

VTA wants to halt DASH

The free Downtown Area Shuttle (DASH) that averages more than 1,000 daily riders Monday-Friday between Diridon Station and San Jose State University (SJSU) is on the chopping block.

Valley Transportation Authority (VTA) proposes curbing DASH and substituting a new bus route between Diridon Station and the Berryessa BART station. The new route would traverse downtown on Santa Clara Street and riders would pay regular VTA fares.

San Jose Downtown Association (SJDA), SJSU, SPUR and the City oppose the end of DASH and are registering concerns about the proposal at public outreach meetings and letters to the VTA Board.

"Eliminating the DASH shuttle is another counter-productive move which will affect SJSU students, senior citizens and our low-income residents who rely on this service to get around downtown," said **Ann Webb**, a member of the San Jose Downtown Residents' Association.

DASH averaged 1,032 daily riders in 2016. Ridership peaked in September at 1,224 and dipped to 859 in June, corresponding to the SJSU semester calendar.

DASH primarily operates on San Fernando Street, a route that will be increasingly important once BART subway construction starts under Santa Clara Street.

"BART is a five-year construction project with major impacts near Diridon and First Street where stations will be built," said **Chloe Verrey**, SJDA operations manager. "Now is definitely not the time to end DASH service."

SJDA helped initiate DASH in July 1996 when Adobe Systems, Inc., first moved downtown. Adobe was leasing space in Riverpark before



DASH delivers students, office workers, seniors and others along San Fernando Street.

its first office tower was completed and the free shuttle connected employees taking Caltrain to the downtown core.

Adobe, SJDA, City of San Jose Department of Transportation, SJSU and regional air quality grants all contributed to funding DASH, which VTA contracted out to provide shuttle vendors until taking it in-house in 2007.

From July 2005 to January 2008, VTA changed the DASH route to Santa Clara Street, but ridership lagged as shuttles took longer to negotiate the congested street. Since returning to San Fernando Street, ridership has rebounded, peaking at 1,046 average daily riders in 2015.

"It's surprising VTA wants to try Santa Clara Street again, especially

with the subway construction looming," Verrey said.

Cutting DASH is just one of many route and schedule changes proposed by VTA in their NextNetwork plan that aims to improve the agency's overall operations and fare-box receipts. VTA's final draft – taking some public comments into consideration – is due in mid-March. The VTA Board of Directors will vote on NextNetwork recommendations at its April board meeting.

The 18-member board includes San Jose Mayor **Sam Liccardo** and San Jose City Councilmembers **Dev Davis, Lan Diep, Chappie Jones, Johnny Khamis** and **Raul Peralez**.

See the plan at nextnetwork.vta.org.

DASH Ridership

Year	Passengers	Daily Average
2016	262,063	1,032
2014	241,142	956
2012	228,316	905
2010	217,197	856
2008	238,119	1,004
2006*	178,801	704
2004	212,211	828
2002	231,895	906
2000	193,381	759
1998	76,629	306

* 2006 route along Santa Clara Street

Source: VTA

Owners invest to attract and retain tenants

Long-time and new owners are putting major renovation dollars into their buildings and turning them into creative spaces for the next generation of downtown businesses.

"The buildings in downtown have a character that the rest of Silicon Valley doesn't have," said **Chris Friese**, whose Lift Partners purchased five properties since May 2015, including four acquired in August 2016. "Our investment is in the building stock and the character of the inherent buildings that make up the cultural fabric of San Jose."

Downtown's older buildings are unique to San Jose because they are located near transit options and not situated in a campus environment like much of Santa Clara, Sunnyvale and North San Jose, Friese said.

The economics of building upgrades make more sense than starting a new office building from scratch.

"It's important to start smaller and gradually grow to justify high-rise projects," Friese said. "It's harder now to justify breaking ground. Yes, city incentives will motivate some developers, but I think the 'B' building stock will, too."

Upgrades to larger buildings are also a matter of competitive survival, said **Talia Kobernick**, assistant property manager for Harvest Properties. Upgrades not only help retain existing tenants and attract new tenants, tech companies of Silicon Valley demand better quality spaces, she said.

"Some tech companies prefer non-traditional spaces," added **Nate Guido** of Pestana Properties, which owns 84 W. Santa Clara St.



Mac Millan Properties plans to replace the blue awning at 333 W. Santa Clara with a more modern design.

