



Memorandum

TO: HONORABLE MAYOR, CITY
COUNCIL AND REDEVELOPMENT
AGENCY BOARD

FROM: Les White
Harry S. Mavrogenes

**SUBJECT: REQUEST FOR PROPOSAL FOR
DEVELOPMENT AND LEASE OF
6,278 SQUARE FEET RETAIL SPACE
IN SAN JOSE CITY HALL**

DATE: November 2, 2006

COUNCIL DISTRICT: 3

RECOMMENDATIONS

It is recommended that the City Council approve a Request for Proposals (RFP) to solicit interest for the development and lease of 6,278 square feet of retail space in San Jose City Hall and direct staff to prepare: 1) a corresponding appropriation action in the amount of \$500,000 for this project and 2) a Cooperation Agreement between the City and the Redevelopment Agency for consideration by the City Council and the Redevelopment Agency Board at its November 21, 2006 meeting.

OUTCOME

Approval of the recommended action will set the assumptions for the City Hall Retail Request for Proposals and direct staff to prepare an appropriation action and Cooperation Agreement for future City Council approval prior to the release of the RFP.

BACKGROUND

Included in the San Jose City Hall complex are 6,278 square feet of retail space. The retail space was intended to complete the retail frontage along Fourth Street from Santa Clara Street to San Fernando Street and to provide food service to City Hall employees/visitors and area businesses and residents.

In April 2005, the City of San Jose released a RFP for the City Hall retail space. The RFP was widely distributed to over 300 restaurants, retail brokers, retail developers, and operators of retail food courts. The RFP clearly indicated that the City Hall retail space was in a "cold shell" condition and would require the successful proposer to make a substantial investment to improve the space. The RFP process concluded with three responses: one from a local developer and two from individual tenants who did not propose to build out the entire retail space.

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On June 28, 2005, the City Council approved the selection of Donald F. Imwalle, Imwalle-City Hall, LLC, as the preferred proposer for the master tenant for the development of the restaurant space in the City Hall retail space and approved proposed business terms to be included in the lease agreement. On June 27, 2006, the City Council approved revised business terms and conditions of the proposed lease, which included a \$300,000 City contribution to the build out of the shell space. The City Council approval of the business terms also included direction to staff to include a specific labor peace provision in the lease.

In July 2006, Imwalle-City Hall advised the City that it was no longer interested in pursuing the City Hall retail space opportunity. At the City's request, the Redevelopment Agency began providing assistance to the City in its efforts to solicit proposals, negotiate a Lease Agreement and manage the construction process.

ANALYSIS

To solicit as many proposals as possible from a range of potential users of the City Hall retail space, City and Agency staffs have been reviewing the assumptions made in the April 2005 RFP and the corresponding City requirements for the submission of proposals. As a result, a clearer Request for Proposals has been prepared to release to the development and retail community (attached).

A key inhibitor to the receipt of proposals for the lease retail space is the existing condition of the space. The existing condition of the City Hall retail space requires a significant amount of work for any tenant to occupy it. There are no utilities in the premises (sewer, water, gas or electricity), no HVAC systems currently available, no fire and/or life safety systems installed and the space requires a concrete floor throughout the space to bring it up to street level. These very basic shell/building improvements are generally the Landlord's responsibility to either fund or construct (and in most instances, potential tenants require additional contributions from the Landlord for tenant improvements) and were "value engineered" out of the original City Hall Project. An RFP requirement for a proposer to: 1) accept the space in its current condition and 2) fund and construct the necessary Landlord improvements on the City's behalf significantly limits the potential field of proposers to entities with access to several million dollars in capital and to those who have the wherewithal to design, permit and construct a retail store/restaurant in a complicated facility such as City Hall.

The proposed RFP is based upon the assumption that the City as the Landlord will make up to \$800,000 in certain modifications to the retail space (Landlord Improvements) prior to its delivery to the successful proposer. These modifications include: upgrading the electrical utility lines such that they are accessible to the retail space; providing exhaust ducting in the existing exhaust shaft; and purchasing/ installing air conditioning units.

Due to financial constraints, the RFP does not include other typical Landlord Improvements such as the connection of gas, water or sewer utilities to the space; installation of a storefront on the north facing wall; installation of electricity for illumination of storefront signage; or demising walls and other infrastructure required for the space to be used by multiple tenants. The preliminary cost estimate for the design, permitting and construction of the landlord

improvements necessary to bring the retail space to an industry-standard warm shell condition for up to three tenants is in excess of \$1,800,000.

While the construction of the modifications outlined in the RFP does not bring the space up to an industry-standard multi-tenant warm shell space, the Landlord's construction of the proposed improvements will: 1) allow the City to have physical and operational control in how certain Landlord Improvements are constructed in and through the City Hall garage and Council wing, 2) ease the investment requirement in the space (allowing for a wider field of potential proposers), and 3) result in a higher rent (and eventual return to the City).

The condition of the retail space to the Tenant at the time of delivery is a key assumption of the new RFP. The recommended budget for the City-provided improvements is \$800,000. Of this amount, City Council approved \$300,000 for the City Hall retail project in June 2006. Staff recommends an additional \$500,000 in new funds. This \$800,000 budget is anticipated to cover the design, permitting and construction costs for certain Landlord Improvements as outlined in the RFP. If the successful proposer were to offer a monthly lease rate of \$1.50 per square foot, the City would recover its \$800,000 investment over a seven year period.

If City Council approves the release of the RFP, a corresponding \$500,000 budget appropriation action will be agendized at a future City Council meeting and a subsequent City Council approval will be required to implement the improvements.

Other key sections of the RFP include:

Disposition: Responses to the RFP must include proposed business terms for a lease of the entire 6,278-square foot retail space. The RFP outlines the City's intention to lease the entire space to one entity but that the space may be subleased to/used by multiple users.

Uses: Retail and/or food uses to serve City Hall employees and visitors as well as downtown residents/businesses.

Delivery of the Premises: The retail space will be improved to upgrade the existing retail shell space.

Prevailing Wages: Payment of prevailing wages for any construction by the Tenant in the retail space is required.

Living Wage: Consistent with previous City Council action and the April 2005 RFP, payment of living wages to employees of the retail space will not be required.

Labor Peace: A provision regarding labor peace will be included in any lease agreement.

Schedule: The pre-submittal meeting will be held on December 13, 2006 and all proposals will be due in the Agency office by 4:00 pm on January 31, 2007.

The Redevelopment Agency is prohibited from spending tax increment funds in the design and construction or rehabilitation of a building that will be used as a City Hall. As such, the recommended action directs staff to prepare a Cooperation Agreement between the City and the Agency for future City Council consideration. The Cooperation Agreement will outline the responsibility of the parties with regard to the Agency's expenditures of the City's funds for this project.

POLICY ALTERNATIVES

Alternative #1: Do not approve the RFP with the assumption that a budget of \$800,000 for Landlord Improvements would be available and direct staff to work within the previous \$300,000 budget.

Pros: Allows \$500,000 in City funds to be allocated for other priorities.

Cons: The reduced budget will require a reduction in the scope of Landlord Improvement work that the City would construct. The proposer in turn would need to finance and construct additional Landlord Improvements on the City's behalf. This would further limit the field of proposers able to complete the project.

Reason for not recommending: The proposed scope of work allows the tenant to more easily connect their facilities. A reduction in funding will cause a reduction in the City scope of work and cause future tenants to carry additional costs on the City's behalf resulting in lower rental rates. Lastly, the City would not have as much certainty on how the Landlord Improvements would be implemented.

Alternative #2: Direct staff to revise the RFP with the assumption that the City will provide a prospective tenant with an industry-standard warm shell space ready for three separate retail tenants.

