



A Proven Blueprint for Success

Serving our Clients  
Since 1955

# Table of Contents

Introduction

Executive Summary

## Land Transactions

Jackson Oaks

Tuscany Hills

Thunderbird Golf Course

King Road

Mirassou Winery

Village One

Salamoni Court

San Jose Christian College

Las Vegas

Cochrane & 101

Elmwood (Luna)

Sorrento

Hacienda Gardens

Union Pacific Railroad

Almondridge

Cherry Acres

Morrison Park

One South Market

McEvoy Apartments

5150 El Camino Real

## Syndication

Laurel I

B&B VI

San Jose Office Plaza

Golden Pacific Office Center

Paragon

Orchard Business Plaza

Oakmead Terrace

Mowry East

## Development

Twin Palms

Bonaventura

De La Cruz

Airport Office Plaza

Berryessa

Ringwood Business Center

Club Auto Sport

Hilton Garden Inn Fontana

Junction Office Center

Fremont Business Park

Sierra Avenue Fontana

Bay 101 Technology Place

Garage Unlimited of Monterey

Saich Way Station

Monterey Motorsport Park

802 South First Street

Facchino District

Market Park San Jose Transit

Market Park San Jose Retail

Market Park San Jose Residential



The Great Recession of 2008 triggered a massive earthquake that sent shockwaves to every corner of the commercial real estate industry. Most firms responded by drastically scaling back operations, or even walking away from poorly performing assets.

Borelli Investment Company charted a different course. Our six decades in business have taught us that cycles come and go. So it's what we didn't do that defines us as a company. No massive layoffs. No Draconian budgets. Just persistence, perseverance and hard work.

Our people bring exceptional intelligence and extraordinary creativity to every endeavor. Every commercial development and conversion. Every property we manage. Every transaction we arrange. And every asset we see through to successful disposition.

In short, Borelli has a proven blueprint for success — born of innovation and built on the consistency of more than 65 years of experience.

OUR PHILOSOPHY IS SIMPLE:

QUALITY, DEDICATION AND PROVEN RETURNS.

# Executive Summary

From Silicon Valley to the fast-growing Central Valley, Borelli knows commercial real estate. Our willingness to get our hands dirty and look beyond the easy answers enables us to identify those solutions that best meet a client's requirements or help a property achieve its true potential.

## PROPERTY MANAGEMENT

### We Treat Properties as if We Owned Them

Some companies offer property management services because they have to. These firms often take shortcuts and are slow to respond to owners' and tenants' needs. At Borelli, we provide property management services because we want to. And we manage every building as if we owned it.

We specialize in the tough challenges. Multi-tenant office and industrial buildings for small to mid-sized businesses. Neighborhood retail centers. Medical and dental offices. Business condos. Even bare land. We offer a full complement of services — from leasing and tenant retention to closely watched payables and receivables. And from prompt maintenance to tight budgeting and timely owner distributions. Our track record speaks for itself: in good markets and bad, the occupancy rate of Borelli-managed buildings over time has averaged better than 95%.

## LAND DEVELOPMENT

### Let Us Help You Sell at "Retail," Not Wholesale

If you own land, you may find yourself faced with a dilemma: what do I do with this property? Should I sell it now or later? How much is it worth? What's the best way to develop it? These are difficult questions and the land development process can be quite daunting. That's why you need Borelli on your team. We have the expertise and experience to assess current market conditions, conduct market studies, determine the highest and best use for a property, develop a plan, work through the complex entitlement process, and even help you put the necessary infrastructure in place.

By removing the entitlement risk and investing a bit of time, effort and money into the property, you can add significant value and sell at retail or retail plus — rather than wholesale — prices. With Borelli guiding you every step of the way.

## DEVELOPMENT AND CONSTRUCTION

### Unlimited Creativity and Comprehensive Construction Management

We are experts at overcoming the obstacles that can delay development and construction and break budgets. This includes:

- Tenant coordination for improvements and renovations
- Site selection and design
- Budgeting, bidding, contracts, planning, inspections, and permits
- Zoning, entitlement, regulatory requirements, and special districts.

We've built close relationships with leading lenders, architects, civil engineers, subcontractors, and general contractors — including our preferred construction partner, SiliconX Construction — to bring projects quickly to fruition. Our development expertise and exceptional construction oversight help us to reduce paperwork, cut through red tape, manage budgets, and overcome a host of challenges — to accurately evaluate the potential of any development project and streamline the construction process for successful outcomes.

## BROKERAGE

### We Buy, Sell, and Lease Client Satisfaction

Most brokers are in the business of buying, selling and leasing property. We believe we're in the client satisfaction business. That's why we specialize in smaller spaces and shorter leases that many real estate firms avoid. We nurture the growth of start-ups by flexibly accommodating expansion within complexes, or even relocations to other properties when possible. We do far more than merely take buy or sell orders. Instead, we offer advice drawn from our years of experience on refinancing, exchanging or repositioning properties as needed.

Our breadth and depth of experience with a wide array of land transactions — representing buyers as well as sellers — is second to none among our peers. We are also very good at diligently working on transactions and bringing parties together to conclude even the most complex transactions.



# Land Transactions

# Jackson Oaks

**117-unit new home development, Morgan Hill**

**\$11.8 million • June 1988**

**Developed by Dividend Development Group**



## **THE CHALLENGE**

A Japanese development company had owned the property in Morgan Hill for many years and had been unable to develop it.

## **THE SOLUTION**

Silicon Valley Diversified, a local homebuilder, devised a practical development approach. Dividend Development Group became interested. Ralph Borelli represented both parties in the transaction, seeing it through several near-“deal-breakers” before closing the transaction.

