes to redevelop the block bordered by South 1st and 2nd Streets, Williams Street and Reed Street.

Turn right on E. Reed Street

Turn right on First Street

- **MACLA (Movimiento de Arte y Cultura Latino Americana):** MACLA is a hybrid urban arts space, rooted in the Chicano/Latino experience. It intersects many communities, cultures, and aesthetic approaches. The audiences and participants are 70% Latino and 30% non-Latino. More than 30,000 children, youth, young adults, families and community residents participate in the 50 programs that MACLA produces each year in four core program tracts: visual arts; performance and literary arts; youth arts education; and community development through the arts.

- **San Jose Museum of Quilts and Textiles:** This museum was founded nearly 40 years ago and was the first museum in the United States to focus exclusively on quilts and textiles as an art form. The museum has been at this location since 2005. Their mission is to promote and celebrate the art, creators, craft, and history of quilts and textiles. The museum attracts approximately 18,000 visitors annually and reaches 5,000 K-12 students and their families each school year through its highly successful in-school programs.

- **San Jose Stage Co.:** This venerable organization has been producing high quality, thought-provoking and sometimes controversial theatre downtown for more than 30 years. They have plans for renovation and expansion on the site and are taking the first steps toward this by purchasing the building from the Redevelopment Agency's Successor Agency for $2.3M, putting down an initial deposit in May and closing by the end of October.

- **Uproar Brewery:** on the left at 439 S. First Street, one of several new local breweries in or near downtown has a great selection of beers on tap as well as sours and ciders. UpRoar does brunch on the weekends and Bucky (David Buchholz one of the Tour Directors) highly recommends either of their crab cake or house smoked bacon benedicts.

- **Forager:** Housed in the former 1st St. Billiards location, this 14,000 sq.ft. brick-and beam space has become a favorite for event producers of all kinds. When it is not hosting private events, it has a first rate coffee program in collaboration with Devout Roasters form Fremont, a tightly focused local craft beer program, and a food menu that contains seasonal small plates and meal-sized salads. They also host live music and art shows, and are developing a commercial kitchen for their planned small food producer incubator program.

- **Cafe Stritch:** Downtown's premier Jazz club serves a full menu of comfort food alongside live music and once-a-week DJ nights. Open from 4 p.m.-close Wednesday-Sunday, Stritch is an integral part of the regional jazz scene, providing a venue for talented performers in a variety of Jazz styles. Little known fact, the cafe is named after the virtuoso horn player and composer Rahsaan Roland Kirk and every year they have a festival called Rahsaan-a-thon to honor his life and work.

- **360 Residences:** This 213 unit project was designed as condos, but flipped to rental -- resulting in units that are larger than your typical apartment project. (The largest is 3,400 square feet.) It sold in August of 2017 to Essex Property Trust for $133.5 million, or $627,000 per unit. Downtown, Essex also owns One South Market and 101 San Fernando. There are three retail units available, a 1,102 sq.ft. space, 1,611 sq.ft. space and 2,2676 sq.ft space.

- **SoFA Market**: SoFA Market opened a couple of years ago and now includes an exciting lineup of locally-owned, independent restaurants, cafes, and bars. It's fast become a key anchor in SoFA with its front and back patio seating areas and weekly event program. The building and market are owned by Thang Do, whose architecture firm, Aedis Architects, is located on the third floor. They recently signed a Mexican food concept that will be opening in fall. There is also office space available on the 2nd floor and restaurant space available on the ground floor. The current lineup includes:
    1. Vero's Coffee Bar
    2. The Fountainhead Bar
    3. Habana Cuba - moved from Race Street
    4. Hawaiian Poke Bowl
    5. Vitamina Juices and Blends
    6. Vietnoms
    7. Salad Box
    8. Milk & Wood
    9. Toasted Craft Sandwiches

- **The Continental**: Daily happy hour, craft cocktails, specialty beers and music. Cool interior finishes with historic fixtures, reclaimed wood, salvaged metal, and patio seating in the back.

- **California Theatre:** The California Theatre opened in 1927 as a vaudeville and film house, but closed its doors 30 years ago. It re-opened ten years ago after more than five years of reconstruction and restoration. The California Theatre is one of the region's most important performance facilities. The 1,122 seat theatre is home to Opera San Jose and the Silicon Valley Symphony.