Pros: This alternative will maximize the field of potential proposers for the retail space. If the City as a Landlord provides an industry-standard warm shell, the RFP could be recast to encourage individual and/or smaller retailers to propose on a portion of the 6, 278 retail space. In addition, the lease proposals received should reflect a lease rate much closer to market. Providing a retail space with less than industry standard shell improvements results in a lower than market lease rate.

Cons: City construction of Landlord Improvements to an industry standard warm shell would require City investment of approximately \$1,900,000 (or \$1,600,000 more than currently budgeted) for design, permitting and construction.

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PUBLIC OUTREACH/INTEREST

Although the proposed action does not meet any of the criteria for added outreach efforts, upon City Council approval of this action, the RFP will be posted on the City website and be distributed to a list of more than 200 brokers, developers, retailers, and other interested parties.

- Criteria 1: Requires Council action on the use of public funds equal to \$1 million or greater. (Required: Website Posting)
- Criteria 2: Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. (Required: E-mail and Website Posting)
- Criteria 3: Consideration of proposed changes to service delivery, programs, or staffing that may have impacts to community services and have been identified by staff, the Board or Council, or a community group that requires special outreach. (Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)

COORDINATION

This item and the attached RFP have been coordinated with the City Attorney's Office; General Services Department; Office of Equality Assurance; Department of Public Works; City Manager's Office and the Agency's General Counsel.

COST IMPLICATIONS

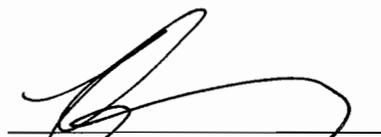
If this item is approved, a \$500,000 appropriation action would be agendized for a future City Council meeting.

CEQA

Civic Plaza Environmental Impact Report, Resolution 68905.



LES WHITE
City Manager



HARRY S. MAVROGENES
Executive Director

Attachment: City Hall Retail RFP

For questions please contact Ruth Shikada, Director of Transactions, Redevelopment Agency at (408) 795-1882.

DRAFT

CITY OF SAN JOSÉ



REQUEST FOR PROPOSALS

**Retail Development and Lease
San José City Hall**

November 22, 2006

**Telephone: (408) 535-8500
Fax: (408) 292-6755
CHRetailRFP@sanjoseca.gov**

**REQUEST FOR PROPOSALS
CITY HALL RETAIL**

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This RFP, Attachments, and Exhibits can be found at:
<http://www.sjredevelopment.org/opportunities.htm>

**REQUEST FOR PROPOSALS
CITY HALL RETAIL**

EXECUTIVE SUMMARY

- Opportunity:** Proposals from the development/retail community are being requested for retail and/or food service providers to construct and open approximately 6,278 square feet of retail space in San José City Hall.
- Location:** The retail space is located in the San José City Hall complex at 200 East Santa Clara Street, San José California. The City Hall complex includes an 18-story tower and Council Wing which opened in Summer of 2005. The retail space is located in the Council Wing, facing Fourth Street, between Santa Clara and San Fernando Streets as depicted in Exhibit A.
- Financial Requirement** Proposals should reflect a lease term and rental rate commensurate with surrounding market.
- Financial Assistance:** There will be no financial assistance offered for the construction of any improvements to the space. The City/Agency shall not be liable for any real estate commission or brokerage fee that may arise from the transfer of the property. There can not be any Redevelopment funds spent on this project.
- Property Disposition:** Triple Net Lease with a single entity for the entire 6,278 sf space with the City of San José.
- Proposer Selection Process:**
- 1) Proposal submittal
 - 2) Evaluation of submittals by City/Agency review panel
 - 3) Interviews of any selected group of submitters
 - 4) Proposer may be selected to enter into an agreement with the City.
- Pre-Submittal Meeting:** **December 13, 2006 at 2:00 PM** at City Hall retail space, located in the Council Wing at 200 East Santa Clara Street, space faces Fourth Street, just north of the Fourth & San Fernando Garage, San José, 95113
- Proposals Due:** **January 31, 2007 at 4:00 PM** at Agency's offices, located at 200 East Santa Clara Street, 14th Floor Tower, San José, California 95113
- Contact Information:** Robert Staedler - Development Officer
Redevelopment Agency of the City of San Jose
200 East Santa Clara Street, 14th Floor Tower
San José, CA 95113
Telephone: 408-795-1838
Fax: 408-292-6747
CHRETAILRFP@sanjoseca.gov
- Owner/Lessor:** City of San José
- Negotiator:** San Jose Redevelopment Agency

REQUEST FOR PROPOSALS CITY HALL RETAIL

I. THE OPPORTUNITY

This Request for Proposals ("RFP") seeks proposals to construct and lease approximately 6,278 square feet of retail space located in San José City Hall. The City contemplates entering into a Master Lease with a single entity for the entire space which may result in up to three end users (subtenants) of the retail space.

While the Proposer will be responsible for construction of tenant improvements and obtaining all required regulatory approvals for the selected Project, an in-house project team comprised of Agency and City staff will be created to work closely with the Proposer during the development process including permitting and public review. The in-house team will assist the selected Proposer and their team in coordinating with all City departments.

The retail space is owned by the City of San José. The Redevelopment Agency is providing assistance to the City in its efforts to solicit proposals, negotiate a Lease Agreement and manage the construction process. Agency funds will not be used during this process. There will be no Agency or City financial assistance for the Proposers.

II. SITE INFORMATION

A. The Site Environs

The retail space opportunity in this RFP is located in the City of San José's City Hall complex. City Hall reflects the vitality, diversity and creativity of the City of San José and provides residents with a City landmark and a sense of community pride. Opened in the summer of 2005, the City Hall complex includes an 18-story tower, a 108 foot tall glass rotunda and the Council Wing. The retail space, located in the Council Wing, faces Fourth Street, between Santa Clara and San Fernando Streets. The City Hall complex houses approximately 1,800 employees and has approximately 1,000 daily visitors. The large plaza located on the corner of Fourth & Santa Clara features a glass rotunda which draws area families and tourists. The plaza and rotunda are also used for festivals, parties, weddings and civic festivities. Events recently held on the plaza include the Zero One International festival and San José Grand Prix Drivers Party.

The Site is located a half block from San José State University (SJSU). Founded in 1857, SJSU is the oldest public institution of higher education on the West Coast. SJSU has an enrollment of 29,975 students and 1,590 faculty members. The SJSU has 3,000 students living on-campus. SJSU is the 7th largest public employer in Silicon Valley.

Immediately south of the retail space is the Fourth & San Fernando Garage. The 800-car City garage is open 24 hours a day, seven days a week. Free parking is currently available after 6:00 pm and on weekends.

Downtown San José is also home to a number of high-tech companies. Downtown has a daytime population of 100,000 people.

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Downtown and City Hall are well served by public transit and roadways. The building is located two blocks from the Santa Clara Valley Transportation Authority downtown transit mall light rail service, bus lines and the future Bart service. The Site is easily accessible from the San José International Airport via Highway 87 (four miles to the north). Market and First Streets are major north-south arterial streets into the downtown and San Carlos Street is a major east-west arterial, which continues as Stevens Creek Boulevard through the western portion of Santa Clara Valley. Santa Clara Street, another major east-west arterial connects to the transit hub at Diridon Station and continues on to become The Alameda and El Camino Real. Downtown San José is also served by four major freeways, which are accessible within blocks of the City Hall: I-280, I-680, I-880 and Highway 101.

B. The Premises

The Premises is depicted in Exhibits 2 and 3.

