SAN JOSE — Jay Paul Co. officially broke ground Wednesday on a new office tower that is poised to become a dramatic addition to downtown San Jose's skyline and take shape as a campus for a high-profile tech titan.

The construction by veteran developer Jay Paul of what is expected to be an iconic high-rise at the corner of Park Avenue and South Almaden Boulevard marks a major watershed for downtown San Jose: the downtown's first office tower in a decade that is being built on a speculative basis.

“We are reimagining the shape of this city,” San Jose Mayor Sam Liccardo said during the groundbreaking ceremony at 200 Park Ave. “We are reimagining a city that is being built up and not out.”

The new office building is expected to total 875,000 square feet.

“We are very excited about this,” said Jay Paul, president of the company that bears his name. “We have made a major commitment to downtown San Jose.”
The building, which was designed by Gensler and is being constructed by Level 10, could potentially accommodate 3,500 to 4,400 workers.

“I look forward to seeing these offices filled up over the next few years,” said San Jose City Councilman Raul Peralez, whose district includes downtown San Jose.

Brokers Phil Mahoney and Michael Saign of Newmark Knight Frank, a commercial real estate firm, have begun to scout for one or more big tenants to fill the 200 Park project.

“Jay Paul is being very bold and courageous,” said Gary Dillabough, principal executive with Urban Community, a busy downtown San Jose developer. “We really see the downtown turning the corner.”

Observers believe the new tower will attract plenty of interest from tech companies that want to create job hubs near where their employees live, rather than force workers to drive cars or ride buses on freeways choked by vehicles.

“A lot of the new tech workforce is millennials, and they are sick of riding those buses to work,” said Erik Hayden, managing partner with Urban Catalyst, an active developer in the downtown. “They are not about having wifi on the bus, they are about their mountain bikes and living near work.”

On the north side of Park Avenue, across the street from the under-construction 200 Park tower, the Jay Paul firm envisions an even grander commitment to downtown San Jose.

At the existing CityView Plaza complex, Jay Paul intends to develop 3.8 million square feet of office and retail in multiple towers, a huge project whose scope is large enough that 19,000 people could work at that site when it’s complete.

“Hopefully next year we will start CityView,” Paul said.

In an interview with this news organization, Paul said that downtown San Jose is an ideal spot for a major office project such as 200 Park since the city’s urban core is gaining more residents, housing developments, restaurants, and nightlife. That, in turn, appeals to the younger people who tend to work at tech companies.

“Young people want to live and work in the same place, they want to get out of their condo or rental apartment, and walk to where they need to,” Paul said. “Downtown San Jose is a really vibrant environment for people who live and work here, it has all the restaurants and the theaters.”
The 200 Park project is expected to be completed by late 2022 or early 2023. The CityView development could be completed in 2024. Once these two projects are finished, along with two other big office buildings a few blocks away, Jay Paul could own 5 million square feet in downtown San Jose, executives with the developer estimated.

“There are going to be thousands of people working on this corner,” said Scott Knies, executive director of the San Jose Downtown Association. “With Adobe kitty-corner from here, the Center for the Performing Arts, CityView across the street, this is going to be the 100 percent intersection for downtown San Jose.”

Besides the Jay Paul plans on both sides of Park Avenue, Google plans a huge transit-oriented mixed-use development known as Downtown West, and Adobe is busy constructing a new office tower to expand its downtown headquarters campus.

The downtown appears to have arrived at a milestone, Liccardo said.

“This marks the coming of age of downtown San Jose,” Liccardo said. “There is a broader movement to transform our downtown into a vibrant urban center that generations have longed for.”