

Bixby bags three buildings in San Jose's Golden Triangle

BY DAVID GOLL

SAN JOSE – A Southern California commercial real estate company has snapped up one of the last remaining vacant large office spaces in Silicon Valley.

Bixby Land Co. of Irvine purchased a three-building, 164,000-square-foot campus in North San Jose's Golden Triangle area for \$19.5 million. The privately owned real estate investment trust plans to spend more than \$11 million to renovate the nearly 30-year-old structures for a new tenant or group of tenants.

The company has a portfolio of 23 buildings in Silicon Valley totalling more than 1.2 million square feet.

"Silicon Valley is one of the most active leasing markets in the nation, and it has become increasingly difficult for tenants to find larger blocks of high-quality space," said Bill Halford, Bixby's president and CEO. "This acquisition allows us to transform the campus with a compelling redevelopment and deliver a newly designed project to the market."



Bill Halford

Halford said the remodeling work will include installing new roofs and heating and air conditioning systems at the buildings, as well as redesigned lobbies, new landscaping and exterior signs.

Despite the extensive renovations to come, Halford said the buildings' "bones are good." He said he prefers to see a single tenant in the complex, though a multi-tenant arrangement is an option. A technology company is the most likely new tenant.

Like many of the area's commercial brokers, Halford said he has seen the

red-hot real estate market creep southward since late last year. During the past six months, Silicon Valley recorded 16 transactions involving space greater than 100,000 square feet, he said.

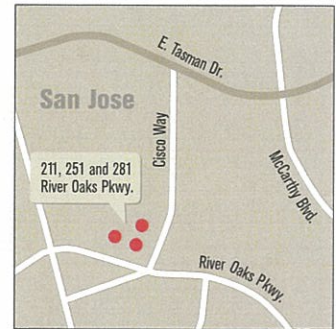
"If Palo Alto is ground zero, then in a perfect world, you would see the same kind of project in Palo Alto," he said. "But you don't see that now. Mountain View and Sunnyvale have gotten tighter, so now you are seeing this vigorous market move into Santa Clara and San Jose."

Craig Fordyce, a Colliers International senior vice president helped negotiate the sale. "It was a good price on this space in this market. There is a limited

amount of large blocks of space in Silicon Valley," said Fordyce.

Colliers' colleagues Jim Beeger and Mike Rosendin, both senior vice presidents, also negotiated the sale of two of the buildings at 251 and 282 River Oaks Parkway along with Fordyce. They represented the seller, NSJ Investors LLC of Hamel, Minn., in the transaction. Peery Arrillaga, a Palo Alto-based office building leasing company, represented themselves in negotiations to sell an adjacent structure at 211 River Oaks Parkway to Bixby.

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SJSU faces \$300 fee hikes this fall

BY DAVID GOLL

SAN JOSE – Basic registration fees for full-time San Jose State University undergraduates will be increased to \$3,414 from \$3,120 for the fall 2011 semester.

The announcement was made by San Jose State officials after a 12 percent hike in tuition was approved July 12 by the California State University Board of Trustees. The 23-campus system is facing a \$650 million reduction in state support for the 2011-12 academic year, just the latest example of diminishing state financial aid for public higher education in recent years stemming from state budget travails.

The fall fees include \$2,736 for instruction and \$280 to cover such campus services as the Student Union and Student Health Center. University officials say one-third of revenue generated by tuition will be used for financial aid to help needy students.

"The enormous reduction to our state funding has left us with no other choice if we are to maintain quality and access to the CSU," CSU Chancellor Charles B. Reed said in a statement.

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