- **Caffe Frascati:** a favorite local hot-spot….definitely more than just a coffee shop with tasty pastries. Caffe Frascati has a robust schedule of activities that include regular open mic nights, Opera, comedy showcases and musical performances from genres all around the world.

- **Original Joe's**: Opened in 1956 by the Rocca Family bringing home-style Italian American cuisine.

- **Block 8 (NEC Market and San Carlos):** Sobrato Development is working on designs for a 550,000-square-foot office tower on the current parking lot adjacent to the Sheraton Four Points. The first six floors of the project would include large floor plates of approximately 45,000 square feet and would scale back to 25,000-square-foot floor plates for the upper tower element. According to Sobrato the tower is being designed to "make a statement" for downtown and the downtown skyline. Arquitectonica is the architect.

- **Four Points by Sheraton:** Formerly the Montgomery Hotel originally constructed in 1911. Hotel was revamped in 2004. There are 234 guestrooms and suites as well as nearly 7,000 SF of meeting space. *Next up: A 24-story expansion that would cantilever over the existing building. A*

supplemental EIR is currently underway. The combined buildings would operate as a single Starwood brand called Tribute.

- **Fairmont Annex** – 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. Additional 17,000 sq.ft. of retail space including *MUJI (Japanese home good retail store), a 7,000 sq.ft. flagship store which open in 2014*. This is their second location on the West Coast with the first in San Francisco.

Left on W. San Fernando

- **If you are stopped at the light at 1st and San Fernando - Former Gordon Biersch (on your right, down the block a bit toward 2nd street) -** Craftworks, the restaurant group that owned the Gordon Biersch restaurants closed its last GB location earlier this summer after shuttering locations in Palo Alto and SF. Craftworks also owns the Rock Bottom Brewery brand. This 14,000 SF space is for lease and being offered by Forrest Cerrado at Barry Swenson.

- **Rookies Sports Lodge:** Rookies opened their second location here last year and we are happy to have a dedicated sports bar in downtown serving a great lineup of starters, shared apps, entree salads and stone oven fired pizza and of course burgers, sandwiches, and some really nice entrees. Plus a great bar…

- **MezCal Authentic Oaxacan and Traditional Mexican Cuisine:** MezCal opened their doors here in 2008 in what could not have been worse timing, but endured the downturn by delivering consistent quality food and service. Excellent Moles, ceviche, tortilla soup, estofadas, tamales and of course Tequila~!

- **50 West San Fernando Street (on your left):** DivcoWest and Rockhill purchased the building in December 2015 for $165,500,000. ($464.57 psf). Now fully remodeled the lobby includes a more modern feel with various natural wood and stone features, new lighting, and centralized security desk. A large fitness center was recently completed on the ground floor. The 18th floor above the Capital Club is being remodeled into a new ±13,950 SF office suite. They currently have three full floors available with a total of 79,110 square feet available. Asking rent is $4.50 PSF/full service.

- **CityView Plaza:** Jay Paul purchased this project on July 24, 2018 for $284 million. CityView Plaza is currently 79% leased and is quoting the highest rents in downtown at $5.00 PSF/full service. The project is home to one of the highest grossing Morton's Steak House in the Country. A visit to downtown's after hours options is not complete without a visit to Scott's outdoor patio offering food and cocktail service with great views of Plaza De Caesar Chavez.

- **Greyhound Station (aka 70 S. Almaden Avenue):** KT Urban along with their investment partner Z & L acquired the 1.6 acre Greyhound property in April 2016 for $39 million. Z & L has plans to build two residential towers of 23 and 24 stories with 781 residential condos along with ground floor commercial. The developer has made repeated attempts to acquire Myth Taverna so that the project can proceed corner to corner for greater design efficiency and cohesion but has not been successful in acquiring the property.

- **Plaza Hotel (transitional housing)**: The 47-room Plaza Hotel opened in January to homeless awaiting more permanent housing. It had previously served as one of the SJPD's training

buildings. The city invested about $2.5M in renovation of the building built in 1961. The Plaza will serve as a stop-gap housing solution for the homeless for five years while other transitional housing projects are built. The average stay for clients at the Plaza Hotel is anticipated to be between three and six months. As of the end of August, there have been 37 people who have moved into The Plaza. Of those 37, four have successfully exited to affordable permanent housing.

