

In Depth:

STRUCTURES

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Los Gatos retail

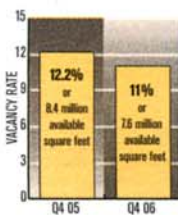
New owners of the Downing Center say more nationally-known chain retailers, and fewer mom-and-pop stores, will be part of the mix.

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Charting it out

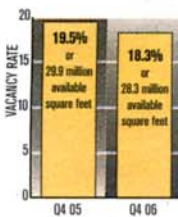
Vacancy rates have dropped for office space and R&D space in Silicon Valley;

Office Silicon Valley



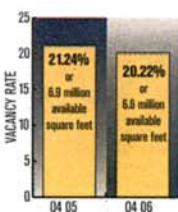
Office space vacancy rate has dropped by about 1 percent.

R&D Silicon Valley



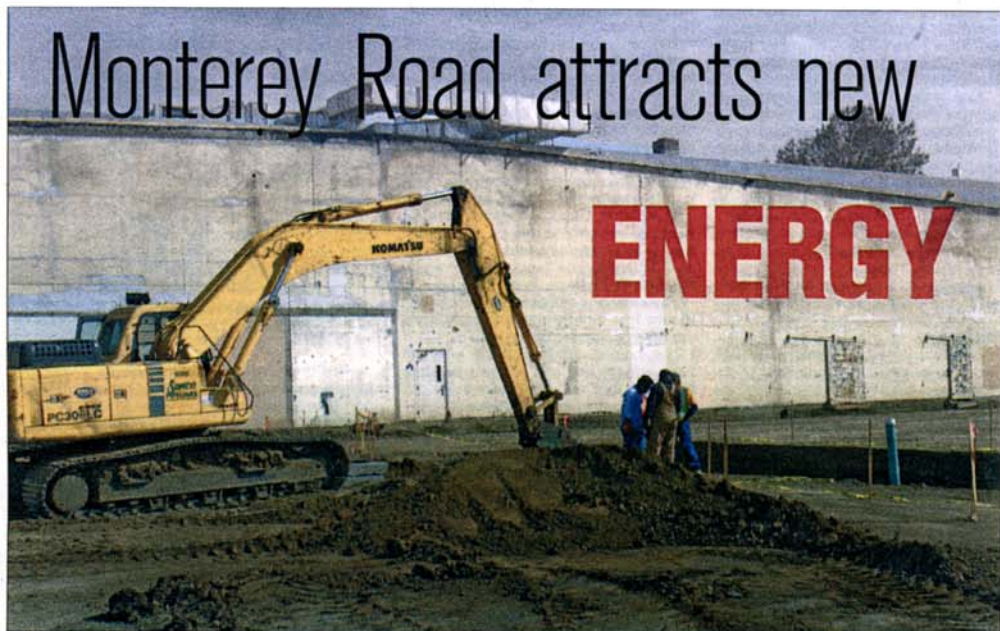
Research and development vacancy rate has also dropped by about 1 percent.

R&D North First St.



North San Jose R&D vacancy rate has dropped by a little less than the valley drop overall.

SOURCE: NAI BY COMMERCIAL



CORRIDOR DEVELOPING: Construction workers install a pipeline system at the site of the former General Electric Motor Plant at Curtner Avenue and Monterey Road. The plant is being renovated and is part of a \$142 million mixed-used, lifestyle complex, one of a series of developments along the Monterey Road corridor.

Retail, office space and housing are under construction

BY BECKY BERGMAN
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Several new commercial and residential developments are sparking somewhat of a renaissance along the Monterey Road corridor in San Jose.

Westrust Ventures, a retail and mixed-use developer, broke ground last August on the 646,000-square-foot, \$142 million mixed-use, lifestyle complex at the former General Electric Motor Plant at Curtner Avenue and Monterey Road.

And in January, the developer announced it had sold 10 acres at The Plant to national retailer Target Corp. Company officials at Westrust did not disclose the sales price.

Target, which closed the deal on Dec. 26, broke ground early in January on its 138,000-square-foot store with plans to open early October.

The 10-anchor power center, scheduled for completion by late summer, is the largest of its kind ever built in the city. Other retailers include Home Depot, Best Buy and PetSmart.

Plans for the 55-acre power/lifestyle/office complex include retail, a town square center, .75-acre central park, a 2,000-square-foot community center, four sit-down restaurants, six casual food establishments, two fast food restaurants, one gas station and 8,000 square feet of office space. Net

leases for shop space run about \$50 to \$60 per square foot depending on size and location, according to the developer.

