

DOWNTOWN DIMENSION

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Will they be Roarin' '20s?

Downtown San Jose has many irons in the fire at the start of a new decade.

Downtown West (DoWe), BART, affordable housing, St. James Park, addressing homelessness, dramatic office development, and the growth of the San Pedro Square, Historic and SoFA districts are all cooking at various stages, from simmer to boil.

Downtown Dimension takes a look back at some of downtown's impactful events of the past two decades as we ponder efforts for the next 10 years:

Dr. Martin Luther King, Jr. Library – The \$177 million, 475,000-square-foot eight-story building serving as both San Jose State University's library and the City of San Jose's Main Library opened in 2003. Envisioned by Mayor **Susan Hammer** and SJSU President **Robert L. Caret**, the joint library was the first of its kind in the United States. It receives 2 million visitors a year and can seat more than 3,500 patrons at one time. The landmark 1.5 million-volume library at Fourth and San Fernando streets is one of the city's crown jewels built during the Redevelopment Agency era.

City Hall – Mayor **Ron Gonzales** opened the City of San Jose's sixth seat of government on Oct. 15, 2005. The 18-story tower and 110-foot-high rotunda, both designed by **Richard Meier**, "has a remarkable presence in our downtown skyline," wrote SJDA President **Henry Cord** at the time. A month after opening, SJDA hosted a "Taste of Downtown" in the rotunda for the 1,800 employees occupying the new building. City Hall had been downtown from the 1850s to 1960s, but left in a post-World War II building boom to the Civic Center north of downtown, where it remained for 50 years. The return to downtown at Fifth and Santa Clara streets cost \$384 million.

SharkByte – Modeled after the 1998 "Cows on Parade" introduced in Zurich and adapted in New York City, Chicago and other U.S. cities, San Jose put sharks on exhibit during SharkByte. One hundred artists were each paid \$1,000 to transform life-sized fiberglass sharks into works of art through painting, sculpture, metal work and textiles. In August 2001, the finished works were put on display. Each shark was sponsored by a beneficiary organization that would receive proceeds from the sale of "their shark" at an auction scheduled for November. However, the auction was postponed to March 2002 because of the Sept. 11, 2001, terrorist attacks on the U.S. and the lingering economic downturn. The auction of 99 sharks raised \$285,000 and the top



City Hall returned to downtown San Jose in 2005 after a 50-year absence.

producer was MegaByte, dressed in a San Jose Sharks jersey, which garnered \$20,000 for the Sharks Foundation.

San Jose Grand Prix – With a start/finish line along Almaden Boulevard and giant grandstand in the Boston Properties parking lot across from the Convention Center, the Champs Car race circuit fashioned a 1.6-mile race track through downtown for three days of races plus a fan festival in summer 2005, '06 and '07. Creating a race circuit meant putting asphalt on all sections of the track, removing poles and trees along the route, including many of the palms in the middle section of Park Avenue, and adding safety fencing along the course and exterior fencing on the event venue's perimeter. Only 9 of 18 cars finished the first downtown race. For the second race, crews shaved off parts of the light rail tracks on San Carlos Street that the delicate race cars bounced over in the first go-round. The race attracted more than 120,000 people each year. The event was canceled when Champs Car ceased operations and merged into the Indy Racing League.

Fairgrounds concert hall – SJDA adamantly opposed a plan by Santa Clara County to build a 7,100-seat concert hall at the Santa Clara County Fairgrounds. At the time, the Redevelopment Agency was considering a 5,100-seat downtown concert venue and the Events Center at San Jose State promised to book more acts. In separate law

suits and for different reasons, the City and SJDA sued the county in August 2004. The judge sided with the City's suit claiming that the county didn't follow its obligation to get zoning regulations straightened out before proceeding with the project. SJDA's suit was dismissed. Ultimately, the county gave up on the concert hall idea.

Groundwerx – As recession reduced public budgets and the cleanliness of downtown deteriorated, property owners voted to tax themselves and form a Property-Based Improvement District (PBID) in 2007 that created Groundwerx in 2008. The PBID took over sidewalk cleaning, beautification and enhanced security services. Street life projects, tree trimming and business development programs added to the PBID's portfolio.

Height limits relaxed – SJDA intercepted a November 2006 proposal signed by the city manager and airport director recommending lowering the maximum heights of future downtown buildings so that occasional planes taking off southbound over downtown would have unob-

structed emergency routes. After two years of debate pitting the city's economic engines against each other – the airport vs. downtown – the dispute was shelved as the Great Recession halted high-rise development and the airport shed flights. In 2019, Mayor **Sam Liccardo** and the City Council agreed that the height of downtown's buildings should comply with Federal Aviation Administration standards rather than the previous city practice that restricted maximum heights for a handful of flights. As a result, future buildings in the straight-ahead flight path over the downtown core can grow by up to 35 feet and in the Downtown West area, 70 to 150 feet higher.