The Premises is currently a cold shell and lacks floors, demising walls, and utility connections to the Premises. The City contemplates that the Premises will be delivered to the successful Proposer in a “semi-warm” shell condition. A description of the Premises as it will be delivered is in Exhibit 3 of this RFP.

The warm shell as provided to the selected Proposer will not include demising walls, a service corridor, topping slab or multiple utility meters/connections which may be necessary for a multiple tenant space plan. Proposers are strongly encouraged to participate in the pre-submittal meeting at which time specifics on the condition of the Premises at delivery will be discussed.

The terms “Site”, “Premises”, and “retail space” are used interchangeably in this document.

III. GOALS, OBJECTIVES & PROPOSER RESPONSIBILITIES

A. City Goals

By the 1990's the City of San José had outgrown its 40-year old headquarters on North First Street due to tremendous growth in the city population and the corresponding growth in City services. On June 15, 1999, the Redevelopment Agency of the City of San José adopted a redevelopment plan for an area designated as the Civic Plaza Redevelopment Project Area. One of the major projects contemplated for the Project Area was the City Hall complex. The 2005 opening of the new City Hall allowed for the consolidation of most of the City's services and employees into one facility.

Retail space was included in the design of the City Hall. The City now desires to tenant that space with retail and/or food service that might offer premium coffee products, soup, salad, sandwich offerings, and/or other hot food service to provide a retail and food options for the City Hall employees, visitors and surrounding neighborhood. The hours of operation would

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ideally accommodate suitable food offerings for breakfast, lunch and dinner on weekdays/weekends.

B. Design Objectives

The Richard Meier-designed City Hall complex is the controlling factor in the design of the retail space. However, Proposers are encouraged to use both exterior and interior spaces to activate the storefronts and the sidewalk. The store layout and design must be well coordinated with the existing design controls of City Hall. The final space plan and store design must take into consideration how the interior retail space is viewed from the public sidewalk (e.g., how demising walls line up with mullions or other structural elements of the building). All aspects of the final plan for the retail space must be compatible with the architectural requirements of the Richard Meier design.

Signage

Locations for signage are available along the west side of the building. The Agency and the City's Planning Department will develop signage guidelines which will be available when the Proposer is selected.

C. Proposer Responsibilities

General

- The selected Proposer shall lease the Site from the City at a negotiated lease rate, which provides a market rate rental to the City. The City desires a triple net rent with adjustments over time, which is comparable to other similarly situated retail spaces in downtown San José. In addition to the monthly base rent the City will charge a CAM for maintenance of certain exterior areas. It is estimated that these monthly fees will be \$0.35 per square foot. The Lease Exemplar can be found in Exhibit 5.
- Provide a level of amenities in the space that complement the design and architecture of the City Hall.
- The selected Proposer will be responsible for all design, permitting and construction costs associated with the build out of the space after the Premises has been delivered by the City in a semi-warm shell condition.
- Construction of all tenant improvements to the premises in accordance with City policies and regulations including the payment prevailing wages to all construction workers performing on-site work.
- Living wages will not be required for the retail and/or service operations.
- Prior to the start of construction, delivery of performance and payment bonds to the City will be required for the value of the improvements.
- Continuously operate first-class facilities that provide retail and/or food service with coffee products, soup, salad, sandwich offerings, and other hot or cold food service to the general public and City employees.

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- The Tenant will be responsible for working capital and operating expenses, including but not limited to utilities, insurance, maintenance, and repairs. An example of the City's typical insurance requirements is shown in Exhibit 6.

Lease Proposal

The Proposal should include proposed business terms for the concept described in the Proposal, including number of years of initial lease, proposed options if any, and proposed lease payments to be made to the City. The City is requesting a triple net lease with a maximum total term of no more than 25 years. The City will evaluate the rental and business terms to determine whether the proposed terms are comparable with other similar operations in the South Bay region.

Operations and Operating Expenses

Except as specifically mentioned in this RFP, all capital and operating costs and expenses, and all costs including taxes, insurance, and bonds or letters of credit, are to be borne by the Proposer. Proposers should consider the following operating issues in the development of their proposals:

- **Deliveries** - A loading zone has been established in the two metered parking spaces on Fourth Street in front of the Fourth Street Garage and Banquet facility for deliveries between the hours of 6:00 am and 9:00 am. This loading area is not exclusive to the City Hall retail tenants.
- **Trash** - Trash collection and removal shall be the responsibility of the individual tenant or tenants. A designated trash enclosure with dumpsters shall be provided on the south side of the building in the walkway between the City Hall Retail space and the Fourth Street Garage. The City will provide for periodic steam cleaning and/or power washing of the enclosure which will be charged back to the Tenant through CAM expenses. The Tenant will be responsible to move trash bins to the designated trash pick up area and for general upkeep and cleaning of trash enclosure.
- **Parking** – There will be no parking rights associated with this lease. There are on-street parking spaces available to customers. There will be no parking available to employees under the Lease. Any employee parking requirements will be the responsibility of the Tenant.
- **Parking Validation** - Tenants will have the ability to participate in the City's retail parking validation program. This program allows retailers to purchase validation stickers for City parking facilities at a discounted rate. Additional information can be found at: <http://www.sjdowntownparking.com/validation.php>
- **Patio Operations** - The City Hall retail space includes access to a patio area ideal for patrons to enjoy Downtown's urban environment and San José's desirable climate. The patio area is located on the Fourth Street side of the retail space and along the plaza area as designated on Exhibit 2. The City will be responsible to provide for periodic steam cleaning and/or power washing of the area. The cost for this service will be included in the monthly CAM fee charged to the Tenant. General maintenance and trash pick up of the patio area shall be the responsibility of the

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Tenant. The City shall approve a single standard for patio furniture to be used throughout the patio space. Portions of the patio space will be subject to the City's "Sidewalk Café Permit." It shall be the responsibility of the Proposer to apply for and obtain a Sidewalk Café permit to utilize the outdoor seating in these areas.

- **Restrooms** - The public restrooms are accessible from the north doorway. See Exhibit 2. These existing public restrooms will be maintained by the City. A portion of the costs associated with maintenance of the restrooms will be charged back to the Tenant through CAM fees. If there are three spaces proposed, a hallway/corridor within the Premises may need to be built. The corridor will be maintained by the Tenant. The hallway is contemplated to be located on the eastern edge of the space to allow people to have access to the doorway leading to the restroom. Depending on the uses proposed in the retail space, the Tenant, as part of the tenant improvements, may be required to construct additional restrooms within the retail space.

Labor and Contract Requirements for the Site

This section highlights certain requirements relating to prevailing wage, discrimination provisions in contracts and local hiring opportunities which will apply to any project that could develop as a result of this RFP.

1. Prevailing Wage:

A project such as the one anticipated as a result of this RFP is a Public Work and subject to Labor Code Section 1771. A Proposer will be required to pay prevailing wages for all of the construction. "Prevailing wages" means not less than the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime in this locality for each craft, classification or type of workman needed and as established by the Director of the California Department of Industrial Relations (DIR), or in the absence of such establishment by the City of San Jose's Office of Equality Assurance (OEA).

The OEA is charged with the responsibility to monitor prevailing wage requirements on behalf of the SJRA and ensure that proper wages are paid. The Office requires the Proposer and their contractors and all subcontractors to file labor compliance documents with supporting documentation, including certified payrolls. Written documentation must be filed within 10 days of issuance of a Notice to Proceed. Certificates of Completion are not issued until all required documents are filed.

Violations of prevailing wage requirements will be subject to liquidated damages equal to three times the amount of any underpayment of wages. All questions regarding prevailing wage requirements, wages, proper craft classifications and apprentice requirements should be directed to:

Nina Grayson
City of San José
Department of Public Works/Office of Equality Assurance
200 E. Santa Clara St, 5th Floor
San José, CA 95113

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Phone: 408.535.8430

Copies of the General Prevailing Wage Determinations made by the California Director of Industrial Relations are available at the address above.