## **THE RESULTS**

Consistent communication was the key to holding the deal together. Each time a renegotiation occurred, the property’s value increased — ultimately providing a nearly 400% gain in nine months — while paving the way for Dividend Development’s construction of a new home community.



# Tuscany Hills, San Jose

**937-unit new home development, San Jose**

**\$31.4 million • June 1997**

**Developed by KB Home/Western Pacific Housing**



## **THE CHALLENGE**

Major infrastructure issues held up the development of San Jose's Communications Hill. No access roads. Water available only about halfway up the hill. Massive grading and tons of topsoil needed due to serpentine asbestos. The hill was also divided into multiple parcels owned by different individuals and entities.

## **THE SOLUTION**

Borelli Investment Company worked closely with the various property owners, other brokers, and KB Home over more than two decades to play a key role in assembling seven parcels into the largest contiguous piece of undeveloped land on the Valley floor. The final parcel totaled approximately 125 acres with a combined sales price of about \$31.4 million.

## **THE RESULTS**

Western Pacific Housing constructed 217 homes. KB Home moved more than 30 million cubic yards of dirt and invested over \$100 million in infrastructure improvements to build Tuscany Hills, a community of 720 homes and three neighborhood parks. Borelli's ability to build trust won the day and made the new home community a reality.

# Thunderbird Golf Course

Mixed-use residential community, San Jose

\$12.8 million • June 1997

Developed by Barry Swenson Builder and KB Home



## THE CHALLENGE

Although it was in a serious state of disrepair, the neighbors wanted to keep the golf course. There were traffic mitigation issues, zoning issues (to change from industrial to residential), and open space issues. In addition, at the start of the project in 1992, the financial markets were poor.

## THE SOLUTION

Identified Swenson as the developer for a mixed-use community with 200 single-family detached homes and 100 units of affordable housing for seniors. Convinced the city to build a 9-hole golf course through a Community Facilities District (CFD) bond sale. Included affordable market-rate housing built by KB Home.

## THE RESULTS

Worked diligently over five years. In the end, produced a much better result than the one million square feet of industrial space called for in the general plan. Provided mixed-use housing and beautiful new entry-level golf course in an in-fill area in one of San Jose's poorest neighborhoods.



# King Road

91-unit new home development, San Jose

\$13.1 million • July 1999

Developed by Greystone Homes



## THE CHALLENGE

The property was owned by three different parties, one of whom needed a tax-deferred exchange to another residence. A general plan change from industrial to residential would be also required, and the city planning staff was originally opposed to the development.

## THE SOLUTION

There were major infrastructure issues with sanitation and the handling of storm water. The city also required an affordable housing component and wanted to incorporate “Youth Build” — a trade school program to help young adults with challenges gain experience with construction and development.

## THE RESULTS

Greystone Homes completed 91 single-family residences. The judicious use of the “Youth Build” program yielded a greater profit on the sale of the affordable housing units. Converting the land from industrial to residential increased the land’s value approximately 400%.



# Mirassou Winery

107-unit new home community, San Jose

\$10.6 million • January 2002

Developed by KB Home



## THE CHALLENGE

The Mirassou family had begun selling its San Jose vineyards as the land became too valuable for agricultural uses. Previous development phases had been done through a builder/developer other than KB Home. Ralph Borelli was brought in by the family attorney as a second option.

## THE SOLUTION

Through skillful negotiation, Borelli brokered the property for KB Home, while obtaining an increase of more than 300% above the original offer to the Mirassou family for the land.

## THE RESULTS

The Mirassou family received appropriate value for the land. KB Home was able to build a beautiful 107-unit, high-density residential community in a highly desirable location in the East Valley foothills.

# Village One

94-unit new home community, Modesto

\$4.7 million • April 2004

Developed by KB Home



## THE CHALLENGE

The housing plots had been mapped by a developer/land speculator who was not an experienced homebuilder. The plot plan would have never been approved by the city.

## THE SOLUTION

Borelli Investment Company engineered a transaction that was more of a trade than a purchase. The transaction met the needs of the seller and provided KB Home the opportunity to design and build a new home community that would win the city's approval.

## THE RESULTS

The transaction took place at an optimal time in the market, so it was very successful for both the seller and KB Home. Borelli ensured that the entire process went smoothly was relatively uncomplicated and painless for all parties.



**78-unit new home community, San Jose**  
**\$16 million • December 2004**  
**Developed by KB Home**



A swath of land needed for flood control running through the middle of the property essentially made the parcel valueless to homebuilders. Any sale would also require changing the zoning from industrial to residential.

With extensive lobbying and land planning in conjunction with HMM Engineers, Borelli was able to substantially reduce the flood control easement from 200 ft. to 60 ft. A street was placed right over the flood control area to open the parcel. With this done, Borelli was able to obtain the residential zoning needed.

KB Home built a unique community of detached townhomes that enabled it to fit 78 single-family homes onto 5.5 acres. The property value was increased 400% through the sale to KB Home.

