

# Hot rental market

Covid-19 hasn't slowed the progression of residents moving into downtown's newest apartment buildings.

Sparq, Modera San Pedro Square, The James and One38 all report they are better than half full, with much of the activity occurring quietly since March:

- ◆ Sparq, the 105-unit building at the gateway to downtown at Market and Reed streets, is 97 percent leased, according to **Chris Neale**, executive vice president of the Core Companies.
- ◆ One38, (formerly called Aura), the 100-unit project built by Silicon Sage at 138 Balbach St., has only two units left, according to the one38living.com website.
- ◆ The James, owned by Fairfield residential, has leased 153 of 190 apartments (80 percent) at 98 N. First St. according to its sales office.
- ◆ Modera San Pedro Square by Mill Creek has leased half of its 201 units, said **Nina Cook**, regional manager.

"It's great news that despite the huge, negative impacts of Covid, we were able to execute the lease-up of Sparq," Neale said. "We have had good leasing activity every week since the shutdown with the lone exception the week of the **George Floyd** protests."

Neale added that Sparq was about 25 percent leased when Covid struck in March.

The various leasing offices all had to adjust to Covid in order to attract tenants. For instance, on Sept. 14, Fairfield Residential announced a strategic reopening of The James. This included accepting visitors into its leasing office, virtual tours, video tours and self-guided tours that made it possible to rent without stepping foot into the leasing office.

Modera San Pedro Square also offered tenants a choice to see their apartment virtually or take a self-guided tour, Cook said. "The application and lease signing process has always been electronic," she added.

Resident events are still canceled, reports The James, which has been hosting virtual events and fitness classes.



**The 105 new apartments in the Core Companies' colorful Sparq building leased up during the pandemic.**

Apartment complex amenities continue to open as county and state orders allow. Maintenance staffs are disinfecting frequent touch points such as door handles and elevator buttons, and signs are posted to let residents know which amenities are open and closed.

Modera, The James and Sparq each offered the same special – the first two months free rent.

"We are ninety-seven percent leased, so residents have enjoyed all our unit types," said **Chris Enders**, development project manager for Sparq. "Our fastest sellers were the one bedrooms and our junior one-bedroom units."

Studios are averaging about 500 square feet, one-bedrooms between 700 and 1,000 square feet, and two bedrooms about 1,100 to 1,300 square feet. Prices start at \$2,000 per month for studios, \$2,500-\$3,200 for one-bedrooms and \$3,500 to more than \$4,000 for two bedrooms and two baths.

New tenants are mostly young professionals aged 25-35 largely from the tech sector, Neale and Cook agreed. They come from well-known companies of Silicon Valley, including Apple, Adobe, IBM, Facebook,

Applied Materials, Tesla, Google and Netflix. Other tenants represent healthcare, education and financial services, Neale added.

Men and women lease signers are split equally and there are some – but not many – families moving into the larger units. Resident feedback on downtown living is positive despite the pandemic.

"We have had a mix of tenants who were already familiar with SoFA as well as new tenants to the area," Enders said. "We hear that they love the feeling of urban living, walking to restaurants and nightlife and using the various modes of public transportation to get to their jobs, pre-Covid, of course."

On its website, Modera San Pedro Square resident **Jose R.** wrote: "Modera San Pedro offers location to everything and walking distance to your favorite local bars: The Brit, O'Flats, Farmers Union, Five Points, and SP2. Don't miss the chance to be close to everything with a good promotional price."

Adds **Jessica D.:** "Modera is a great place to be quarantined. It's very luxurious and lots of space – the balcony in particular has been a life-saver. Overall, so happy to have made the move. I can't wait until it starts opening up fully."

Separate from the four buildings reported above is The Graduate, 88 San Carlos St., with a co-living concept that opened Aug. 15 catering to students and staff at San Jose State University. Rooms come fully furnished with bed, large desk and chair, under bed and stackable dresser drawers, closet and private or shared bathroom. The building has 260 units and 1,039 beds in studio, 2-, 3- and 4-bedroom suites with shared kitchen and private and shared baths.

**Ashley Alexander**, who represents Swenson through NINICO Communications, said The Grad prices range from \$1,095 to \$2,350 per month, and is currently waiving the security deposit, application fee and administration fee. The building is about 65 percent leased, she said, with studios moving the fastest.

Also, Trumark Homes' SP78 subdivision of 78 townhomes in the North San Pedro area has sold out.