2. Non-Discrimination in Contracts:

The City of San José requires compliance with Chapter 4.08 of the San José Municipal Code pertaining to non discrimination and non-preferential treat on the basis of race, sex, color, age, religion, sexual orientation, actual or perceived gender identity, disability, ethnicity or national origin in the performance of the City of San José contracts or agreements. Evidence of such discrimination or preferential treatment is the basis for rejection of a proposal.

3. San José First Source Hiring Ordinance

The San José First Source Hiring Program is a City program that assists businesses in finding employees from San José. The Office of Economic Development administers this program. Please contact Yolanda Lee at the 408 535-8191 regarding this ordinance. The Office of Economic Development also has information regarding Enterprise Zone benefits.

Labor Peace Requirements

The City Council has determined that the level of vulnerability of the proposed contract to service or labor disputes is sufficient to warrant that labor peace is essential to the proprietary interests of the City. The determination was based on considerations including, but not limited to, the following factors:

1. Whether the service or labor is provided on a City site or a site that is important to the proprietary interests of the City;
2. Whether the service provider relies on a significant amount of public patronage;
3. The economic effect of any disruption of City expenditures or revenues is significant; and
4. The effect of any disruption on the citizens, tourists and businesses in the community is significant.

Proposers are to include in their proposals how they will take adequate steps to prevent labor disputes or unrest from occurring during the term of the City contract. Failure to address this topic in the submission of the proposal will deem the proposal non-responsive.

This information is requested in order to provide the City with adequate assurance against possible disruption of service due to employee disputes during the term of the Lease Agreement. Additionally, Labor Peace provisions are designed to ensure that firms

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conducting business with the City are good employers, provide a good work environment without encroaching on the firm's ability to conduct business, and comply with federal, state and City employment policies.

The Proposer is free to submit any plan or program which it currently implements or which it proposes to implement which demonstrate a good work environment and adequate plans or programs to prevent disruption in services due to disputes with its employees.

The following examples of labor peace plans or programs are provided solely for purposes of example, and are not intended to limit the types of plans or programs that might be submitted as assurances of labor peace:

1. Any existing or proposed plans or programs undertaken by the employer to attract, and retain qualified employees, and provide uninterrupted service through the employer's workplace condition and practices;
2. A written dispute resolution policy or procedure;
3. A written grievance policy or procedure;
4. The formation of a joint labor-management committee - a committee comprised of employees from both labor and management to discuss issues of mutual concern;
5. A collective bargaining agreement between a firm and a recognized union;
6. Labor neutrality provisions—A labor neutrality provision means the proposer, as employer, will accept a union's campaign to convince the employer's employees about the merits of unionization and also refrain from offering arguments against unionization.
7. "Card check" provision – a "card check" provision means the proposer/employer would agree to allow representatives from a labor union to come on company property during work hours for the purposes of organizing its workforce and collecting union authorization cards. The proposer/employer pledges to recognize the union, if a certain number of signed union authorization cards are collected. This type of provision is typically coupled with a Labor Neutrality provision.
8. Any other information, plan or program regarding how the Proposer will protect against disruptions in service due to disputes with its employees during the term of the lease.

Upon request, the City will provide copies of labor peace provisions in existing agreements with the City. **However, in submitting a proposal the Proposer is not limited to either the examples provided above or to those existing provisions in existing City agreements.**

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The Lease Agreement with the successful Proposer(s) will include provisions regarding Labor Peace based on the proposer's responses to this RFP requirement.

IV. RFP PROCESS

This Request for Proposals represents the initial step in the selection of a Master Lessee for the Site who will be responsible for the construction, tenancing and operation of the retail space. Responses to this RFP should (1) demonstrate the proposer's specific expertise in developing and leasing high quality commercial projects; (2) disclose financial capability to undertake the proposed development, and (3) present a proposal and financial offer for the lease with the City. Conceptual sketches are a requirement of this RFP. A thorough narrative of the development concept with a description of the respondents' approach to design and architecture that will meet the goals of this RFP is required.

Each respondent to this RFP agrees that the preparation of all materials for submittal to the City/Agency and all presentations are at the respondent's sole cost and expense, and neither the City nor Agency shall, under any circumstances, be responsible for any costs or expenses incurred by a respondent. In addition, each respondent agrees that all documentation and materials submitted with a proposal shall remain the property of the City.

If the City selects a Proposer, it will negotiate a Master lease with Proposer. All legal rights and obligations between the selected Proposer (s), if any, and the City will come into existence only when a lease is fully executed by the parties and approved by the City Council. The legal rights and obligations of each party shall be only those rights and obligations which are set forth in the lease and any other documents specifically referred to in that lease and executed by the parties.

The Agency will designate a project manager to work closely with the Proposer during the predevelopment process, including permitting and public review. The project manager will help the selected Proposer coordinate with all City departments and applicable City commissions. This RFP and the selection process shall in no way be deemed to create a binding contract or agreement of any kind between the Agency and any respondent.

Submittals are public records subject to disclosure under the Public Records Act. Information demonstrating the respondent's financial capabilities shall be submitted under separate cover to the Agency's financial consultant, Keyser Marston Associates and remain confidential.

V. SELECTION PROCESS, SUBMITTAL REQUIREMENTS & CRITERIA

A. Selection Process

The San José Redevelopment Agency will conduct the selection process on behalf of the City of San José. The selection process will culminate with City Council consideration of a business terms with the selected Proposer.

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“Pre-Submittal Meeting” will be held for all interested respondents at **2:00 p.m., December 13, 2006**, in the proposed retail space located on South Fourth Street. Questions from potential respondents will be addressed by Agency and City staff at this meeting. Responses to the questions posed at the meeting will be summarized in writing. The written responses will be made available to all potential respondents who registered their attendance at this meeting or who were unable to attend but registered a request for the answers in writing in advance of the meeting.

In the first phase, interested Proposers or Proposer teams will submit statements of qualifications and proposals in response to this RFP. Submittals delivered by the deadline indicated herein will be reviewed and evaluated based on the Evaluation Criteria for submittals outlined below.

During the second phase of the process, members of the City/Agency selection panel and/or consultants retained by the City will evaluate the submittals. At its discretion, the panel may contact references and industry sources, investigate previous projects and current commitments, interview some or all of the development team members, and take any other information into account in its evaluation of the responses. The City and Agency reserve the right to request clarification or additional information from respondents. Based on the evaluations, a short list of the responsive Proposers will be prepared. These short listed Proposers would then be interviewed by a review panel and may be asked for conceptual drawings, and additional details and/or clarifications regarding their proposed project as part of the interviews.

Based on the quality of the proposal, the proposed uses, compatibility with the adjacent properties, ability to move quickly and price, the Agency will recommend a Developer/Proposer to the City Council for approval.

B. Submittal Requirements

Ten numbered sets of the information requested below are to be submitted to the Agency’s offices, with the exception of Financial Capacity materials. Two copies of Financial Capacity materials must be submitted under separate cover, sealed, to: Tim Kelly, Keyser Marston Associates, Inc. **All materials must be delivered to both the Agency’s offices and Keyser Marston Associates, no later than 4:00 p.m. on January 31, 2007.** Please submit materials in keeping with the following format, identifying each item by letter and number.

1. Development Entity

- a) Describe the development entity and identify the members, with names, addresses, and phone numbers of key representatives. Provide relevant qualifications and project specific experience of the principals of the Proposer (s). Identify the person or persons with the authority to represent and make legally binding commitments on behalf of the development entity. Identify the contractual relationship among any multiple Proposers, if appropriate.