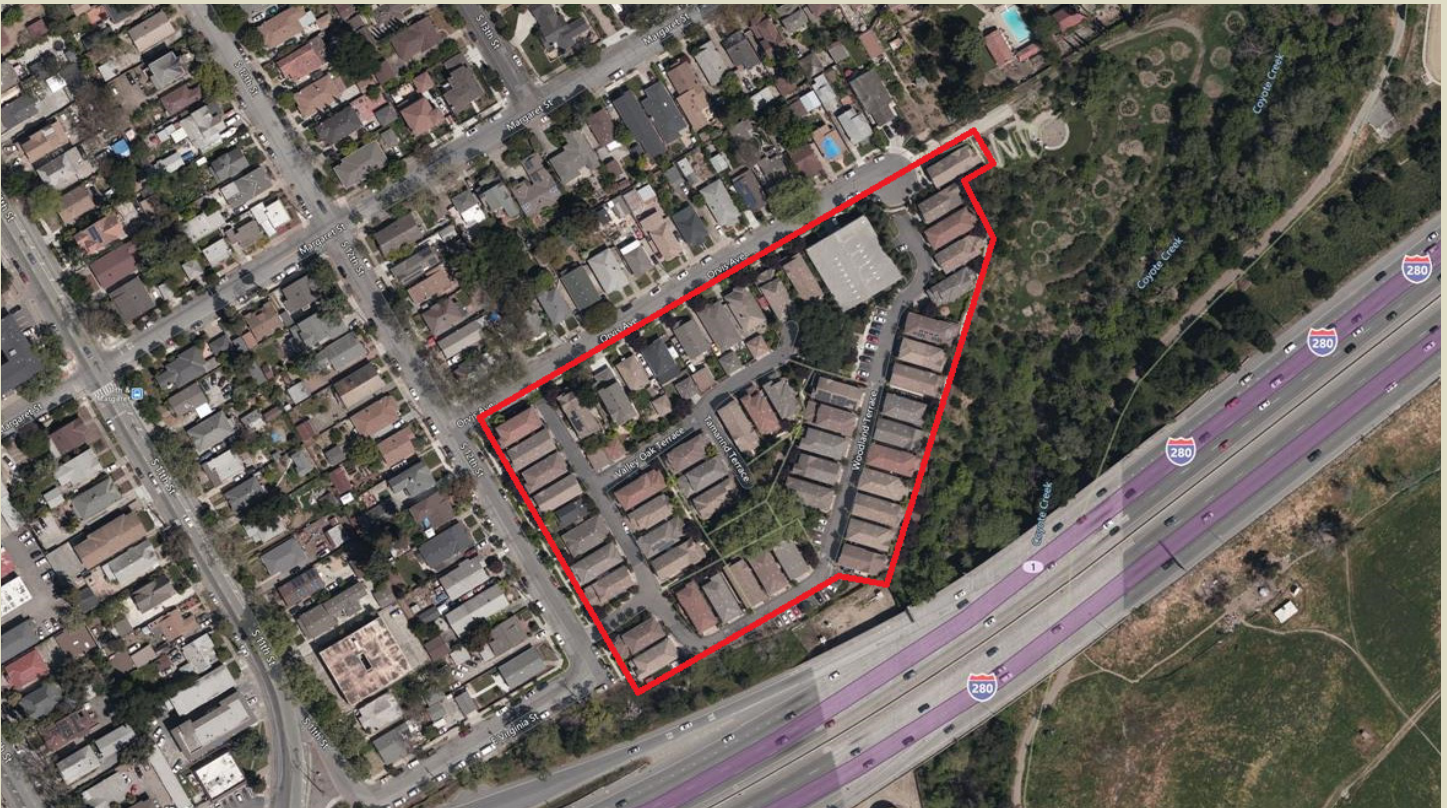


# San Jose Christian College

60-unit new home community, San Jose

\$5.3 million • December 2004

Developed by KB Home



## THE CHALLENGE

The transaction was exceptionally complicated. Eight historic buildings were on the property. Rezoning was required from educational to residential use, and affordable housing units were specified. The broker representing the seller was reticent to work with Borelli or KB Home.

## THE SOLUTION

Ralph Borelli presented the deal to his client, KB Home. The needed residential entitlement was obtained. Finally, KB Home sold the portion of the property with historic structures on it to another developer, who incorporated the required affordable housing units into the property.

## THE RESULTS

Hard work and persistence paid off in the development of 60 badly needed residential units — including affordable housing — at 12th Street and Orvis, east of San Jose State University.

# Las Vegas

80-unit new home community, Las Vegas, NV

\$2 million • 2005

Developed by Pinnacle Homes



## THE CHALLENGE

The seller had a 5-acre parcel of land that had not been zoned, subdivided, or included under the city's general plan.

## THE SOLUTION

Borelli annexed the property to the City of Las Vegas and obtained zoning entitlements for high-density, single-family, detached homes. Because Las Vegas is outside of Borelli's target market, local consultants were engaged and more than \$100,000 was spent on legal and consulting fees in 18 months.

## THE RESULTS

With the subdivision approved, the land sold for \$2 million — compared to the original \$600,000 offer on the property. The required investment in consulting and legal fees was turned into a very nice profit for the satisfied seller.



# Cochrane & 101

65 acre, 650,000-sq. ft. retail development, Morgan Hill

\$29.5 million • August 2005

Developed by JP DiNapoli Companies & Browman Development



## THE CHALLENGE

Land had been passed from generation to generation, creating a puzzle of issues. One parcel was embroiled in a court-ordered sale due to a partnership dispute. Another was not for sale, but would only be made available as part of a joint venture agreement. Attempts by other developers to first build homes and then office buildings, had caused multiple zoning changes — but all attempts had failed.

## THE SOLUTION

After nearly three decades of behind-the-scenes spadework, Borelli managed to assemble the patchwork of parcels to complete the land transaction, and brought in leading developers to begin construction of a contemporary 650,000 square foot, 65-acre retail center to begin. The Guglielmo Winery family participated in the transaction as a joint venture partner.

## THE RESULTS

Developers J.P. DiNapoli Companies, Inc. and Browman Development Company designed a retail center built around a large Super Target store, and other major anchor tenants such as Petco, Staples, and Cost Plus World Market — as well as quality chain restaurants.

