

**For Immediate Release:**

**March 10, 2004**

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**San Jose Launches “Heart of the City”**  
***Mayor Gonzales, downtown community, CIM Group celebrate***  
***first phase of downtown housing-retail project***

***San José*** --- The start of construction for the CIM Group’s *Heart of the City* mixed-use retail and residential development was celebrated in downtown San Jose today.

The \$31.7 million project at Second and Santa Clara streets is the first phase of major downtown development by CIM that will also include a mid-rise residential mixed-use project on San Fernando between 2<sup>nd</sup> and 3<sup>rd</sup> streets. The Redevelopment Agency share of the funding is \$7.8 million.

This phase of the “Heart of the City” project includes 17,500 square feet of ground-level retail and entertainment space, a five-story condo building with 42 homes, and a three-story structure with 31 apartments above the retail space. Anticipated project completion is late 2005.

“We are taking another big step in partnership with CIM to bring more people to live and work in downtown San Jose,” said Mayor Ron Gonzales. “We are making the heart of our city a successful model for encouraging urban living in an attractive neighborhood.”

Two levels of subterranean parking will provide 172 spaces. The first level will be public parking to serve the downtown district, and the remainder will serve residents of the project.

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The San Jose Redevelopment Agency investment will provide the public parking, add affordable housing, and create a business environment that supports new shopping and restaurants.

“Downtown San José is already desirable location with charming historic structures and an effective urban plan to create a vibrant street life. We are building on this base, which complements existing businesses and completes development of this key city block,” said John Given, senior vice president of CIM Group.

The project is located on the existing parking lot between Second and Third and Santa Clara and San Fernando Streets. It is the last undeveloped site on the block that includes the restored historic Jose Theatre/Improv Club, the new Century Center apartments, P.F. Chang’s China Bistro, and Zanotto’s Downtown Market that reopens this summer.

SB Architects designed the project to reflect the style and architecture of the Downtown Historic District. Two distinctive buildings will harmonize with the different environments along Second and Third Streets. Swinerton Builders is the general contractor

“The Second and Santa Clara project will enhance the vibrancy of our Downtown and will offer residents the opportunity to enjoy a great urban lifestyle, with arts, entertainment, shopping and dining,” said Councilmember Cindy Chavez. “It will complete an integral block in our historic retail district.”

The project’s condos and apartments will have natural light and many will have patios and balconies. The condominiums vary, with ground level live/work lofts and with single level and townhouse styles around a landscaped courtyard.

The next phase of CIM Group’s development for Downtown is planned a block away along San Fernando between Second and Third Streets. Design is underway for a mixed-use project with approximately 335 for-sale condominiums, 68,000 square feet of retail and approximately 570 parking spaces.

Last year CIM Group completed its renovation of the historic Twohy Building in Downtown San Jose, creating 36 new loft-style apartments and 7,200 square feet of retail.

“Our goal is to revitalize each block of our historic retail district and to make the area a genuine retail destination,” said Harry Mavrogenes, interim executive director of the San Jose Redevelopment Agency. “Our city’s center is really taking shape.”

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CIM Group, based in Los Angeles, is a full service real estate investor and operator organized in 1994 to revitalize districts of high population density, including the traditional downtown areas within large cities and the main street districts within towns and suburban cities.

A leader in California's urban renaissance, the company has developed a strong portfolio of street retail and urban housing, office, and mixed-use properties in California's most popular destinations.

CIM Group is currently managing investments in downtown Los Angeles, Hollywood Boulevard, midtown Los Angeles, San Pedro, West Hollywood, Anaheim, Huntington Beach, San Jose, Sacramento, San Francisco, and Washington, DC.

CIM Group manages the \$676 million CIM Urban Real Estate Fund, formed with investments from the California Public Employees' Retirement System (CalPERS) and the California State Teachers' Retirement System (CalSTRS), to pursue urban infill projects.

The San Jose Redevelopment Agency is dedicated to improving the quality of life for all who live and work in San Jose. Governed by the City Council, the Agency oversees comprehensive programs for development to revitalize the downtown, neighborhoods, and industrial areas of San Jose.

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