CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

News Release

Office of San José Mayor Ron Gonzales

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Construction Starts on High-Rise Housing and Retail in Downtown San José

CIM Group's "Central Place" to add 402 condos, new shops/restaurants, and additional public parking

San José – The start of construction for a new high-rise residential tower in the heart of downtown San José was celebrated today by the San Jose Redevelopment Agency and community and business leaders.

The full project, known as "Central Place," includes two 24-story towers that will have 402 condominiums, 68,000 square feet of ground-floor retail and restaurant space, a new pedestrian-oriented street, and 338 below-grade public parking spaces. The site is located at San Fernando Street between Second and Third Streets at the surface parking next to the San José Repertory Theatre.

"This is a very impressive milestone for living in downtown San José," said San José Mayor Ron Gonzales. "Central Place continues the growth of our downtown as a highly desirable residential neighborhood, and it will add to the excitement and vitality in the heart of our city."

Gonzales joined Vice Mayor Cindy Chavez and developers CIM Group, Wilson Meany Sullivan LLC, Stockbridge Real Estate Fund II, along with the San José Downtown Association and community and business representatives at the groundbreaking.

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Central Place is being built two separate phases on the site formerly known as "Block 3." Phase I will consist of a 24-story high-rise tower that includes 32,000 square feet of retail space, 197 condominiums, and 338 below-grade public parking spaces.

"This mixed-use project brings together three elements that will foster the excitement and vibrancy we have downtown: more homes, more stores, and a new public parking garage" said Vice Mayor Cindy Chavez.

The Redevelopment Agency's investment in Phase I will be approximately $23.2 million, which among other things includes $14.5 million for the public parking structure, environmental remediation, retail tenant improvements, and a new street that will be called "Central Place." Work on Phase II will begin as the construction on the first phase nears completion.

"The new tree-lined and energetic street will create additional opportunities for street-front retail and sidewalk cafes that will add to the vibrancy of our downtown," said Harry Mavrogenes, Executive Director of the San Jose Redevelopment Agency.

"Coupled with more than a thousand new residents and the addition of more retail opportunities, we expect this project will bring many benefits to our downtown neighborhoods."

Central Place is the first mixed-use high-rise in downtown San José and it represents the growing market for urban residential development. In addition to the Central Place project, CIM Group is currently developing another housing and retail project on Second and Santa Clara streets.

San José anticipates the start of construction of ten high-rise residential or mixed-use towers in the downtown area over the next several years.

"We are excited to be at the forefront of urban high-rise development in downtown San José," said Diane Olmstead, principal for investment and development with CIM Group.

"Delivery of Central Place as a high quality high-rise residential and retail project should act as a cornerstone for San José's joining the trend of urban living and smart growth that is sweeping through the major U.S. cities."

Hollywood-based CIM Group is experienced in new urban infill development including the renovation of the historic Twohy Building in downtown San José.

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CIM investments are located in other California communities, such as Los Angeles, Sacramento, San Diego, Santa Monica, Brea, Pasadena, and Hollywood, as well as Rosslyn, Virginia, Washington, D.C., and Bethesda, Maryland (www.cimgroup.com).

CIM has partnered with Wilson Meany Sullivan, a San Francisco-based mixed-use real estate investment and development company, and Stockbridge Real Estate Funds II. WMS has developed over six million square feet of mixed-use, residential, retail, and office properties in the Bay Area (www.wmspartners.com).

Stockbridge Real Estate Funds is an experienced team of real estate professionals with broad expertise in real estate and capital markets transactions and a track record of achieving successful financial returns on their real estate investments (www.sbfund.com).

The San José Redevelopment Agency partners with business and the community to achieve economic revitalization in the downtown, technology parks and industrial areas, and neighborhoods (www.sjredevelopment.org).

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