*See Apartments, Back Page*

## Google unveils lofty plans for Downtown West

Utilizing comments shared by San Jose residents, planners and visionaries over the past several years, and reconfirming its commitment to the city "over the long haul," Google revealed its plans for the 80 acres it owns on downtown's west side.

The plans call for a city within a city, a central social place with multiple uses that leverages downtown open space and transportation amenities. Plan objectives include:

- ◆ Creating jobs near transit: 7.3 million square feet of office next to an intermodal transit station;
- ◆ Building housing alongside jobs: 4,000 new housing units, optimizing affordable housing through the project and public benefits;
- ◆ Creating opportunity pathways: investing in workforce development programs and designing an eco-system model for retail, arts and small businesses;
- ◆ Connecting people to nature and mobility: 15 acres of parks, plazas and green spaces for pedestrians and cyclists;



**Google reimagines the Water Company site.**

- ◆ Making a place that is San Jose: creating a balance of offices and other land uses. Half a million square feet of space will be dedicated to retail, cultural, arts, educational, hotel and other active uses.

The plan released Oct. 7 also includes a 1,350-page draft environmental impact report, listing green features such as electrification of all buildings (natural gas only in kitchens); and on-site photovoltaic system that will generate at least 7.8 megawatts of electricity.

The best ways to view the plans are to watch "Downtown West Update + Design Standards and Guidelines Overview" on YouTube or go to [g.co/sanjose](http://g.co/sanjose). Click on "updates" to comment on the plans.

## Al Fresco expands to midnight

Restaurants serving outside on San Pedro Square and Post Street complained after police closed down Al Fresco dining activities at 10 p.m. on Oct. 17 per the existing city ordinance. Their complaints were heard at the Oct. 20 City Council meeting and City Manager **Dave Sykes** issued a notice two days later amending the ordinance and extending the Al Fresco closing time to midnight.

Following the Oct. 17 closure, SJDA and SVO sent a letter urging the city to take "immediate action to allow local restaurants to serve customers now before the winter season arrives and we lose this opportunity to save our local small businesses."

At the San Pedro Square district business meeting Oct. 21, **Blage Zelalich**, the city's downtown manager, told businesses that winterization of the Al Fresco areas is already set with maximum 400-square-foot tents with two sides open or 700-square-foot canopies with two sides open, and didn't expect that to change.

Businesses wanting larger tents or canopies would require Fire Department approval, Zelalich said.

Heaters under the tents or canopies will need to be electric, she said. Propane heaters are not allowed under tents and canopies, but will be allowed if there is no top and out in the open air. She reminded businesses that ADA compliance is still necessary when winterizing.

Offering a personal preference, Zelalich requested clear tents that provide coverage, but also visibility to downtown's aesthetically pleasing Al Fresco streets.

Meanwhile, Santa Clara County advanced a notch to the State's Orange Tier on Oct. 13, meaning restaurants could serve to 25 percent capacity or 100 people, whichever is lower, in the dining room, and public gatherings indoors could likewise expand to 25 percent capacity or 100 socially distant people, whichever is lower.

# Apartments From Front Page

Meanwhile, construction continues on several residential buildings downtown. Updates include:

- ◆ 188 West St. James by Z&L Properties – The sales gallery is open at 111 N. Market St., Suite 150, but don't expect occupancy until March 2021, said **Anthony Hattey**, vice president of construction. Potential buyers can schedule a tour or take a virtual tour of the 22- and 20-story towers totaling 643 condos.

"We are finishing the interiors and the amenity deck," Hattey said.

"We are also completing a separate building we hope to rent to a restaurant."

- ◆ North San Pedro, 171 W. Julian St. – The structural component of the 390-unit apartment building has passed inspection, and finishing work begins on the sidewalk, courtyard and interior, said **Adrian Gonzalez**, project manager for Johnstone Moyer. He estimated leasing would begin toward the end of February and move-ins soon thereafter.

- ◆ Miro, 33 N. Fifth St. by SJSC Properties – What will become San Jose's tallest building at 298 feet topped out in July. The twin towers of 28 floors and 630 units are expected to be finished in spring 2021.

- ◆ The Taft, 477 Market St. by Acquity Realty – The Taft is still in the early going. Work on the foundation and first floor is underway, said **Don Drotts**, project manager for Western National Builders. The six-story building of 130 units, roof-top terrace and ground floor retail is expected to be finished March 2022.

- ◆ First Community Housing, Bassett Street, North San Pedro area – The 135-unit residence for veterans and people with special needs has a podium plus five floors. One recent milestone is the lightweight insulated concrete put on the roof in September, reported **Dana Henderson**, project manager for L&D Construction.