San Jose A's – The City and Redevelopment Agency made several land acquisitions in 2009 just south of Diridon Station and the arena to show the Oakland A's and then-owner **Lew Wolff** that San Jose was serious about welcoming the team to the South Bay. For a while, the town was abuzz and drawings of "Cisco Field" included a sunken diamond to accommodate the aforementioned lower building heights. But the Giants, who had previously tried to move to Santa Clara, claimed Santa Clara County as its territory and Major League Baseball Commissioner **Bud Selig** would not interfere with a ruling on either side's behalf. In a stalemate, the quest to move the team fizzled out by 2014.

See Impacts on Back Page

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Downtown News

DASH stops running: The Downtown Area Shuttle (DASH) ran its last route from Diridon Station through the downtown on Dec. 28.

The free weekday service has been replaced by “Rapid 500,” which will connect Diridon Station with City Hall every 7-8 minutes during the day, run every day, and eventually extend to Berryessa BART Station once that service begins. Rapid 500 riders have to pay VTA fares. SJDA started and funded DASH initially. Over time, the shuttle was funded by SJSU, City of San Jose, VTA and grant from the Bay Area Air Quality Management District. “It was an effective service with large ridership,” said SJDA Executive Director **Scott Knies**. “It turned out to be a connector for students between Diridon Station and San Jose State.”

DASH operated since 1996 and averaged in a peak month more than 1,000 riders per day. After announcing it would cease operations in 2018, DASH still averaged 858 daily riders. Besides carrying Spartans to and from class, downtown employees and residents regularly boarded DASH.

More information is available at newtransitplan.vta.org/final-plan-frequent-routes.

Museum Place approved: The City Council approved new plans for Museum Place submitted by the developers, led by Urban Community's **Gary Dillabough**.

Expected to start construction in 2020, the new building is substantially different than the previous composition proposed by King Wah development group. The new plans call for 928,000 square feet of office, 8,400 square feet of retail and room for a 60,000-square-foot expansion for The Tech Interactive.

Museum Place is located between The Tech and the 875,000-square-foot 200 Park Ave. office building under construction at Park Avenue and Almaden Boulevard. Museum Place would replace Parkside Hall, which has been used by The Tech for traveling exhibits. The Tech expansion into Museum Place would allow the museum to host more classes and exhibits.

Original plans called for a building that included office, residential, hotel, museum expansion and ground-floor retail. Since putting a \$1 million down payment on development rights, Dillabough's Urban Community has grown its downtown investment to 21 properties downtown. Dillabough said the new plans are part of an overall strategy Urban Community has for downtown.

Urban Community's partner on the project is Westbank, which has heretofore focused on construction in Tokyo, Toronto, Vancouver and Seattle.

The City of San Jose is also a partner. City Council agreement is necessary because the development is on city-owned property.

Scaffolding removed: DivcoWest has taken the scaffolding off 2 W. Santa Clara, and reports it will be able to show potential tenants this month for move-in early in 2020.

The 10-story, 84,000-square-foot office building with new fifth-floor roof deck, interior systems and lobby will likely host smaller tenants. Up to 83 work desks are available on each of the lower four floors, and up to 46 work stations on the upper floors.

Built in 1910 and expanded in 1927, the location has hosted First National Bank, Bank of the West, Pacific State Industries and most recently, Walgreen's.

Business News

MLKY's way: MLKY has opened at 30 E. Santa Clara St, serving hand-crafted milk tea and boba “pearls.” Signature drinks include black sugar latte, Vietnamese cold brew and Saigon iced coffee.



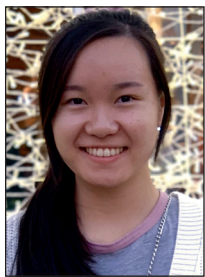
MLKY owners emphasize quality customer service as a point of differentiation from other boba shops. To ease MLKY's carbon footprint, customers receive a reusable metal straw. Check getmlky.com.

On Fountain Alley: MakibQ is open for lunch weekdays

on Fountain Alley, offering customers Japanese fried chicken, Spam musubi and tamago prepared with rice bowls, sushi-burritos and salad bowls. Find out more at makibq.com.

SJDA News

Program coordinator: **Jessica Vuong** is San Jose Downtown Association's membership and program



Jessica Vuong

membership, database and event support. Vuong has a bachelor's of science degree in managerial economics.

coordinator. A recent graduate of UC-Davis, Vuong has been assisting SJDA with the event calendar on sjdowntown.com and coordinating the weekly Downtowner Online, sent to 7,500 emails. She started as an intern and continued after her internship as a contractor. In her new role she will provide

Impacts

From Front Page

However, the ballpark land acquisitions paved the way for Google's exclusive negotiations with the city for the



Cisco Park would have been A's home.

properties and ultimate acquisitions of those and many other privately owned parcels starting in

late 2016.