Here are some of the owners and their projects:

LIFT PARTNERS

San Francisco-based Lift Partners' San Jose projects include:

1 W. Santa Clara St. -- Lift Partners plans interior and exterior renovation of the 120,000-square-foot former JC Penney building constructed in 1946 that it acquired in August 2016 from Saratoga Capital, starting with an address change from 1 N. First to 1 W. Santa Clara St.

"We're still trying to figure it out," Friese said. "It will be an open floor plan. The timber in the building has great character and there's a dramatic center atrium. The first two bays along Santa Clara Street will have a grand gesture of wood and steel beams. The two corner spaces will be double-height retail spaces with industrial character."

"Imagine all four corners of First and Santa Clara busy and occupied again."

After JC Penney moved out, the building served as home to Lincoln Law School and housed the offices of the Drug Enforcement Agency and IRS,

Friese said. "It has a jail cell," he added.

325 S. First St. -- Friese calls the fully leased 31,000-square-foot 1928-built Dohrman Building a "great little building." This historic building in SoFA includes Cuba-Mex, The Blue Chip, Anderson Brule Architects, The Hoffman Agency, American Institute of Architects (AIA)-Santa Clara, Elemental 8 and other offices. The owners will feature some of the landmark building's assets, such as exposed wood deck ceilings.

52-78 E. Santa Clara St. and 14 S. Second St. -- The Saratoga Capital building and Voodoo

Lounge share similar features as the others, such as tall ceilings, exposed brick and beam construction.

"We're taking a long-term view on investment and making the best decision for the asset without looking at short-term gains," Friese said.

IMWALLE PROPERTIES

San Jose-based Imwalle Properties has developed 30 properties around San Jose since 1980. Imwalle's foray into downtown includes the recruiting of the Muji, USA, store into the Fairmont Annex on South First Street in 2012.

"I am very long on downtown San Jose," said **Don Imwalle**, principal.

Imwalle loves his latest addition, the 9,915-square-foot Avery building at 399 S. First St. Façade improvements are finished and helped to secure new tenants Tac-Oh! Mexican Comfort Food on the ground floor and Avery Lounge on the second floor, he said.

The 1908 building holds a rich history, starting as a plumbing store.

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Buildings

From Front Page

In the 1950s, neighborhood watering hole Three Star Bar moved in. Marsugi's nightclub took over in the 1980s, hosting **Nirvana** in February 1989 and **Weezer** in May 1992. The Agenda took the building through the dot-com explosion starting in 1995.

HARVEST PROPERTIES

Emeryville-based Harvest Properties joined LaSalle Investment Properties to acquire Class A, 234,835-square-foot 60 S. Market in 2013, and then bought it with a new partner, Intercontinental Real Estate Corp. in 2016. At 60 S. Market, the lobby redesign has been completed, and elevator work and other building systems are under way. Ceilings have been opened up to give the space a more creative feel.

Harvest acquired the 413,177-square-foot Towers @ Second, at 75 E Santa Clara St. and 4 N Second St. in June 2015. Coinciding with WeWork's move into the buildings, Harvest has added a game room and bike clinic to its 13- and 14-story towers originally built from 1972-1974. The upgrade plan also includes improvements to the elevators inside and the patio and paseo between Second and Third streets outside. The Santa Clara Street building has been painted white. The Mercury News moved back downtown into 4 N. Second St. in September 2014.

KBS REAL ESTATE INVESTMENT TRUST III

KBS REIT III has owned the 416,000-square-foot Almaden Financial Plaza, which includes 1 Almaden, 55 Almaden, 99 Almaden and the garage at 3 Almaden, since September 2015. Built between 1979 and 1982, the Almaden Financial Plaza Buildings have recently undergone renovations of the lobbies, common area corridors, restrooms and market-ready suites, according to Embarcadero Realty Services, which manages the properties for KBS.

Work continues on 55 Almaden, where a driveway loop from Almaden Boulevard to the building is under way.

1 Almaden includes City National Bank on the ground floor and a number of law firms, insurance agencies, venture capitalists, and other service businesses. 55 Almaden features Qwest Communications, Synchronoss Technologies, Bridge Bank, Alliance Credit Union, Zoom Communications and Armanino LLP. 99 Almaden includes more than 40 offices, such as Los Tigre Del Norte, Inc., plus Union Bank.