"We are buttoning up the exterior," said **Ava Kup**, First Community's project manager, "completing the roofing, installing siding/stucco and storefront windows." Inside, electrical work followed by insulation and drywall installation continues. The project is timed to finish August 2021.

## SJDA News

**Holiday Lights Nov. 26-Jan. 3:** San Jose Downtown Association and downtown property owners have agreed to light Plaza de Cesar Chavez this holiday season.

Holiday Lights begins Nov. 26 and continues through Jan. 3. It is meant to be a passive, festive light experience aimed at brightening the evening of anyone passing through the Plaza Park area of downtown.

Covid-19 forced Downtown Ice and Winter Wonderland to cancel this season, and Christmas in the Park has moved out of downtown this season to create a paid holiday experience in History Park outside of downtown.

"Without these iconic events, the city's central park would be dark during the holidays," said **Doug Bartl**, president of the Property-Based Improvement District Board of Directors. "In their place will be beautifully lighted trees and arches that bring much needed cheer to downtown residents and visitors."

People strolling through the park must wear masks and keep six-foot distance from others. Disinfecting stations will also be on hand.

The star attraction of the park will be a 26-foot tree perched atop the stage on the north end of the park. Park trees and entrance arches will be lit daily from sundown.

**Participants tell Dine Downtown story:** Some of the restaurants participating in Dine Downtown told the story of the event and shared their offers on social media in October.

**Farmers' Union:** Dine Downtown is on! This event is all about exploring the exciting variety of foods and coffee offered in #DTSJ. It's going on for six weeks this year to further support local businesses due to all the hardships

## Business News

**Survival outlook for Cubamex:** **Jose Moreno**, owner of Cubamex sandwiches in SoFA, received a grant in October that will keep him in business longer.

"You have to be positive," Moreno said. "You cannot think negative if you are a business owner."

After shutting down for three months from March-June, he tried to sell sandwiches through the window of his shop at 325 S. First St. Business was slow

– less than 30 percent of normal – and he began running out of "resources, merchandise and money," he said.

He was rejected for a PPE loan and was running out of options when he learned from SJDA about the City of San Jose grant administered through the Opportunity Fund.

"I had to try," he said. "I still had to pay the rent and overhead."



**Jose Moreno serves sandwiches.**

that came with the pandemic. So make your reservations, get your friends and/or family together, and have a grand ol' time.

A huge thank you to San Jose Downtown Association for putting together this event!

**Academic Coffee Co.:** Dine about town is now through November 15th! During this time, we'll be offering a "First Breakfast" special. Start your day with a butter croissant and coffee for only \$6. Choose from our drip, espresso, americano, or 12oz. cold brew.

**District:** Dine Downtown is back! Our 3-cheese plate with the option of pairing a mixed wine flight showcases our variety of cheeses and their versatility with different wines.

**Paper Moon Café:** Food may not be the answer to world peace, but it's a start! Presenting @papermoon. cafe tasting menu for @sjdowntown Dine Downtown. Available for limited time in store only.

**Enoteca La Storia:** Come on in and try our chef special Pesto Pasta with Prawns paired with a classic and granny for \$35 plus tax. During Happy Hour 2-4 p.m., enjoy our Dine Downtown Special at \$5 off the regular price of \$35.

**Habana Cuba:** Your favorites are back in our prix-fixe menu that includes papas rellenas, fricase de pollo and our rice pudding.

**MakiBQ:** We are so happy to announce that we are participating in Dine Downtown 2.020. Three amazing and delicious Asian-fusion street foods for you to try out!

Explore new restaurants and revisit old favorites, while supporting local businesses @sjdowntown. MakiBQ offers curbside pickup, or deliver by one of our partners.

**The Nest Asian Bistro:** EXCITING NEWS! We are partnering with @sjdowntown for their Dine Downtown event to support local businesses!

**Poor House Bistro:** Join us for Dine Downtown! Dine in (outside) or take it to go! \$20 for a delicious 3-course meal and you'll be supporting local business. You have six weeks to enjoy this special as many times as you'd like!

**Voltaire FB:** Come celebrate the small businesses in downtown through this event. Voltaire will offer this special pairing of a breakfast sandwich, coffee and delicious slice of either Banana Bread (so friggin' good, it's low-key famous among locals), Pumpkin Walnut Bread or Coffee Cake! All for a special price for this event. The last two breads are seasonal, and won't be around forever!