BART to San Jose — BART to San Jose has been on the minds of local residents since Santa Clara County opted out of the BART District at its inception. As a result, VTA is responsible for any extensions to San Jose. Santa Clara County voters have passed three different tax measures (2000, 2008 and 2016) to help fund the project through San Jose to Santa Clara. Building the line has been fraught with delays. The project from Warm Springs to Berryessa started in 2012 and is expected to start service in 2020. Phase II takes the line underground with a single bore under Santa Clara Street, with downtown stops at Market Street and at SAP Center. VTA, which owns most of the block of West Santa Clara Street between Market and First streets to St. John Street, will use the property as a construction staging area and transit-oriented development. Downtown won't see BART passengers before 2030.

Homeless hopes: For the first decade of the 21st Century, homeless was a minor problem downtown. But in recent years, homelessness has emerged as a top priority downtown. Voters passed Measure A in 2016, approving \$950 million for affordable housing, including

\$234 million in homeless housing. Groundwerx has trained and hired former homeless individuals for the past five years. The Plaza Hotel, Second Street Studios at First and Keyes streets, and Villas on the Park have opened in the past two years. North San Pedro Studios is under construction off Bassett Street and more projects are in planning.

End of the Redevelopment Era — The 2012 dismantling of San Jose Redevelopment Agency was painful to the City. RDAs investment in downtown was estimated at \$2 billion over 55 years. Big projects include The Tech and Children's Discovery museums, Repertory Theater (now Hammer Theatre) and the California Theatre restoration, plus Guadalupe River Park investments and building the arena.

\$3 billion invested in three years: Investment in downtown San Jose has soared in recent years, and the price per square foot has followed along. Take 50 West, the eponymous building name for 50 W. San Fernando St., for example. In 2013, longtime owner Forest City sold the 367,000-square-foot 50 West to CBRE Global Investors for about \$103 million, or \$280 per square foot. CBRE sold to DivcoWest / Rockpoint Group for \$165 million, or \$450 per square foot. Jay Paul Co. bought 50 West in 2019, paying about \$235 million, or \$640 per square foot.

On another scale, Redevelopment Agency originally valued the Anno Domini building at 366 S. First St. at \$500,000 and San Jose Stage at 490 S. First St. at \$1.2 million in 2012, and eventually sold the properties for \$1.05 million and \$2.3 million, respectively, in 2018.

From 2017-19, downtown property changed hands to the tune of \$3 billion. Investment was led by Google, Jay Paul Co., Urban Community, K.T. Urban, Boston Properties, Bayview, Adobe, and new opportunity zone players like Urban Catalist.

Golden Nail Award

San Jose State cops second Golden Nail

The recently opened Recreation and Aquatic Center at San Jose State University earned the Golden Nail Element of Distinction Award offered by SJDA's Downtown Design Committee.

“Not only is it a lovely building from powerhouse architectural firm Gensler with sharp clean lines and plentiful natural light, it is a key piece in making San Jose State's campus more ‘sticky’ and less transitional,” said **Nate LeBlanc**, SJDA's business



Charlie Faas

development manager at the Dec. 13 SJDA public meeting. “Students are spending more time on campus and, therefore, here in our downtown thanks to this beautiful and useful new building.”

Golden Nail awards are given to the people largely responsible for creating and adding the best possible urban design to downtown San Jose.

San Jose State also won a Golden Nail Award in 2014 for its Student Union expansion and renovation.

“We want San Jose State to be a huge part of downtown,” said **Charlie Faas**, San Jose State University vice president and CFO of administration and finance, who accepted the award. “Our plan is to be back in a couple of years when our new science building is completed.”

Architect **Jaqueline Zuhoski** of Gensler also credited Hunt Construction Group for “delivering this amazing amenity to San Jose State and the downtown community.”

Opened in April, the center features indoor track, spacious three-court gym, exercise machines, rock-climbing apparatus, quiet lounges and outdoor lap and recreational pools.



SJSU's Recreation and Aquatics Center keeps students active in downtown San Jose.



SAN JOSE DOWNTOWN ASSOCIATION

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Downtown Facts

Downtown Hotel Performance

	2015	2016	2017	2018	2019 (est.)
Occupancy	78%	78%	77%	77%	74%
Average Daily Rate	\$203	\$225	\$227	\$237	\$240
Revenue per Available Room	\$158	\$176	\$174	\$183	\$173

Source: Team San Jose

At the Convention Center

Jan 9-12 — Silicon Valley International Auto Show (35,000) svautoshow.com

Jan. 16 — Capt. **Scott Kelly** — SJ Speakers Series (2,550) sanjosetheaters.org

Jan. 16-20 — Further Confusion (3,325) furtherconfusion.org

Jan. 26 — Bridal Show (3,000) cabridalshows-sj.com (estimated attendance)

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Editor-in-Chief: **Scott Knies**

Editor: **Rick Jensen**

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January Events

Daily through Jan. 5 — Christmas in the Park

Daily through Jan. 12 — Downtown Ice

Daily through Jan. 12 — Shen Yun