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From the Silicon Valley Business Journal:

<https://www.bizjournals.com/sanjose/news/2020/02/11/marwood-san-jose-diridon-south-opportunity-zone.html>

Exclusive: San Jose-based developer proposes huge Opportunity Zone project near city's Diridon Station

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Marwood aims to turn an entire block near Diridon Station and State Route 87 into either two residential towers or two office towers, an executive at the San Jose-based development and real estate investment company told the Business Journal on Tuesday.



C2K ARCHITECTURE, INC.

The developer plans to submit an enhanced preliminary review application to San Jose's planning department on Wednesday for its project, dubbed "Diridon South," which includes two development options for the southwest corner of West San Carlos Street and Delmas Avenue:

Two 28-story, 300-foot-tall towers offering a combined total of 1,000 units. The towers total 1.6 million gross square feet combined and would each include three levels of underground parking offering 1,000 parking spaces and ground-floor retail space.

A 20-story office tower and a 16-story office tower totaling 1.8 million gross square feet combined. The 20-story tower would be 297 feet tall, three feet shorter than 200 Park Ave., an [under-construction office tower](#) being developed by Jay Paul Co.

that is currently slated to be the tallest building in downtown San Jose when completed.

Matthew Love, chief operating officer of Marwood and president of the company's federal Opportunity Zone investment platform, said the intersection of West San Carlos Street and Delmas Avenue — adjacent to State Route 87 and about a half-mile south of Diridon Station — is along what should become a "major thoroughfare connecting downtown to the West."

"The area currently consists of a mixed bag of single family, industrial, auto shop, retail, and parking lots," Love said Tuesday. "Given West San Carlos Street's direct access to downtown and the convention center under [State Route] 87, it just makes sense to look closely at the long-term vision for this corridor."

Click through the gallery above for massing studies of Diridon South's office option and residential option.

The roughly 2.7-acre project site — which consists of addresses that stretch from 400 W. San Carlos St. to 458 W. San Carlos St. — is home to the Mexican restaurant El Jalapeño Rojo, multiple single-family homes, a duplex, vacant land, an auto repair shop and a smog inspection station, according to Google Maps and data from commercial real estate analytics firm Reonomy.



The site is also located within an Opportunity Zone, a census tract established as part of the Tax Cuts and Jobs Act in 2017 that allows investors in these areas to benefit from capital gains tax incentives.

One of Marwood's three single-asset Qualified Opportunity Funds for 2019 is invested in the Diridon South project; the other two funds are invested in two projects in Portland, Love said.

The property is also a four-minute walk east of 491 W. San Carlos St., where San Jose-based Opportunity Zone investor Urban Catalyst has proposed building a 170-room hotel, and a two-minute walk east of Urban Catalyst's Madera @ Google Village apartment project at 470 W. San Carlos St. and its adjacent Delmas @ Downtown West senior living project.

Marwood's preliminary application is intended to explore development options for heights and uses, Love said. He said the intent for proposing towering heights for both the residential and office options is to maximize allowable Federal Aviation Administration heights but that the San Jose City Council would need to update

building heights throughout the Diridon Station Area Plan for Marwood to be able to build up-to-300-foot-tall structures.

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