



For Immediate Release

December 16, 2014

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“Sky’s the Limit” with Downtown High-Rise Development Incentive

Taxes eliminated for one-time opportunity to develop next office building Downtown

SAN JOSE, CALIF. – The San José City Council recently approved suspending the collection of city construction taxes in order to incent the next high-rise office development project and keep pace with growing demand in Downtown San José.

“Today, companies are choosing urban environments to access and attract a talented workforce,” said Mayor-Elect Sam Liccardo. “With more than 2,500 new housing units under development and more than 110 tech companies, we are experiencing stepped-up demand from employees and businesses to locate in Downtown.”

The High-Rise Development Incentive builds on successful efforts led by San José’s Office of Economic Development, the San Jose Downtown Association, and Downtown banks and property owners to lower office vacancy rates in San José’s Downtown. This one-time incentive seeks to continue those efforts and accelerate investment in more commercial space Downtown. It could reduce construction costs by \$800,000 to \$1.5 million and help make a potential office high-rise viable in the next two years.

“As the commercial vacancy rate drops below 13 percent, adding jobs Downtown will become increasingly difficult without additional commercial development in the City Center,” Kim Walesh, Director of Economic Development and Deputy City Manager. “This one-time incentive is designed to add more businesses Downtown where there is ample transit, housing and amenities.”

Commercial vacancy rates Downtown dropped from 30 percent in 2012 to 13 percent in 2014.

About High-Rise Development Incentive

The High-Rise Development Incentive suspends the collection of construction taxes for a single new high-rise development project for Office, R&D, or non-hotel commercial high-rise that secures building permits prior to December 31, 2016. A high-rise building for the purposes of this incentive is defined as 150 feet in height or taller.

About San José Office of Economic Development

The San José Office of Economic Development is committed to a vital, competitive local economy that increases prosperity for people and companies. OED guides economic strategy, provides assistance for business success, connects employers with trained workers, and provides arts and cultural resources to our community. For more information, visit www.sjeconomy.com and follow us on Twitter: @sjeconomy, #sjplace.

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