On a more personal note, thank you for everyone who's supported our small business through this season. Looking forward to the day we could welcome you indoors again.

To see the deals of all the participating restaurants and

**Nate LeBlanc**, SJDA business development manager, assisted Moreno through the process.

"The application was extremely difficult for me at every step," Moreno recalled. "Nate was my guru – my partner. He was so good with the computer, the technology and working the tools."

Moreno received the \$15,000 grant that could help keep him open. He took training courses to make sure he follows grant protocols and uses funds properly.

"I'm trying to use the funds wisely. I need to stretch the dollars to the max," he said.

His definition of a good business day has changed. "When conventions were here, I'd sell 100 or more sandwiches. On good days (before Covid), I'd sell 30 to 50 sandwiches. Last Saturday, I sold 18. Today, (Oct. 20) I've sold two so far. This is how the economy is struggling – I now think 18 is a good day."

Moreno is determined to keep trying.

"I basically need to stay open, that's what I have to do," he said. "I will not fail for not putting enough effort into my business. For now, I still have a little bit of oxygen to breathe."

**Adega owners expand into SoFA:** The owners of Adega, a former San Jose Michelin-starred restaurant, plan to open Petiscos restaurant in the SoFA district. Petiscos

means "small plates," identical to Spanish tapas. However, the small plates will be filled with Portuguese favorites, with a seafood-emphasized menu.

Petiscos will open on the corner of South First-San Salvador streets. Owners **Carlos and Fernanda Carreira** have already expanded their operations with the Pasteleria Adega at 30 E. Santa Clara St., open during the pandemic Thursday-Sunday. Chef **David Costa** and pastry chef **Jessica Carreira** are assisting in creating the menu.

**Business License Tax exemption extended:** The City Council unanimously agreed to expand the Business License Tax exemption to sole proprietorships of any size suffering with low revenues/income through the pandemic. The exemption continues through Sept. 30, 2021.

Those eligible must estimate that their projected 2020 adjusted gross income is less than two times the poverty level established by the U.S. Department of Health and Human Services, or four times if you have a spouse/domestic partner. The threshold number is \$25,520 in business revenues or \$51,040 in annual household income with a spouse or domestic partner.

Paying the Business License Tax allows businesses to operate in San Jose. The annual tax costs a one-person shop \$203, a 20-person business \$792 and a 100-employee business more than \$4,000.



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complete list of open restaurants, check [sjdowntown.com/dine-downtown](http://sjdowntown.com/dine-downtown).

**Holiday Market opens Nov. 13:** For the first time, SJDA and Pacific Coast Farmers' Market Association have agreed to present the Downtown Holiday Market – which includes the California-grown fruits and vegetables plus artisan vendors selling gifts of the season.

Holiday Market will be open five Fridays, Nov. 13-Dec. 18 (but closed Nov. 27), 10 a.m.-2 p.m., along San Pedro Street between Santa Clara and St. John streets.

"We are so excited to bring more artisan vendors each week for your holiday shopping," said **Donna Butcher**, SJDA event coordinator, "with the continued focus to make sure everyone has room to move through the market safely."

Walk, ride or use VTA to get to the market. If driving in, use the Market-San Pedro Square Park SJ garage and get the first 90 minutes of parking free.

Follow the Holiday Market on Twitter (@SJ\_Downtown), Facebook (/sjdowntown and /DowntownFarmersMarket) and the weekly Downtowner Online email of downtown in-person and virtual events.

## From the Archives

**10 years ago – November 2010** – The former Senior Center in St. James Park, recently merged into the nearby

Roosevelt Center, began building demolition.

**15 years ago – November 2005** – SoFA businesses worked with the Redevelopment Agency and First ACT on a streetscape facelift to curbs, gutters, sidewalks, trees, and lighting on South First between William and Reed streets.

**20 years ago – November 2000** – The Silicon Valley Small Business Development Center (SBDC) opened a downtown branch offering free consultations and access to informational resources for the small business community.

**30 years ago – November 1990** – The first issue of City Times newspaper, published by Metro, targeting the downtown community premiered. The weekly paper lasted four years.

## SJDA Year-in-Review Meeting

**Virtual meeting Dec. 11:** SJDA's annual year-in-review presentation will be presented virtually this year on Dec. 11, starting at 8:15 a.m.

The December SJDA meeting will also include the Golden Nail presentation and a farewell to SJDA and PBID Board of Directors members reaching the end of their terms.

## DOWNTOWN DIMENSION

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