# Elmwood (Luna)

**750-unit new home community, Milpitas**

**\$57.7 million • November 2005**

**Developed by KB Home**



## THE CHALLENGE

Santa Clara County wanted to sell two surplus parcels totaling nearly 50 acres adjacent to the Elmwood Correctional Facility. Ralph Borelli brought the opportunity to the attention of KB Home. While owned by the county, the parcels would also require entitlements from the City of Milpitas and the Milpitas Redevelopment Agency — making the transaction more complex.

## THE SOLUTION

To complete the deal, KB Home and Borelli Investment Company had to work diligently with the Milpitas Planning Department and Redevelopment Agency to annex the land to the City of Milpitas. KB Home managed most of the entitlement process, including the production of an Environmental Impact Report (EIR). The project also entailed the expansion and extension of the Redevelopment Agency, which required the approval of the county.

## THE RESULTS

KB Home created pads and made infrastructure improvements for a large automobile dealership fronting busy I-880. On the rest of the property, KB Home is building a \$ 500 million, 750-unit community of single-family homes, townhomes, and condominiums. The county generated \$ 150 million from the sale and the commercial ground lease. And Milpitas estimates the value of the sales taxes and property tax revenue from the auto dealership at \$ 2.4 billion over 30 years.



# Sorrento

80-unit new home community, San Jose

\$14 million • November 2005

Developed by KB Home



## THE CHALLENGE

The property was originally the site of the California Cheese Company. Rather than broker the land transaction, Ralph was asked to assemble a group of investors — which would enter into an “off-balance sheet” financing arrangement with an option to repurchase agreement with KB Home.

## THE SOLUTION

Borelli Investment Company took advantage of the close relationships it maintains with banks to find financing for the project. During the holding period, Borelli paid 6% interest to the bank, while charging KB Home 9% interest — enabling Borelli to make a reasonable profit without a brokerage fee.

## THE RESULTS

With the financing and entitlements it needed, KB Home obtained a construction license to complete the demolition and site development on the land now owned by the new partnership. KB Home then exercised its option and purchased the property in eight phases to develop an 80-unit residential community.



# Hacienda Gardens

250-unit new home community, San Jose

\$31.5 million • 2005

Developed by Toll Brothers



## THE CHALLENGE

By 2005, Hacienda Gardens' time had passed, with larger regional malls overshadowing the run-down 1950s —era shopping center. But surrounded by well-kept residential neighborhoods, Hacienda Gardens was ideally suited to be repositioned for high-density residential.

## THE SOLUTION

KT Properties divided the old shopping center into two parcels. On one, it built a master-planned, mixed-use development. The remaining ten acres were marketed to homebuilders. Borelli proposed a creative disposition process that solicited bids on an un-priced basis from a dozen qualified homebuilders — essentially creating an auction.

## THE RESULTS

Borelli's collaborative efforts with KT Properties brought a winning bid that represented a substantial value enhancement to the seller — and a good deal for the buyer, Toll Brothers, which is building a community of approximately 200 townhomes and condominiums on the property.