- **Adobe**: 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.

- **333 W. San Fernando Street (Adobe North Tower):** This site will be home to Adobe's next office tower -- the software company's fourth. The site was entitled by JP DiNapoli a couple of years ago, and Adobe acquired it earlier this year for $68 million. In August, Adobe submitted an updated design for a 650,000-square-foot sleek glass building designed by Gensler.

Right on Autumn Street

- **Trammel Crow's project dubbed "DIRIDON"**: Once upon a time, Adobe planned to expand on this site. But in 2015, Trammel Crow purchased the 8.5 acre site from Adobe Systems for about $58.5 million, and re-entitled it. The approved project includes 940,000 square feet of office space in two, 12- and 13-story towers set above roughly 35,000 square feet of retail and dining. Another 10-story tower, on the west side of Delmas Avenue, will hold 325 apartments. **The historic Water Company building on the site, which will be restored, will also likely be repurposed as a restaurant.** In 2017, Google confirmed it was in contract to purchase the project, among the largest privately owned sites in the Diridon Station area. More on that whole thing in a bit.

- **Diridon Station**: Speaking of Diridon Station, here are some facts: It's where 8 transit systems converge (Caltrain, ACE, VTA, Capital Corridor train, light rail, VTA bus, Greyhound and bike share). It's also slated to get even bigger with BART and High Speed Rail arriving by 2026.

- **In 2015, the city approved the Diridon Station Area Plan**. The plan envisioned up to 3 million square feet of commercial space in a vibrant and urban mixed-use setting next to transit. Then, a couple years later, Google came knocking. Google is interested in building up to 8M SF of office in a progressive, urban campus.

Left on West Santa Clara Street

- **San Jose Arena/SAP Center:** The 25 year home of the San Jose Sharks and the Barracuda minor league affiliate hockey team to the Sharks. The City of San Jose and the Sharks reached an agreement in 2015 to extend their lease through 2026 with annual renewals through 2040. Along with the lease, the City of San Jose and the San Jose Arena Authority who manages the Arena agreed to a long term Capital Investment plan that will keep the arena in a First Class operating condition. The Arena hosts over 200 event days a year and is one of the busiest arenas in the country. This past year the arena hosted such events as: the Super Bowl Opening Night, and the U.S. Women's Gymnastics Olympic Team Trials. SAP Center will host the 2019 NHL All-Star game and Skills Competition this coming season.

Left on S. Montgomery Street

- **Google:** You may have heard that Google is interested in coming to San Jose. So far, Google has spent more than $230 million to acquire roughly two dozen privately owned parcels in the Diridon area. Google is also negotiating with the City of San Jose to buy a number of sites totaling 6.5 acres from the former Redevelopment Agency. The land is being offered at $67 million. Google's also expressed interest in acquiring two sites owned by the city that total 15 acres, including the fire training center.

  Google hasn't shared any plans for an actual project yet, but has said upward of 8M SF of space could be built over many years, enough for 20,000 workers. Google's goal is to integrate with the surrounding community and be a permeable, open-style development with active, high-quality public open spaces.

  By the end of the year, the city expects to enter into a Memorandum of Understanding and a Purchase and Sale Agreement with Google. The MOU will address shared vision and goals for the future Google project as well as other issues. By the way, the city is the market for 5 acres of property to relocate the fire training center.

- **BART Extension to Diridon Station**: VTA is working on the BART Silicon Valley Extension from the Berryessa station to San Jose which will include a 5-mile long subway tunnel beneath Santa Clara Street with two proposed stops – City Hall/SJSU/Market St., and Diridon. The project is anticipated for passenger service starting in 2026. 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.

- Recently, VTA and BART agreed that the subway will use an innovative "single bore" tunneling approach that will dramatically reduce the impact to Downtown, because crews won't have to dig up Santa Clara Street.