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- b) Identify the known team members (e.g. architects, legal representatives, commercial tenants, real estate brokers/marketing representatives, proposed tenants, retail consultants, and contractor).

2. Project Proposal & Business Terms

- a) Description of the proposed project that is in line with Agency's specific goals stated on page 4.
- b) Identify the following basic financial assumptions in current dollars:
 - 1) Development Costs
 - a) Direct construction costs and
 - b) A summary of the soft costs and financing costs.
- c) A Conceptual Sketch and Site Plan (Showing use of outside space).
- d) State the key terms of the lease proposal including: rents (base and/or percentage); original term; requested options; and the responsibilities proposed to be accepted by the City.
- e) Development Schedule of the proposed project. Submit a project schedule to address all phases of the project including tenancing, entitlements, design, permitting, and construction.

3. Proposer Experience

Describe relevant project experience with developments in urban locations and developments with other public entities with a focus on retail projects. Please note that project delivery and the ability to deliver against a proven schedule of performance are critical aspects of the evaluation:

Please include the following information for each past project identified:

- a) Location and photographs of the projects.
General description of the project including the role of the development entity, a brief history of the project, and any unique challenges of the project.
- b) Identify the lease-up period and the commercial and/or retail tenants selected.
Describe the relationship with tenant(s) and the approach used to incorporating retail/commercial uses into the project.
- c) Identify the key development team members of the project. If any team members are different from the team being proposed for this project, provide an explanation of why the new team member(s) were selected.
- d) State whether or not development was undertaken in conjunction with public entities, with reference/contact information

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- e) Present total development cost; identify the amount of debt and the amount of equity used to finance each project, and economic return(s) achieved.
- f) Discuss the project's schedule and whether the project was on schedule and within budget.
- g) Discussion of the project successes, including achievement of project specific goals. Provide any supporting documentation demonstrating success in buyer/renter satisfaction regarding after-sale/ongoing property maintenance/ management and operations for the uses proposed by the Proposer, as appropriate.

4. Local Business Enterprise

It is the policy of the City of San José to encourage local and small business activity. Effective June 18, 2004, the City adopted Ordinance 27136, which established a Local and Small Business Preference Policy for the procurement of supplies, materials, equipment, general services and consulting services. Consistent with the intent of this City policy, the City strongly encourages the participation of Local Business Enterprise's and Small Business Enterprise's in any proposal submitted by a Lessee/Master Tenant.

Evidence of a legitimate business presence in San José shall include:

- a) Having a current San José business license; and
- b) Having either of the following types of offices operating legally within the City of San José:
 - The Proposer's principal business office; or
 - The Proposer's regional, branch or satellite office with at least one full time employee located in San José.

5. Financial Capacity

Two copies of the Financial Capacity materials must be submitted under sealed, separate cover to: Tim Kelly at Keyser Marston Associates, Inc., 55 Pacific Avenue Mall San Francisco, CA 94111. **These materials must be delivered no later than 4:00 p.m. on January 31, 2007.**

- a) An "audit" or "review" financial statement for the Proposer or development team prepared by an independent accounting firm in accordance with generally accepted accounting principles. At the Agency's discretion, other information will be considered if it demonstrates the respondent's financial capacity to implement the proposed project.
- b) Identify the specific relationships (and contact information) for the entity(s) that provided the debt and equity invested in the projects identified in the "Respondent's Experience" section.

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- c) Identify any real estate loan obligations of the respondent team that have been foreclosed on, declared in default, or defined as non-performing loans during the last five years.

C. Evaluation Criteria

In the selection process, emphasis will be placed on the directly relevant qualifications and financial capacity of the respondent, and the financial terms being proposed. Submittals will be evaluated based upon the following:

1. The development concept for the Site and its relationship to the goals and objectives on page 4.
2. Terms of the proposed Lease with the City.
3. Experience of the Proposer in the successful construction and operation of urban projects.
4. Demonstrated ability to finance similar size projects.
5. Understanding of the regulatory approval process, as reflected in the Proposer's advisors and consultant team, business terms and conceptual development schedule.
6. Proposer's acceptance of RFP terms, completeness of submissions and compliance with the submission requirements of the RFP.
7. Establishment of clear lines of responsibility within the team upon which the Agency and City can rely during negotiations and implementation of the project.
8. Ability of the Proposers and architects to implement high quality development projects within budget and with timely project delivery, including a limitation on claims or delays that may affect project timeliness.
9. Explanation of the proposed project's contribution to overall Redevelopment Agency goals.
10. Other factors as appropriate.

D. Submittal Deadline for Proposals

Proposals must be received at the San José Redevelopment Agency, 200 East Santa Clara Street, 14th Floor, San José, CA 95113 no later than 4:00 p.m. on January 31, 2007.

All responses must be addressed to the attention of Robert Staedler, Development Officer, and marked on the outside "Request for Proposals: City Hall Retail".

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Submittals that are not received at the designated addresses on or before the specified deadline will not be accepted, unless the delivery deadline is waived by the Agency, at its sole discretion. Neither facsimile reproductions nor electronic transmissions will be accepted.

E. Waiver

After a review of the RFP submittals, the City, in its sole discretion, may invite one or more respondents for interviews, or may choose not to proceed with development of the Site at this time. There is no guarantee that the Agency will decide to move forward with any proposed project based on the RFP submittals.

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VI. SCHEDULE

Approximate schedule for selection of Proposer\ Proposer Team is summarized below:

Issuance of RFP	November 30, 2006
Pre-submittal Meeting (2:00 p.m. 200 E. Santa Clara, City Hall Retail space)	December 13, 2006
Proposals Due	January 31, 2007
Short List of most responsive Proposers	February 21, 2007 *
Interviews of Short Listed Proposers	March 7, 2007 *
Selection of Proposer	March 21, 2007 *

*On or about – Dates to be confirmed

VII. ATTACHED EXHIBITS

- Exhibit 1: Aerial & Site photos
- Exhibit 2: Site layout
- Exhibit 3: Site premises at delivery
- Exhibit 4: Site Environs

ADDITIONAL EXHIBITS:

- Exhibit 5: Lease Exemplar
- Exhibit 6: Insurance requirements

Electronic copies of all exhibits can be found at:
<http://www.sjredevelopment.org/opportunities.htm>

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VIII. EXHIBITS

EXHIBIT 1

Aerial & Site photos

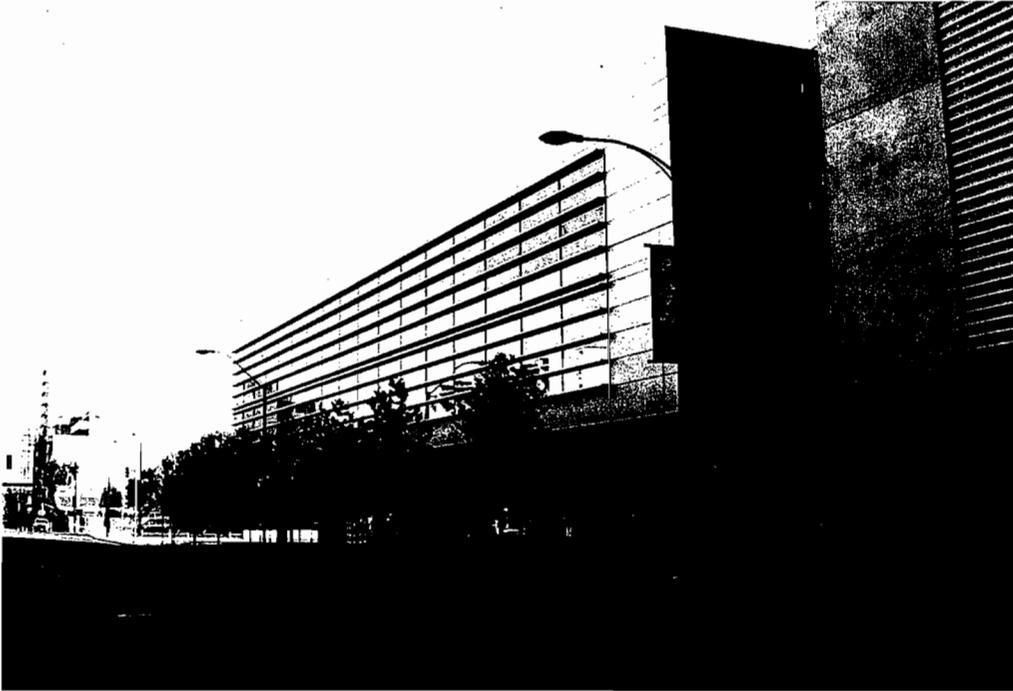


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EXHIBIT 1

(continued)