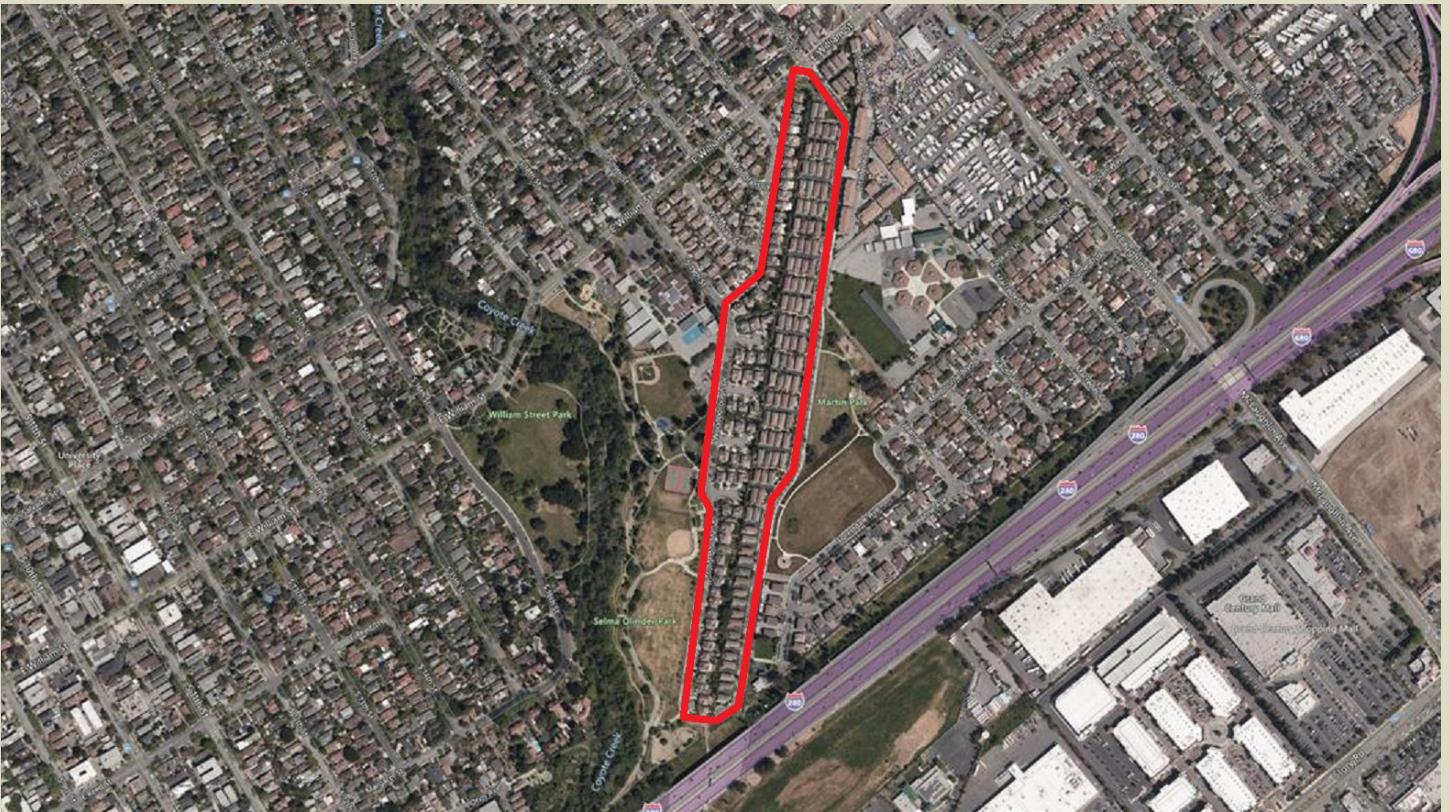


# Union Pacific Railroad

105-unit new home community, San Jose

\$13.3 million • 2005

Developed by KB Home



## THE CHALLENGE

The land had initially been under contract to a different buyer — but complications had arisen. Testing had revealed the 18-acre parcel needed a substantial environmental cleanup — at a cost of at least \$ 7 million. This caused the initial client to back away from the deal.

## THE SOLUTION

Representing KB Home, Borelli Investment Company worked diligently and creatively with the owner, Union Pacific Railroad. Borelli identified an environmental company — that backed by a risk transfer agreement through ING —guaranteed the cost of the cleanup would not exceed \$ 7 million. After nearly three years of work by Borelli, KB Home was ready to build.

## THE RESULTS

A blighted area has been cleaned up, benefiting the surrounding neighborhood. In addition to building a 105-home new community, KB Home will complete a portion of the Coyote Creek Park trail that runs through San Jose. Union Pacific benefited from the profitable sale of excess land.

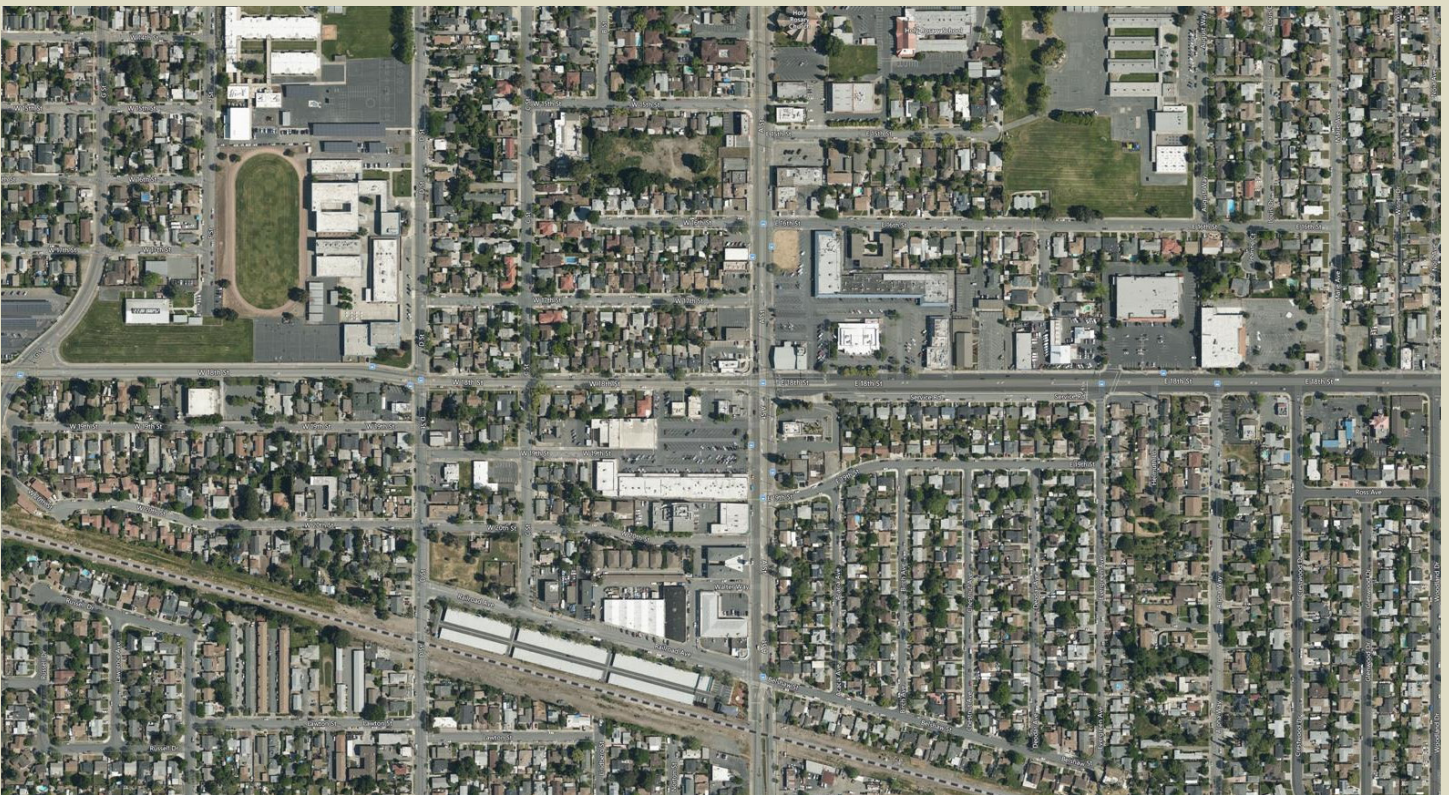


# Almondridge

**110-unit new home community, Antioch**

**\$11 million • March 2006**

**Developed by KB Home**



## THE CHALLENGE

Obstacles arose connected with any development along the Highway 4 corridor. A moratorium was instituted until Highway 4 widening could be completed, preventing KB Home from obtaining the needed final entitlements from the city.