Some info on where you can go

- 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
- Light Rail, connecting from Campbell to Mountain View
- Future BART from Fremont, and eventually, San Francisco
- Greyhound and High Speed Rail
- The "DASH" **(free)** shuttle transports people arriving at Diridon to various stops in the downtown

Right on Auzerais

- **Old OSH building (on the right):** In March of this year, Google paid $39.5M to buy this 5.6 acre site that's home to a brand-new OSH and a vacant former OSH. Unfortunately, Orchard Supply announced it was closing all its stores nationwide in August 2018 by the end of the year. It's unclear what the near term future for this site will be.

- **Palermo's:** Palermo Ristorante has fully renovated the former Paradisio's site and converted the parking lot into a great outdoor patio with a full bar. Yes, this is the same owner operator of the former Palermo's downtown and Palo Alto. Simple refined modern Italian cuisine! Molto Bene!

Right on Sunol Street

- **The Ohlone (on left):** (corner of W. San Carlos and Sunol Street) A Joint venture project between Swenson and Republic Urban Properties, Ohlone is 800 units that are being built in 3 phases, called Block A, B and C. Block A is on West San Carlos Street, Block C is on Auzerais Avenue, and Block C is in the middle. Block B and C are under construction. C is 268 units, will be delivered in early 2019. Block B is 269 units, and it's being delivered in early 2020. Block A is a 14-story tower of 260 units, and the developers think they will break ground in mid-2019.

*********STOP AT 808 WEST*******PARK ON THE RIGHT BY THE LEASING OFFICE**

- **808 West – the Fairfield Residential project (on the right)**: Fairfield Residential is finishing up interior work on its 315 residential units. The project sits on a 4.73 acre site and has a small park on approximately a half acre in the interior of the project. The project includes approximately 13,000 square feet of commercial offices plus 2,690 SF of retail space and restaurant space of 4,700 square feet located at the hard corner. The project steps down from 7 stories along the San Carlos edge to 5 stories along the interface between the Fairfield project and that of KB Home's Cannery project.

Left on W. San Carlos Street

- **Smart and Final:** Downtown and Midtowners will soon have another grocery option at the corner of Race Street and West San Carlos located on the site of the former (and beloved) Mel Cotton's sporting goods store, which closed at the end of 2016.

Right on Race Street

- Race Street is home to a number of locally owned and operated businesses art boutiques, Hawaiian Karate and restaurants such as Las Cazuelas which offers up exceptional Mexican food.

- **Race Street Fish & Poultry Site including the shuttered Burger King at the corner:** The longtime local business will make way soon for an affordable project designed to house families and seniors. The Core Companies worked to get entitlements for the site, but the project is slated to be built in partnership with the County of Santa Clara. Two buildings are contemplated including a 6-story, 116-unit building for families, and a 90-unit, 5-story senior housing building.

- **Race and The Alameda:** New restaurant Scramblz opened in 2016, long standing Greenlee's Bakery – home of the local famous cinnamon bread, Café Rosalena, Rosie's New York, Five Guys, Peet's Coffee & Tea, and a new outpost of local coffee chain Crema.

- Restaurants further down on The Alameda: Zona Rosa, China Inn, Teenee Thai, Wine Affairs, and Luna Mexican Kitchen.

Right on the Alameda

- **Alameda Business District**: Known as the Rose Garden and The Grand Boulevard, this section of State Highway 82 is one of San Jose's popular neighborhood districts offering a pleasant pedestrian-friendly experience. Street enhancements through "The Alameda - A Plan for the Beautiful Way" came on-line in 2013 through a $3M+ Metropolitan Transportation Commission grant secured by The Alameda Business Association, City of San Jose and Redevelopment Agency. The Alameda experienced a surge of housing within the past twenty years. Retail chains have made their way to the neighborhood complimenting the local, independently owned neighborhood serving businesses. Income levels exceed $500,000 with homes values well into the $2M's at the peak.

- **Mill Creek's project "Modera on The Alameda" (on left):** 168 units. Studios, 1, 2, and 3 bedroom apartment homes. Breaking news: All the retail space is leased: An Ace Hardware will take the largest space, followed by a Growler craft brew pub and Corepower yoga. The project is leasing apartment units in phases, but it's currently more than 40 percent occupied with some smaller one bedroom rents north of $4.20 per square foot. A small office space is also available for lease on the second floor. AEW is the capital partner.

- **Avalon on The Alameda (on right):** A mixed-use rental housing development with 218 units developed by Avalon Bay Communities.