(Looking northeast from 4th Street)



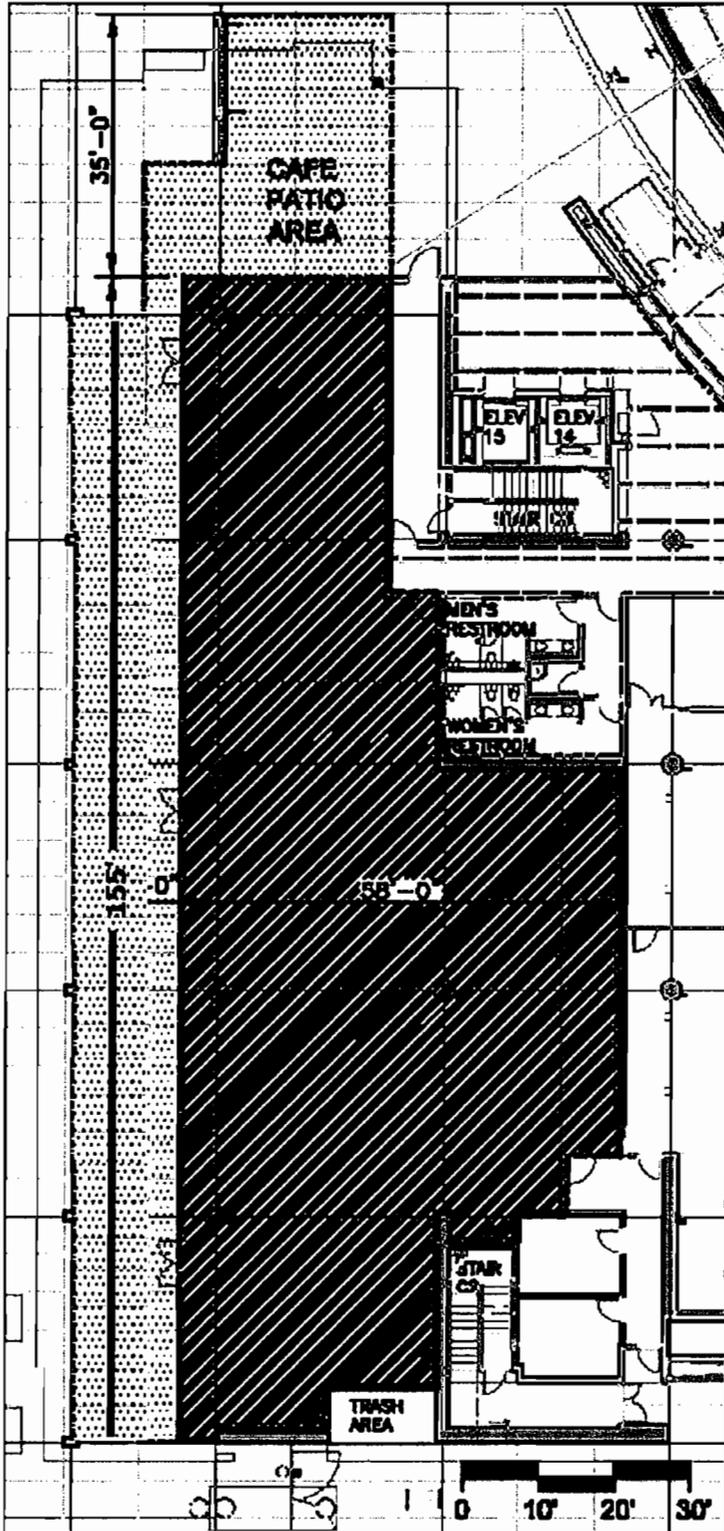
(Looking south near 4th & Santa Clara)



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EXHIBIT 2

SITE LAYOUT



 OUTDOOR ZONE:
3,801 SQ. FT.

 INTERIOR
TENANT SPACE:
6278 SQ. FT.

NOTE:
SQUARE FOOTAGE AND
DIMENSIONS ARE APPROXIMATE

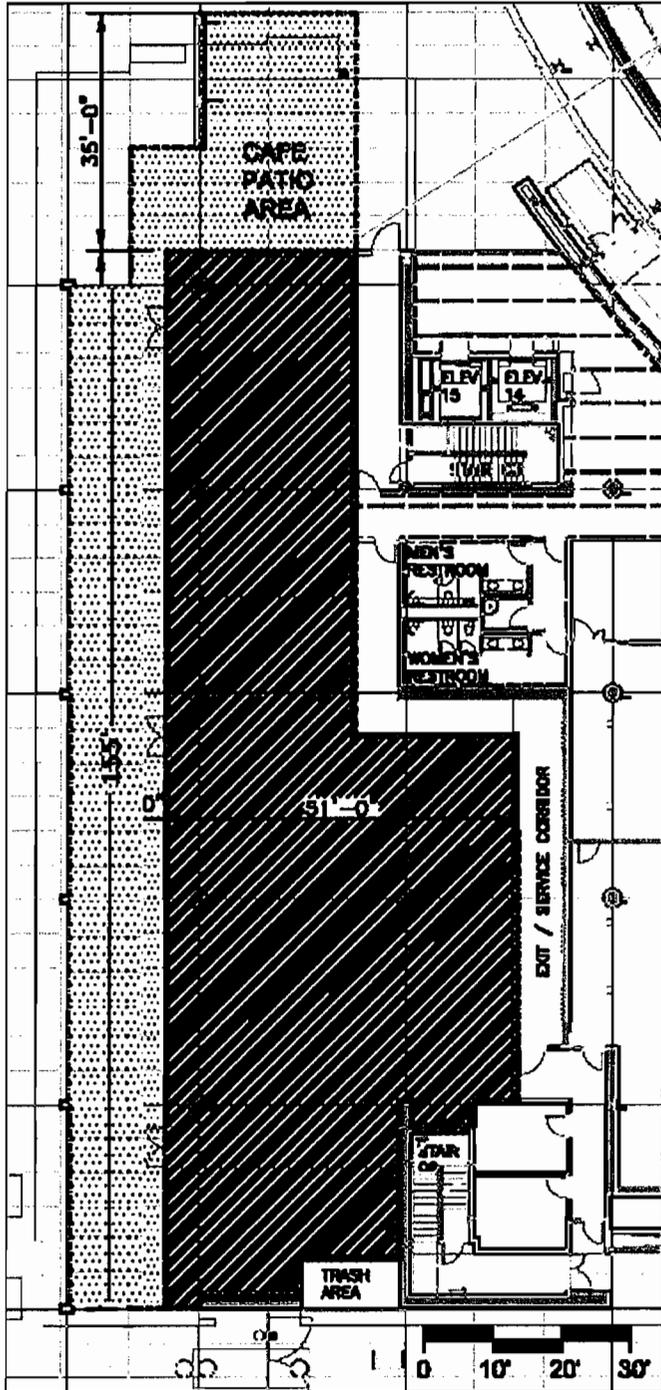
SAN JOSE CITY HALL
RETAIL SPACE:
SINGLE TENANT

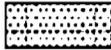
March 2006



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EXHIBIT 2
(continued)



 OUTDOOR ZONE:
3,801 SQ. FT.