The company plans to announce the names of more retailers sometime over the next 30 to 45 days, according to Sean Whiskeman, a leasing & marketing exec for Westrust Ventures.

"We have a lot of great activity going on right now," he says. "We're in the middle of finalizing lease agreements with a few of

'The combination of developments going on right now will definitely make a positive difference for the city.'

Nanci Klein
San Jose economic development office

the big box retailers, some restaurants and small shops."

Westrust, a Calabasas- and San Francisco-based commercial development, leasing and property management firm, bought the plant from GE in March. The developer did not disclose financial terms of the deal.

In a joint venture with Pacific Coast Capi-

tal Partners and Vornado Realty Trust, Westrust is constructing eight new buildings on the site and renovating the historic two-story GE Motor headquarters.

The historic building will include retail on the ground floor level and office space on the second level, parceled out over 1,500 to 2,000 square feet. Westrust execs anticipate mortgage, title and real estate companies will be interested in the space.

Company execs want to incorporate the site's history into the building, although they are unsure of what to do exactly, according to Whiskeman.

The architect for the project is Kenneth Rodrigues & Partners Inc. in Mountain View; Cornish & Carey in Santa Clara have been working with the developer to lease the complex.

At one time, more than 3,000 GE workers produced motors for agricultural pumps and components for nuclear power plants.

The plant opened in 1948 and shut down its final production facility last year when the company moved the rest of its nuclear operations to North Carolina.

The new development will help San Jose bolster its city coffers, which have suffered in recent years as consumers flee to neighboring cities like Cupertino, Palo Alto and Milpitas for more shopping variety and

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MONTEREY: A 30-acre urban village, including townhomes and affordable housing, is under way

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convenience.

By 2008, the Plant will likely generate around \$243 million in annual sales, according to a study by the Sedway Group of San Francisco.

That will mean more in sales taxes for the city.

"San Jose is losing \$2 billion a year in taxable sales because residents are spending their dollars in bordering cities," says Nanci Klein, a project manager with the city's office of economic development.

"And we're in the fifth year of a cumulative \$297 million deficit. The combination of developments going on right now will definitely make a positive difference for the city," says Klein.

Launched in 1992, Westrust specializes in retail and mixed-use projects throughout California. The company has acquired or developed 47 properties in five states totaling more than \$1.19 billion. The company is currently developing five projects totaling \$492 million in California and Hawaii.

New housing

Affordable housing developer ROEM Corp. broke ground on the first of its 93 for-sale townhomes as part of its 30-acre urban village project at Goble Lane and Monterey Road last month.

The first townhomes in the Montecito Vista development will be available by third quarter this year, according to ROEM officials. The units will range from 1,600 to 2,100 square feet and start

in the high-\$500,000s.

The company's proposed plan calls for a mixed-use commercial/retail and residential development that will include 860 for-sale townhomes, condominiums, single-family homes and market rate apartments, 18,000 square feet of ground-level retail amid a 2-acre public park.

Anticipated completion date for the eight-phase development is around 2010, according to project manager Derek Allen.

The company has two other developments in the Monterey Road urban village that will open this year.

- The Corde Terra Apartments boasts 300 upscale 1-, 2- and 3-bedroom units ranging from 700 to 1,200 square feet amid private courtyards and amenities.

The complex includes a spa area, community center and swimming pool.

The Santa Clara developer is also nearing completion on its 43 single-family housing units, which are part of the Villas at Corde Terra infill development on Tully Road.

The company released its first set of homes last month and residents have started moving in, says Allen.

The homes, ranging from 1,600 to 2,200 square feet and starting around \$650,000, face out to a shared central park while the two-car garages are accessible behind the homes.

- Also, the company is waiting for approval to build 150 senior affordable housing units as part of its last phase.

If San Jose city officials give ROEM officials the go-ahead it wants, the de-



MONTEREY ROAD: Developments along Monterey Road include a mixed-use, lifestyle complex at Curtner Avenue and an urban village at Goble Lane.

veloper likely will break ground as early as summer and complete the project in 18 months.

Since Robert Emami launched ROEM Corp. in 1978, he has specialized in high-end single-family homes, townhomes, luxury homes and multi-family projects in San Jose. The company, with a total combined 150 years experience, has de-

veloped more than 10,000 housing units.

"The direction this area is heading makes this a promising community," says Allen. "All the development in the region is making this a desirable place to live."

BECKY BERGMAN is a freelance writer based in North Carolina.