- **Plant 51 (on right):** Originally built in 1913 as a cannery, Plant 51 includes 265 for-sale loft and flats. Initially developed by Centex, then completed by Corona Land Company.

- **Whole Foods:** Whole Foods opened on December 10, 2014. The design includes a 27,000 sq.ft. store with a separate 5,600 SF two-story brewery building and a rooftop beer garden. This is the second Whole Foods location in San Jose, and by far it's the most beautiful whole foods store design in the region. It is busy at all hours of the day!

Left on Stockton Avenue

- **120 & 138 Stockton Avenue (directly opposite Whole Foods along the rail line):** Hudson Companies is building a seven story building on a 1.72 acre site at 120 & 138 Stockton Avenue with 164 market rate apartments and 37,500 SF of commercial space.

- **Marriott Hotels - (SEC Stockton & Julian):** A hotel investment group has secured Marriott Residence Inn as the flag for a 311-room project here. The project would also include 19 for sale condos. The developer, Kade Development, is an experienced hotelier and acquired the site from the former Redevelopment Agency.

Right on E. Julian Street

- **Autumn Street extension:** In 2017, the city completed the first phase of the Autumn Street extension, linking Coleman Avenue (and the shopping areas there) to the Diridon Station redevelopment area and downtown. The initial segment is from Coleman Ave to Julian Street. The segment from Julian Street to St. John Street will come in a couple of years but in time for the arrival of BART, High-Speed Rail and the continued redevelopment of the Diridon Station area.

Left onto Hwy 87

- **San Pedro Square Residences (on your right at Julian):** The development sites freed up by the Julian Realignment will provide about 1,150 new units of housing, including an affordable project from First Community Housing. Swenson in partnership with MCM, and Z&L Properties, also have great sites should start to get underway in the next few years. For more details look at the Downtown Residential Map provided in your Swag Bag.

Exit on Taylor Street – take a left onto Taylor

- **Guadalupe River Park:** The trail extends from Alviso to Downtown San Jose making for a great 9 mile path for bikers and runners. Once fully developed it will extend about 20 miles and link the San Francisco Bay to South San Jose. There is a substantial community conversation underway about the re-visioning and revitalization of the Guadalupe River Park that is being led by SPUR. They have hosted a variety of community conversation about this possibility and plan to do so over the next year. There are many great examples of what the GRP could be to San Jose - NYC's Highline and Atlanta's Beltline are two.

- **San Jose Municipal Rose Garden**: 5 ½ acres a one-time prune orchard, now devoted to shrubs of the rose family and features over 4,000 rose shrubs with 189 varieties represented. Hybrid–teas comprise 75% of the plantings. Groundbreaking took place April 7, 1931, and six years later, on April 7, 1937, the Rose Garden was officially dedicated.

- **Guadalupe Community Garden:** Opened in 2008. Consists of many raised garden beds. The garden uses recycled water as the main source for irrigation. This is the only garden to have a demonstration garden by the Santa Clara Master Gardeners.

Right on Coleman Avenue

- **Mineta San Jose International Airport:** Located on approximately 1,000 acres, 13.5M passengers last fiscal year, 37,000 passengers daily and the one of the fastest growing major airports in the U.S. Year-over-year growth as of April was 17%, 2 to 3 times that of SF or Oakland, although SF holds 68% of the regional market. The City is currently undergoing an effort to study whether or not we can gain additional height for downtown developments and still maintain desired air service at SJC. Some of you know this issue OEI - One engine inoperative. There should be some recommendations on this issue coming to the city council in early 2019.

- **Coleman Landing:** Was completed in 2013 prior to the completion of the Earthquakes Stadium. The center is very successful with a high grossing In & Out as well as City Sports (LA Fitness) with over 5,000 members, (the facility includes a basketball court and three racquetball courts in addition to spinning classes and a large aerobics room) Staples, In 'n Out, Chipotle, and Starbucks. Great BBQ at the Smoking Pig...Wolf Turds are a must try...

- **Avaya Stadium:** Home of the San Jose Earthquakes, opened in 2015 and cost $100M to build (all privately financed), Avaya Stadium is intimate stadium with 18,000 seats and a fantastic place to watch soccer. It's played host to a number of national and international competitions in a short period of time. After this season, the stadium will likely have a new title sponsor.