 INTERIOR
TENANT SPACE:
5637 SQ. FT.

NOTE:
SQUARE FOOTAGE AND
DIMENSIONS ARE APPROXIMATE

SAN JOSE CITY HALL
RETAIL SPACE:
MULTI - TENANT

March 2006



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EXHIBIT 3:

SITE PREMISES AT DELIVERY

1. Electric Power:

Stubouts for electric power include one 4” diameter conduit from the Electric Room in the parking garage to the retail space. The City will provide 400 amps of 277 volt / 480 volt three phase power with a panel and a step down transformer to a 120/208 volt panel in a utility area. There will be a single sub-meter which will allow the City to bill the Tenant for its usage on a monthly basis. There is potential for the Tenant to add to additional electric sub-meters.

2. Lighting:

Tenant space lighting is not provided in the Premises. Exit lights are provided on the ceiling only as required to provide exiting directions for the retail space. Additional exit lights may be required by new tenants to suit the individual exiting needs of the tenants.

3. Water:

A 2” domestic water line is roughed in at the garage level to a single meter. Tenant is responsible for the meter and construction of all domestic water lines beyond the rough-in stub, including slab penetrations. Multiple tenants may require additional tenant improvements such as the installation of private sub-meters and the possible installation/construction of break tanks, booster pumps and a second utility room.

4. Sanitary Sewer:

A 4” sanitary sewer line is roughed in at the garage level and is connected to the city main. There should be sufficient capacity for three retail tenants.

5. Grease Waste Line and Interceptor:

A 4” diameter grease waste line is roughed in at the garage level and tied to a 3,000 gallon grease interceptor located underground outside of the building line in the alley between the City Hall and the Fourth Street Garage for the exclusive use of tenants in the Retail Space. Tenant is responsible for construction of all grease sanitary lines beyond the rough-in stub, including slab penetrations.

6. Natural Gas:

A 3” diameter natural gas line stubbed to the premises is available for tenant use. The gas line is rated for 1.5 MBTU. The gas meter will be located in the alley between the City Hall and the Fourth Street Parking Garage. Tenant is responsible for construction of all natural gas piping beyond the rough-in stub, including slab penetrations. City believes there is sufficient capacity for three tenants in the retail space but any installation of private submeters must be completed as part of the tenant improvements.

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7. Fire Sprinkler System:

The automatic fire sprinkler line main loop is located on the ceiling of the existing retail space. The Tenant is responsible for completing the code-required fire sprinkler system including sprinkler head drops to all retail space rooms, corridors, etc.

8. Fire Alarm:

There are fire alarm pull boxes, strobes, smoke detectors, etc., in the Retail Space. These items plus electrical power and signal cable wire and conduit will be provided by the City to meet current fire protection codes for unoccupied warm shell classification. Tenant is responsible for all further fire alarm modifications for retail improvements including a connection to the existing system.

9. Trash Collection:

A trash enclosure located on the exterior of the building is provided for trash dumpsters. Tenant will be responsible for pushing out the dumpsters to a designated area as needed for trash pick up.

10. Telephone/Data:

City will provide telephone and data conduits with pull ropes for use by up to three retail tenants stubbed to a utility area in the premises. Tenant is responsible for all cabling, equipment and terminations necessary to complete the system..

11. Ventilation:

The existing rated vent shaft from the Retail Space to the roof is of sufficient size to accommodate Type 1 exhaust and Type 2 exhaust from one tenant. The future Retail Space tenant is responsible for design of exhaust ducting within the rated vent shaft. Based upon a specified improvement allowance, the City will provide the Tenant-designed ducting within the shaft and any necessary rooftop enclosures. The Tenant will be responsible for all ducting from the bottom of the vent shaft within the retail space.

12. Heating and Air Conditioning:

The City will provide chilled water and heated water to ceiling suspended fan coil units of sufficient capacity to condition 6,300 square feet of retail space. The Tenant will be responsible for air distribution.

13. Water Softener:

There are no provisions (including space) for water softeners in the building. Retail Space tenants will have to provide their own water softener(s) and associated plumbing fit-out.

14. Storefront Glazing:

The City will allow the current wall on the northern end of the retail space to be replaced with storefront glazing with a door and corresponding hardware for access from the Premises onto the plaza.

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EXHIBIT 4:

THE SITE ENVIRONS

The City Hall Retail Site is located in San José's dynamic downtown district. Formerly the commercial hub of Santa Clara County, downtown San José is emerging as the vibrant commercial and residential urban center of the Silicon Valley. With a population of nearly one million residents, the City of San José is the 3rd most populous city in California and the 10th most populous city in the United States. The Redevelopment Agency continues its twenty-five year history of aggressively pursuing new housing, retail, restaurant, and entertainment venues to support an existing tenant mix in the downtown core. The development of the City Hall Retail will serve to further activate Downtown San Jose's Civic Center area.

SURROUNDING DEVELOPMENT

The area surrounding the Site is characterized by one- to five-story commercial buildings, with some housing located along 3rd Street. Adjacent uses include a mixture of commercial and entertainment with some retail and office use. The Site is located along one of Downtown's major thoroughfares, and is centrally positioned in proximity to office, residential, visitor, and retail districts, providing access to a diverse demographic base.

Retail

Expanding the retail offerings in Downtown San José is a top priority of the Redevelopment Agency and the San Jose City Council. The 1.7 million square feet Downtown San Jose retail market is comprised of over 140 eating establishments, 72 retailers, 48 retail service providers, and 40 cultural/entertainment venues. In the last five years, 200,000 square feet of new retail space has been created through rehabilitation and new construction of mixed use projects. The primary sources for downtown retail demand are the approximately 114,000 residents within a 2-mile radius, 65,000 daytime population, 2.3 million annual visitors, 1.5 million annual cultural/entertainment patrons and 30,050 San Jose State University students.

Retail Space Under Construction:

- **Tower 88** high rise luxury condo tower, with 30,000 sf of retail on the ground floor, to open in 2008.
- **360 Residences** high rise luxury condo tower, retail on ground floor, to open in 2008.
- **The Globe**, 76 housing units and 17,500 sf of retail on the ground floor, to open in 2007.
- **Crescent Jewelers Building** located at West San Fernando Street and South First Street is undergoing rehabilitation with ground floor retail and a second level office.
- **Porter Stock Building**, located on South First Street, is under going renovation of the historic façade.
- **Bassler Haynes Building**, located on East Santa Clara Street, is undergoing rehabilitation with ground floor retail and office space.
- **Fountain Alley Buildings**, located between East Santa Clara and San Fernando Streets, and South First and Second Streets, is undergoing façade restoration and seismic retrofitting.

Recent retail developments:

- **Arcadia** restaurant opened at the base of the new Marriott Hotel opened in April 2003. It is owned by Michael Mina's restaurant group.