## THE SOLUTION

Ralph Borelli brought KT Properties into the deal at the last minute to “warehouse” the opportunity before the option expired. KT Properties purchased the property with a 24-month buyback option for KB Home, contingent upon resolution of the Highway 4 issue.

## THE RESULTS

In the summer of 2005 — with Highway 4 funding in place and the road ahead clear once more — KB Home bought the parcel back from KT Properties at a 50% increase in value. KB Home was then able to complete the residential community, and both parties profited.



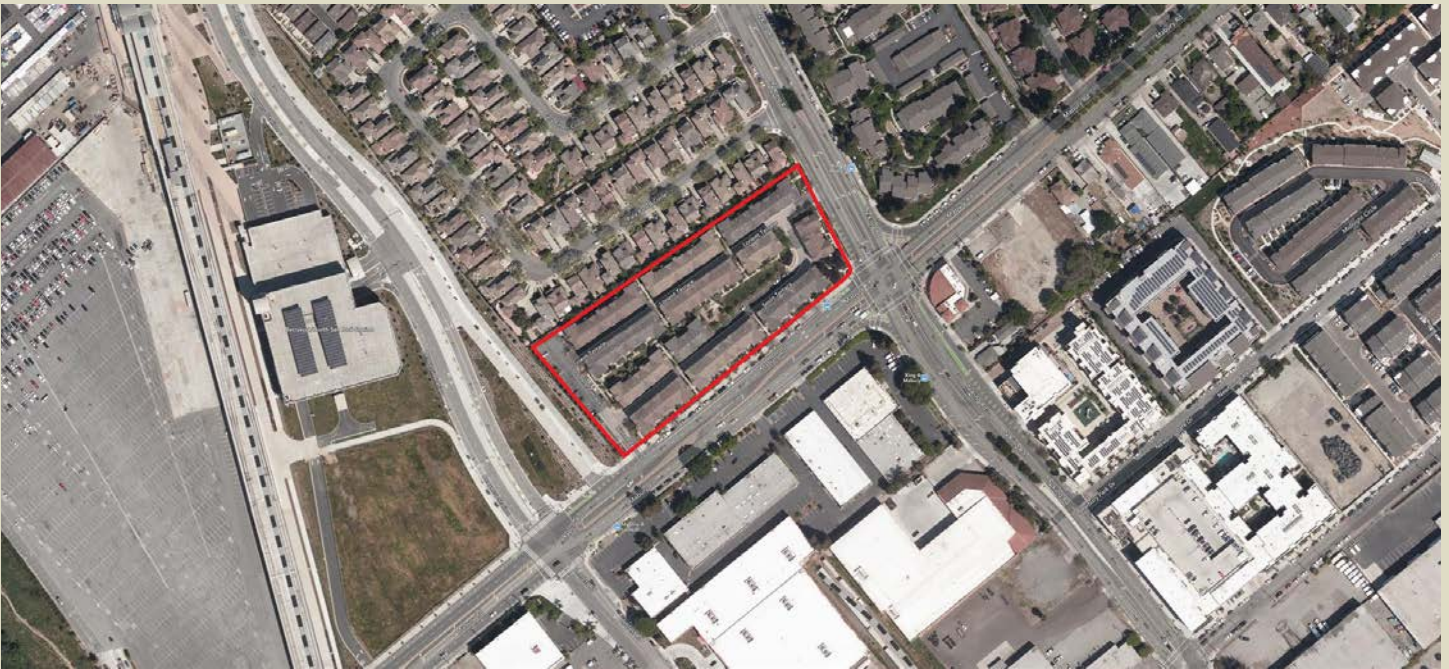
# Cherry Acres

65,000 sq. ft R&D/90-unit townhome community, San Jose

\$9 million • 1984 and 2006

Developed by Borelli and KB Home (2006)

Developed by Borelli Investment Company (1984)



## THE CHALLENGE

In 1984, a Borelli and a joint-venture partner purchased four acres of orchards and built a 65,000 sq. ft. R&D building. Shortly after the facility was completed and leased, the R&D market in San Jose suffered a severe decline. Borelli struggled to keep the building leased, signing short-term leases for maximum flexibility.

## THE SOLUTION

Borelli negotiated a difficult General Plan change with the City of San Jose to convert the property to high-density residential. KB Home was brought in to build 90 townhomes, and at KB Home's request, Borelli also helped arrange short-term, off balance-sheet financing with third party investors.

## THE RESULTS

With the required zoning approvals in place, Borelli demolished the existing R&D building, and KB Home successfully developed the townhome community. The City of San Jose got badly needed, high-density housing. And Borelli and its partners achieved an approximately 75% increase in yield over the alternative of simply selling the R&D building. A win-win-win!