Left on Earthquakes Way - Go to end of street and go right, go right at drive isle to back of Coleman Highline Building

***********STOP AT COLEMAN HIGHLINE***********

- **Coleman Highline (winner of the Speculative Project of the year by Silicon Valley Business Journal):** Is a highly connected transit-oriented development project featuring 1.5 million square feet of commercial office spanning eight buildings, two hotels, retail and 1,600 apartments. The project designed by Gensler is a nod to Deke Hunter's appreciation and a tribute to The Highline in Manhattan. Of the two existing buildings; 8X8 has leased one full building for 162,557 SF, and Roku has leased half of the second building (91,368 SF) and pre-committed to lease buildings 3 and 4 for a total of 472,319 square feet. There is strong interest in the balance of building 2. Roku and 8X8 are doing space planning and CD's now for early 2019 occupancy in buildings 1 & 2. Roku is also leasing a 23,000-square-foot amenities building that will house a gym along with meeting space.

Exit Coleman Highline by making a right on Coleman Avenue

- **San Jose Market Center:** Built in 2006, is approximately a 220,000 sq.ft. retail center with over 30 tenants including Target, Cost Plus World Market, PetSmart, Staples, Marshall's, Trader Joe's and BJ's Brewery. An additional building on the corner of Coleman and Taylor opened this year, housing a Wells Fargo, an urgent care clinic, and a Blaze Pizza. Both Trader Joe's and Target perform above their regional averages with this being one of their top performing Trader Joe's in the Bay Area.

- **Rotary PlayGarden:** The $6 million Rotary PlayGarden spearheaded by Julie Matsushima opened in May 2015 and enables children with special needs to play alongside their siblings and friends Tuesday through Sunday of each week. The PlayGarden is maintained by Guadalupe River Park Conservancy staff, volunteers, in-kind donations, and fee-for-service contracts. There will also be after school and weekend programs in the PlayGarden for children with special needs. Over five hundred thousand kids have visited the park since its opening.

Right on Autumn Parkway

- **Platform 16 by TMG and Valley Oak Partners:** This 5.4-acre site is a brilliant play by TMG and Valley Oak, who have received all necessary entitlements for a 1M SF project called "Platform 16." It will be three, six-story buildings with floor plates ranging from 25K SF to 90K SF, 15-foot floor to floor heights and 16 terraces spread throughout. It's all wrapped in a flashy design from KPF. (There is a rendering in the pamphlet that also has the Google Map and Residential Development Map)

- **Sobrato: Social Services buildings (Julian and Pleasant Street):** Sobrato is in the midst of construction on a 6-story, 204,000-square-foot building for Social Services of Santa Clara County, which includes an 8,000 SF outdoor roof deck. This being Sobrato, the building is going up very quickly.

Left on Julian Street

Right on North Almaden Blvd

- **Little Italy: Note that Little Italy is in one of San Jose's new Opportunity Zones.**

- **Paesano Ristorante:** This neighborhood favorite has been open for a few years.
- **Bel Bacio Cafe:** Only place in downtown to get an authentic Italian-style espresso.
- **Henry's Hi Life:** A classic meat and potatoes grill with a sense of history, the longtime neighborhood anchor.
- **Enoteca La Storia:** The latest addition to Little Italy has been open about a year. Features a full menu of Italian staples and a world-class wine program. Also has rentable event spaces.

- **Hwy 87 overpass:** Little Italy is in early planning stages to do an art and light installation under the 87 overpass here to help make a visual connection between Little Italy and downtown. The art and light installation should also make the underpass much more pedestrian friendly (safer) particularly at night.

Straight across West Santa Clara Street to Almaden Blvd

- **The Carlyle:** Insight Realty has proposed an 18-story, 220-unit residential tower called the Carlyle in place of Andy's pets and the adjacent lot. The project is currently going through the entitlement phase. Currently proposed is a mixed-use project with 5,000 sq.ft. of retail, 100,000 sq.ft. of office space, and 150,000 sq.ft. of residential space.

- **Axis:** 358 for-sale high-rise condominiums was undoubtedly the first luxury condo project built in downtown. The project was originally developed by KT Properties in conjunction with Spring Resources.