PESTANA PROPERTIES

Ernest (Ernie) E. Pestana started Pestana Properties in the 1960s in San Jose. He owned and operated Mr. P's restaurant on the top floor of a six-story building at 285 S. Market St. (Block 8) that was acquired by the Redevelopment Agency in 1997 and torn down. One of his construction companies built the double A-frame Garden City Card Club on Saratoga Avenue, of which he became part-owner after it moved from downtown.

Since 1977, Pestana Properties has owned the 11,000-square-foot, eight-floor building at 84 W. Santa Clara St., finished in 1975. It has been known over the years as the San Jose Entrepreneur Center, Sumitomo Bank building and Crocker Center, and is now rebranded as 84 West. It includes The Glass House on the street level, seven tech companies, professional and financial services firms, consultants, developers/builders and other offices.

At 84 West, Pestana is pushing to diversify its tenant base, recognizing that the building saw high vacancy rates post-recession, said **Nate Guido**, Ernest Pestana's grandson, who took over the family business after Ernie Pestana passed away in 2009.

The second floor was completely gutted, the restrooms and lobby were remodeled, and a long-time downtown architectural firm plans to move into the space, Guido said. Also, elevators have been completely modernized and a new building management/automation system was installed last year. New ADA-compliant flatwork and façade/storefront upgrades near completion.

Coming up the next 24 months is a ground-floor lobby redesign and phased upgrades to restrooms, corridors, conference rooms, parking garage and other common areas, including a bike storage area.

Mac MILLAN PROPERTIES

Mac Millan Properties has been a long-time investor in downtown, developing and owning the 215,000-square-foot Comerica Bank building at 333 W. Santa Clara St. "The partnership thought it was time to enhance the exterior of the building," said **Maria Gonzalez**, vice president/general manager.

The blue awnings will be replaced by a wood-textured colonnade and a striking entrance to the lobby. The work is expected by April. The building is 90 percent occupied with law, accounting, investment and real estate firms.

Downtown News

SoFA elegance: The Pierce apartments officially opened in February, adding style and night-time pizzazz to downtown.

"The Pierce not only represents a gateway to SoFA, but a gateway to downtown's future," said Mayor **Sam Liccardo**. "It will be a standard-setter for place-making in the rest of the city."

Filling a block of Market Street between Reed Street and Pierce Avenue, the 232-unit building also provides an edge to Parque de los Pobladores, defined as an "outdoor living room," said architect **Rob Steinberg**.

"This is not just another project," Steinberg said. "It is very personal to me — my father bought property in this location and built our firm from 10 architects to 150 architects right here. We knew there would be a time to redevelop this property, and that time started four years ago."

Elements of The Pierce include the original brick walls and arch of Steinberg's architectural firm.

Amenities for apartment residents include outdoor pool, rooftop patio, fitness center, club room with

catering kitchen, outdoor lounge with fireplace, resident events, dog-wash station and large lobby leasing / meeting / gallery space. Retail space on the ground floor totals 4,300 square feet.

Studios, one- and two-bedrooms and two-bedroom townhomes range from \$2,200 to \$5,600 per month. Thepierce.com revealed Feb. 22 that 89 of the apartments are already leased.

The top of The Pierce is lit up with artist **Brian Brush's** Voxel Cloud, one of the signature "Illuminations" projects in partnership with the City of San Jose's Office of Cultural Affairs. The 4,000 voxels glimmer and twinkle off the Reed Street side of the building, visible to passersby on I-280.

"It is meant to be a beacon that tells a story about San Jose and Silicon Valley," Brush said.

Google defines voxel as: "(in computer-based modeling or graphic simulation) each of an array of elements of volume that constitute a notional three-dimensional space." Brush's concept was to create a "river of light."

More part-time work for some: More than 100 of downtown's businesses may be impacted by the San Jose Opportunity to Work Ordinance when it goes into effect March 13.

They must offer additional work hours to existing qualified part-time employees before hiring any new employees including subcontractors or help from temporary staffing services. Ultimately, part-timers at qualifying companies would earn more pay for working more hours, and those achieving an average of 35 hours or more per week would be considered full-time.

The city will be responsible for investigating any violations and can order violators to pay penalties.

San Jose voters approved the ordinance with almost 64 percent of the vote in the November 2016 election. The Office of Equality Assurance has additional information. Call 408-535-8430.

March radness at Cinequest: Cinequest Film and Virtual Reality (VR) Festival continues through March 12. The California Theatre and Hammer Theatre Center are doing the heavy lifting hosting the major film festival events this year, including:

March 5: Writer's celebration and Maverick Spirit Award — **Jason Reitman**

March 10: Silent Cinema — *Flesh & The Devil* (1926) starring **Greta Garbo**

March 11: Maverick Spirit Award — **Jane Lynch**

March 12: Closing Night — *The Zookeeper's Wife*

The complete schedule is at cinequest.org.