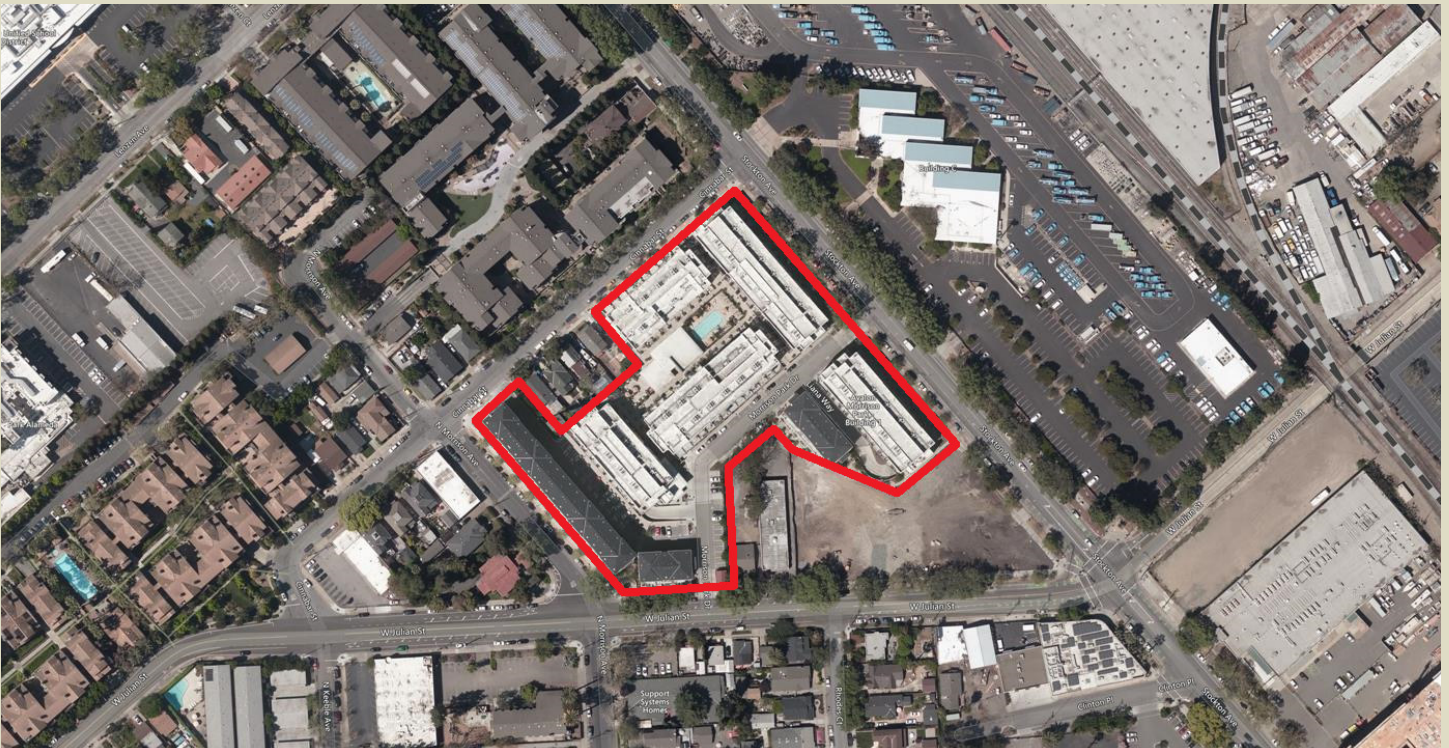


# Morrison Park

250-unit apartment complex, San Jose

\$19.5 million • 2008

Developed by Castlegroup



## THE CHALLENGE

The 4.4-acre property in downtown San Jose needed to be rezoned to residential. In addition, there were a number of structures on the property that appeared to be historic and would therefore need to be preserved.

## THE SOLUTION

Borelli established a close rapport among the seller, developer, and others involved in the transaction to address the significant challenges. Meeting monthly for four years — and more frequently as a deal drew near — it was determined all but one of the structures were not historic, so most buildings didn't need to be preserved.

## THE RESULTS

The Castlegroup saved \$ 2 million by not having to move the existing 1930s era structures on the property. This more than offset the \$ 200,000 invested over an intense eight months resolving the issue. With the path cleared, the Castlegroup proceeded with the development of its 250-unit complex.