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- **P. F. Chang's China Bistro** opened at the corner of 2nd and San Fernando in January 2004.
- **McCormick & Schmick Seafood Restaurant** opened in January 2004 at the base of the Fairmont Hotel Addition. McCormick & Schmick is a first-class seafood dining establishment with over 35 locations nation-wide.
- **The Montgomery Hotel and Paragon Restaurant** opened in June 2004.
- **Black Sea Gallery**, a furniture and rug store, opened its Bay Area flagship store in August 2005.
- **Chic Chateau**, a clothing boutique and tea room, opened in December 2005 at East San Fernando and South Third Streets.
- **San Jose Market Center** opened in Spring 2006, adding 362,000 square feet of retail to the Greater Downtown. Anchor tenants include Target, Marshalls, Petsmart, Cost Plus World Market and Office Depot.
- **Amici's East Coast Pizzeria** opened its first San Jose location at 225 West Santa Clara Street in June 2006.
- **Future Greater Downtown Retailers** include Peet's Coffee & Tea, Morton's Steakhouse, Flames Coffee Shop, Lucky Strike Lanes, Santa Clara County Federal Credit Union, Asqew Grill, Tova Yaron Day Spa and Whole Foods on The Alameda

Residential Developments

Continuing its policy of promoting the quality and value of Downtown's housing and lifestyle opportunities, the Redevelopment Agency encourages the development of market-rate and moderate-income housing, as well as more affordable housing. A diversity of housing opportunities is available, from live-work lofts in an historic building, to penthouse condominiums in new developments, to townhouses, and nearby suburban-style neighborhoods.

Over **5,753 multi-family residential units currently** exist in the Greater Downtown. This number does not include single-family residences, as evidenced by the population figures for the two and five mile radii: 114,011 and 643,186, respectively.

There are currently **1,904 residential units under construction or recently completed** in the Greater Downtown. Examples include: CIM's Globe (76 units), and WMS/CIM Tower 88 Phase I (197 units), City Heights by Swenson (124 units), 33 South Third Street (89 units), and Legacy Fountain Plaza (367 units). There are **currently 4,829 residential units in the planning/permitting stage** for construction in the Greater Downtown. Examples include: WMS/CIM's Tower 88 Phase II (209 units), City Front Square – Block 8 (414 units), 360 Residences (207 units) and Regis Homes' One East Julian (43 units). A map of current and recent multi-family residential projects in the Greater Downtown is available upon request.

Transportation

Downtown San José is served by five major freeways (I-280, I-680, I-880, State Highway 101, State Highway 87), three major commuter and inter-city train services (Caltrain Peninsula, Caltrain Altamont Pass, Caltrain Capital Corridor) and Santa Clara Valley Transit Authority (VTA) light rail and bus service. The San Jose International Airport is 3.5 miles north of downtown, and transports 13.1 million passengers each year. The completion of Highway 87 has created a full freeway configuration between I-280 and Highway 101.

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The Santa Clara Light rail system is anchored by the downtown San José Transit Mall on First and Second Streets. A 7.6-mile extension of the system opened in December 1999. Trains now run 19-21 hours a day, seven days a week from downtown Mountain View in the north to the southern residential neighborhoods of San José, a distance of 49 miles with 62 stations. Annually, 1.6 million people ride the light rail system in the Greater Downtown.

Parking

Adequate accessible and affordable public parking is crucial to the success of the downtown. Currently, there are **over 22,000 parking spaces** in the Downtown. Most of the parking is open to the public, whether publicly or privately owned. The vast majority of parking spaces are off-street in surface lots and parking structures. Over 4,300 of the public spaces are free after 6 p.m. and on weekends. In 2001, the Redevelopment Agency Board approved a Parking Management Plan which created the "Parking Plus" program. The program adds public parking to private projects as they are developed. The plan is currently being updated to accommodate the increase in residential development in the Downtown.

Hotels

Downtown San José contains 2,247 rooms in seven hotels. These hotels serve as the primary source of lodging for conventioners and visitors to downtown. Occupancy rates for Downtown have been steadily increasing, ranging from 60-70% each month. The McEnergy Convention Center will host over 50 major trade shows in 2006, bringing over 200,000 attendees. Approximately 2.3 million people visit Downtown San José each year, with an average stay of 4.5 days/nights.

Recent hotel developments:

- The **Fairmont Hotel**, which opened in October 1987, completed an addition with 264-rooms in 2002 bringing their total room count to 805 rooms.
- The 506-room **Marriott Hotel** opened in April 2003 to full occupancy.
- Renovation of the historic **Montgomery Hotel** was completed in June 2004. The 86-room boutique hotel is operated by Joie de Vivre.

Office Buildings

The Downtown San José office sub-market is comprised of approximately 7.2 million square feet. Downtown San José has both a more traditional base of office tenants, such as law firms and tax accountants, as well as solidly performing high technology companies. San Jose City Hall is now located in Downtown along with both Federal and State government offices and courts. The top three employers for Downtown San Jose are Adobe Systems, City of San Jose and San Jose State University. This diversity provides greater stabilization during economic downturns. The Downtown San José market has attracted significant high technology and corporate activity over the past few years including:

- **Adobe Systems'** development of a 1 million square foot corporate headquarters complex, which includes two towers completed in 1998, and a third tower which opened in January 2004. Adobe recently purchased land for a future tower across from HP Pavilion.
- **Opus West** completed a 335,000 square foot tower in 2001. Tenants include **Deloitte and Touche, CB Richard Ellis, and Jeppesen Sanderson, Inc.**
- **Sobrato Development** completed a 380,000 square foot tower in 2002. This building, which is being marketed as a single tenant opportunity, has generated significant interest in recent months.

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- **Boston Properties** holds a Site Development Permit for an 860,000 square foot complex near the Convention Center.

Cultural and Public Facilities

Downtown San José is the cultural center of the South Bay Area. Within a half mile or less, there are seven art museums/galleries, three interactive (non-art) museums, eight live performance theatres, four arts/independent film screens, a professional opera company, a professional symphony orchestra and a professional ballet company. In addition to these cultural fixtures, the downtown is a popular location for outdoor events. Annually, there are over 175 outdoor events in Downtown, including Music in the Park, San Jose Grand Prix, San Jose Jazz Festival, Tapestry Arts and Christmas in the Park.

Cultural facilities and development highlights:

- The **Improv Comedy Club** opened in November 2003 at the historic Jose Theatre, and has broken a number of attendance and revenue records nation-wide for the chain.
- In June 2004 the locally owned **Camera Theaters** expanded from 4 screens to 12 screens in a newly renovated theater located on the Paseo de San Antonio, between First and Second Streets. Film offerings also expanded from independent arts and foreign films to include first-run Hollywood productions.
- **MACLA** (Movimiento de Arte y Cultura Latino Americana) has completed tenant improvements that double its programming capacity.
- The **Museum of Quilts and Textiles** completed its new site at 520 South First, opening in July 2005.
- Other cultural facilities include the **Tech Museum of Innovation** and **San Jose Museum of Art**, both of whom are investigating expansion options.

In addition to the cultural facilities in the downtown, San Jose also has a number of public facilities that add significantly to the draw of visitors, residents, and workers.

Public facilities development highlights:

- The \$73 million renovation of the 1,125-seat **California Theater** (circa 1927) as the home of Opera San José was completed in September 2004.
- The 475,000 square foot new **Martin Luther King, Jr. Library** opened in August 2003. The library is the first joint use between a city and university in North America. The library averages 10,000 visitors per day and in 2005 had 2.6 million visitors.
- The 2.6 mile, 150 acre **Guadalupe River Park and Gardens** opened in Fall 2005, connecting Downtown San Jose to the airport.

For more information on Agency projects in the Downtown, please see the Agency's Monthly Status Reports at: <http://www.sjredevelopment.com/MonthlyReports.htm>.