SJDA News

InNate: **Nate LeBlanc**, a longtime friend of downtown small business, joins San Jose Downtown Association as business development manager.



Nate LeBlanc

LeBlanc's last three positions, dating back to 2010, include general manager of SoFA Market, director of operations for Moveable Feast food trucks and manager of the San Pedro Square Market. LeBlanc was a key figure in ramping up both downtown markets, which are largely comprised of new and trending food concepts.

As business development manager, LeBlanc will focus on retaining and growing the business base of downtown. He will work in tandem with similar interests in the city's planning and economic development departments.

LeBlanc earned his bachelor's in American Studies from UC-Santa Cruz. Email him at nleblanc@sjdowntown.com.

Next SJDA Meeting

April 14: Business members and the public are invited to San Jose Downtown Association's meeting April 14 at Local Color, 27 S. First St. starting at 8 a.m. District 3 City Councilmember **Raul Peralez** and **Erin Salazar**



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Car-maker supports BikeShare: Ford Motor Company has agreed to help expand the Bay Area BikeShare program, which includes 1,000 bikes in San Jose and more stations around downtown.

The expansion will occur in phases, scheduled to start this spring. The first two of four San Jose phases will add stations west into the area around The Alameda, east of San Jose State University, south to Tamien station and north to the county buildings on Hedding Street. Later phases will result in stations in North San Jose, Berryessa and Willow Glen.

Sixteen stations and 150 bikes currently exist downtown.

The goal of the program is to place stations within a five-minute walk of each other, or about every quarter of a mile.

The BikeShare program is meant for users to get from one place to the next. Check bayareabikeshare.com for information.

Business News

New at SoFA Market, 387 S. First St.:

◆ **Toasted Craft Sandwiches** has opened in SoFA Market, its counter fronting a white tile wall and menu presented on a whiteboard. The sandwiches are all toasted. Vegan options such as the balsamic portobello avocado sandwich are as hearty as the meat varieties, including an Italian sub, jerk chicken and classic roast

of Exhibition District will speak. RSVP to sjdarsvp@sjdowntown.com.

From the Archives

10 years ago — March 2007 — Not satisfied with the cleanliness of downtown, property owners prepared to take matters into their own hands and started formation of the Property-Based Improvement District (PBID). City Manager **Les White** agreed that should the PBID form, the City of San Jose would pay a baseline for its current level of out-sourced downtown cleaning services.

15 years ago — March 2002 — The tot playground opened at St. James Park. It resembles a 19th century schoolhouse that once sat in the park. Also, work was completed on new turf, walkways, irrigation, benches, picnic tables and game tables at the park.

20 years ago — March 1997 — The second and final phase of Paseo Plaza, 144 S. Third St., opened. One of the original urban living communities in the downtown core, 210-unit Paseo Plaza is modeled after Boston brownstones and Georgian terrace housing of London.

25 years ago — March 1992 — As part of the \$1.2 million Redevelopment-assisted renovation of the Hotel Sainte Claire by new owner **Manou Mobeidshahi**, Mayor **Susan Hammer** knocked down a wall that had previously hidden a courtyard at the fabled 1926 hotel, which had shut down operations by 1988.

beef. Visit their Facebook page @toastedcraftsandwiches.

◆ **Pizzetta 408** positions itself as "your new neighborhood pizzeria," serving classic Italian and American pizzas cooked in a 900-degree oven for less than 90 seconds. House specials created by owner and lifelong San Jose resident **David Perez**, such as Brussels sprouts pancetta, escarole and mozzarella, smoked tomato pesto and chorizo con papas may soon become classics of their own. Check pizzetta408.com

At the Convention Center

March 4-5 - Home Show (4,500) homeshowsanjose.com

March 14-16 - Strata + Hadoop (4,100) conferences.oreilly.com/strata/strata-ca

March 22-23 - SCVSEFA Synopsys Championship (4,000) science-fair.org/student-information-for-the-fair/ (estimated attendance)

DOWNTOWN DIMENSION

Downtown Dimension is published monthly by the San Jose Downtown Association, a nonprofit organization established in 1986 to serve the Downtown business community. It is printed on recycled paper.

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sjdowntown.com #dtsj