- **Hotel Site (KT Urban):** Veteran DTSJ developers KT Urban have now submitted plans for a 19-story hotel project on this postage stamp of a site at Almaden and Santa Clara Streets. The proposal calls for 272 guestrooms on a site that's just 0.20 acres. But if anyone can do it, KT Urban probably can.

- **De Anza Hotel**: 10-story, 100-room historic Hotel De Anza opened its doors in 1931, after being constructed by Carl Swenson for a cost of $505,000. Restoration was completed in 1990 by Saratoga Capital, with San Jose Redevelopment Agency assistance for historic rehabilitation at a cost of $10M. In 2014, the hotel was sold to Lowe Enterprises – a Southern California-based development firm for $20.4M. The "Diving Diva" painting from the early 1950's (when the hotel had a heated pool) still graces the outside wall that faces Santa Teresa Street. "Life Abundant", the new gorgeous mural that runs the entire length of the hotel's west facing wall features an image of a woman, her eyes closed and her face surrounded by a cornucopia of fruits and vegetables. The mural is a nod to the once agriculturally rich area with influences of Egyptian Art Deco taken directly from the hotel. The painting was funded by the Knight Foundation, the City of San Jose and Hotel De Anza.

- **The Exhibition District**: Is a non-profit that aims to fill San Jose's blank walls with vibrant murals. They operate with sponsors, community partners and local artists. In addition to having administered some of the city's most striking murals (including the one on the side of the Hotel De Anza that beautifully welcomes visitors into downtown) they also operate Local Color, an art-focused community center in the former Ross store at 27 S 1st Street.

- **AC Hotel:** Opened Fall of 2016. The brand has a contemporary European inspired design - 204 rooms and 6 suites in 7 floors and 6,470 SF of total meeting space in 7 meeting rooms.

- **10 Almaden:** Is a premier 17-story class "A" office building totaling 309,225 SF. The project was fully renovated in 2013 with upgraded finishes, fitness center including outdoor pool with sauna, showers and lockers. LEED Gold certified. This was the first building in Silicon Valley to have the state of the art touchpad system Destination Dispatch elevator. The current asking rent is $4.50 FS and the building has a 13% availability rate.

- **The Almaden (formerly Almaden Financial Plaza):** The project has recently added new amenities such as Fitness Center with lockers & showers, a shared conference facility, two outdoor collaborative areas and an on-site café. This property is currently owned by KBS. The current asking rents range between $4.15 - $4.35 FS and the project has a 17% availability rate.

- **Center for Performing Arts**: On the right is the "CPA" -- designed by the Frank Lloyd Wright Foundation. This 2,667-seat facility hosts Ballet San Jose and Broadway San Jose. The CPA is one of four downtown theaters managed by the community-based group Team San Jose (Civic, Montgomery, California, and CPA). Recent production of Wicked broke San Jose CPA records.

- **River Park Towers I and II:** In December of 2017, SteelWave sold this project for $283.5 million to DivcoWest and Rockpoint Group.

    - **Tower I** is a 16-story 303,876 SF Class A building with on-site management and leasing office, on-site fitness center, covered parking, and new ground floor.
    - **Tower II** completed in 2009, 16-story Class A, LEED Gold building.
    - ➢ WeWork recently leased 78,956 SF consisting of four full floors for their mature accounts that will accommodate larger users with 10-30 employees and several larger units to accommodate up to 54 people with exclusive kitchenettes.
    - ➢ Xactly leased three floors in 2014 but just recently terminated their lease and moved out of the building.
    - ➢ Cohesity currently occupies two full floors and reached agreement to expand into an additional three floors (Xactly's old space) in July for a total of five full floors.
    - ➢ Okta also agreed to take a second floor in the project in June.
    - ➢ BitMain, a Chinese crypto currency company, signed a lease for a full floor in July.

- **303 Almaden Blvd.:** Owned by Rockwood Capital in partnership with Four Corners Property - 11-floor Class A office, on-site fitness center with showers, management office, and Grace's Café. The current asking rate is $4.25 FS and the building has a 13% availability rate.

- **Boston Properties:** The parking lot adjacent to 303 Almaden has long been owned by Boston Properties. Having just finished up a little project called Salesforce Tower, BXP is now turning its attention back to downtown San Jose, where it is contemplating its next big project. The site is big enough to accommodate more than 1 million square feet, and rumor has it BXP is working on massing studies and site programming for a major play here.

Turn left on Park Avenue

- **200 Park Avenue:** (On your right boarded up at corner of Park) was acquired by JP DiNapoli Company in May of 2018 for $11.5 million. They've turned in plans for a 20-story tower with 740,000 SF of office space. It would be a welcome change for this key corner site at a main entrance to downtown, which has been vacant for years.

- **Museum Place**: The site that is currently Parkside Hall -- an annex of the Tech museum -- would give way to a 1M SF project that would include office, food and drink and a revamped museum hall. The project has been reconfigured from an earlier iteration now that Gary Dillabaugh's group has come on board. Current preliminary concepts peg the office component at 750,000 sf, whereas it was previously only 214,000 sf. What's not included this time around is a hotel, which was previously envisioned as a Kimpton.

- **Park Ave Redesign:** The city has been working with CMG Landscape+ Architecture, the same firm that was awarded the St. James Park redesign contract, on a new vision for the Paseo de San Antonio and Park Ave. They started with a community visioning exercise about 2 years ago and now are focusing specifically on Park Ave, between Plaza de Cesar Chavez and the Guadalupe River because of the significant development happening along this corridor. The plan is not finalized yet, but calls for a curb-less street, shared by pedestrians and cars, lined with generous plantings and a 60-foot median park on Park Ave, between Almaden Blvd and Woz Way.

Right on Market Street and wrap around the park to the left towards Fairmont Hotel back towards Santa Clara.

Left on San Fernando

Right on San Pedro

- **Post & San Pedro Tower:** Right behind 160 W. Santa Clara Street. Simeon Residential Properties and partner Kinship Capital are planning a 21-story residential tower with 182 units, and approximately 9,000 SF of ground floor commercial space.

- **160 W. Santa Clara:** A 15-story 226,000 SF Class A office tower was sold by PNC Realty Investors earlier this year to BCSP a pension fund in an off market transaction for $101.5 million/$449 PSF. The current asking rent is $4.50 FS and the building has a 9% availability rate.

- **Farmer's Union:** The Farmer's Union opened in 2013 as a restaurant and bar in the location where the original Farmers' Union was established in 1874 and was a one-stop shop for the agricultural families in then-tiny San Jose. Decorated with historical references of San Jose, The Farmers Union vision is that of an upscale gastropub meets sports bar, offering honest ingredient-driven urban alehouse cuisine, as well as an impressive 51 beers on tap.

- **5 Points:** Signature cocktail bar is the most recent addition to the craft cocktail scene from David Mulvehill, the gregarious owner of O'Flaherty's Irish Pub. In addition to their top notch cocktail program, they also have a full food menu and a rentable space in the back that's modeled on Prohibition-era speakeasies.

- **San Jose Social:** The site of the former AFK Gamer Lounge is being converted into a bar/restaurant with extensive entertainment and recreation options. Set to open in 2019.

- **Downtown Farmers' Market:** Is celebrating its 26th season this year. The Farmers Market takes place on San Pedro Street between Santa Clara and St. John, from May through November every Friday, 10 a.m. to 2 p.m. The Farmers Market is highly anticipated by local employees each year. Fresh locally grown produce, fruit, artisanal foods, cheeses, and other locally produced goods from more than 30 vendors.

- **Sushi Confidential:** The downtown outpost of this longtime Campbell favorite opened a few years ago but only recently found its full form with the opening on the outdoor dining area on the San Pedro Street side of the property. They also do a good business with corporate catering, consider using them for your next office party!

- **Modera at San Pedro (on left):** Mill Creek's project on the parking lot site adjacent to Spaghetti Factory. The project consists of an 8-story mixed-use building with 201 residential units (94 studios, 54 1-bedrooms, and 53 two-bedrooms) 12,000 SF of designated commercial and retail space, and an integrated 4-story parking garage. The financial partner is Rockwood Capital. It's anticipated this project will help supercharge the San Pedro area even more.

*******END at The District******* - **Tonight's Cocktail Reception at The District and is sponsored by Blue Box Air...Thank you to Blue Box for your sponsorship.**