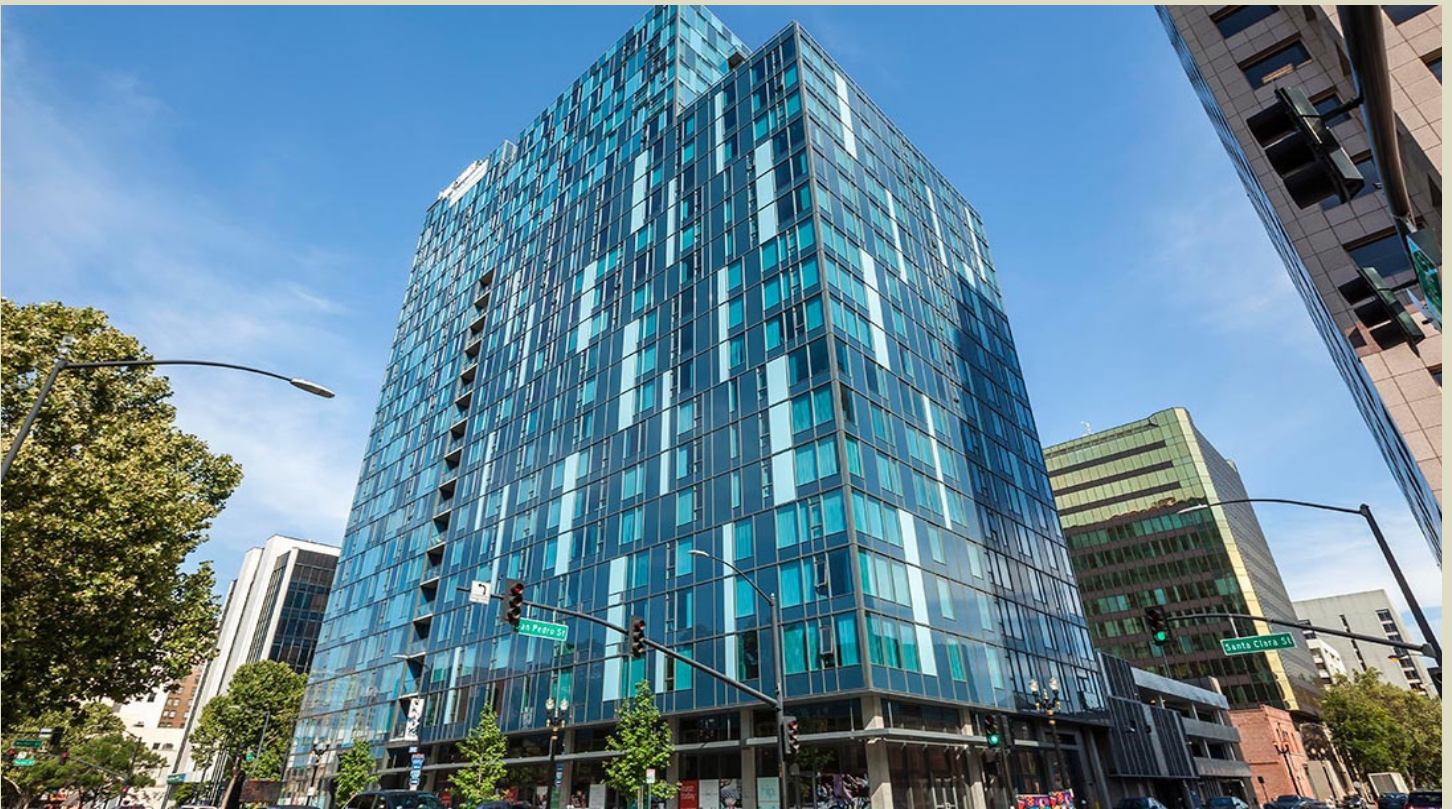


# One South Market

**285 high rise, luxury-living apartments**

**Land developed \$8.5 million • 2008**

**Developed by KT Properties**



## **THE CHALLENGE**

In 2007, KT Properties built Axis, a 22-story, 44,300-sq. ft. high-rise condominium tower in downtown San Jose. The luxury residences sold well, and KT Properties was looking to acquire additional property in prime downtown San Jose locations to build similar towers.

## **THE SOLUTION**

Borelli Investment Company leveraged its long-time network of relationships to identify 40,000 sq.ft. parcel of land at the corner of Santa Clara and Market Street – bringing it to the attention of KT Properties' decision-makers before the property was even listed for sale.

## **THE RESULTS**

In 2008, KT Properties acquired a long-term option in an off-market transactions on this ideally located property. It and Essex Property Trust – A Palo Alto-based apartment developer – recently filed a site development permit for a mixed-use, 21 story, 285-unit luxury apartment tower with approximately 6,000 sq. ft. of retail and underground parking at One South Market in downtown San Jose.

# McEvoy Apartments

**365-unit, 2-building, 13-story apartment complex, San Jose**

**1.13 acres • \$13.5 million • 2018**

**Developed by nonprofit First Community Housing**

**Located in the Diridon Station Area Plan (DSAP)**



## THE CHALLENGE

With the City of San Jose working through a time-consuming update to its 2014 Diridon Station Area Plan, market rate builders were unable to proceed on a timely basis with the entitlements needed for development since the City of San Jose had not yet adopted the financing plan for the DSAP. The D'Arpino family had been accumulating parcels in the area around its S&S Welding business for over 40 years, but developer interest had stalled due to city limitations — delaying the close of escrow by as much as two years.

## THE SOLUTION

Borelli identified an affordable housing builder that was exempt from the city's moratorium in the plan area. First Community Housing obtained a \$15.85 million acquisition and pre-development loan from the Silicon Valley Housing Trust — the largest loan in the organization's history — to build 365 studio, 1-, 2-, and 3-bedroom affordable housing units in 11 floors above a two-story parking garage.

## THE RESULTS

With First Community Housing's loan in place, Borelli was able to close the transaction within 90 days for a record price per square foot in that area — above what market rate builders could likely pay. The D'Arpino family then worked with Borelli to complete a 1031 tax-deferred exchange of the \$13.5 million in proceeds for a \$15.5 million retail center in Southern California — increasing the family's annual cash flow by 250%. Construction on the apartments is expected to begin in 2022.



# 5150 El Camino Real

## Los Altos, CA

**196 multi-family residential units (28 below market rate) on 3.8 acres**

**2020–2021**

**\$48,000,000 sale brokered by Borelli**



### THE CHALLENGE

Dutchints Development LLC, an established luxury home developer in the Bay Area, met with significant obstacles in its attempt to redevelop a 3.8-acre site at 5150 El Camino Real in Los Altos. After purchasing the property with its existing 77,000 sq. ft. office building for \$48 million, Dutchints worked for years to obtain approval to build a multi-family residential complex on the site — featuring 172 condos in twin 5-story buildings and 24 3-story townhomes. But then, COVID-19 hit. Rents fell. Construction costs soared. And Dutchints defaulted on its loan. The lender responded by filing for foreclosure — selling the note to Prometheus Development — and litigation ensued from a number of investors in the project.

### THE SOLUTION

Borelli Investment Company approached the owner about brokering a sale, but was initially declined. Once the courts got involved and appointed a receiver, Borelli again competed for the assignment against some of the largest national brokerage firms and was awarded the exclusive listing. Borelli brought a major homebuilder into the deal, but the builder ultimately backed out due to litigation risks and high costs created by the complex's podium-style design.

### THE RESULTS

Borelli tirelessly navigated through the court-supervised receivership, court-ordered sales process and the post-sale bankruptcy of Dutchints. In the end, Borelli successfully negotiated a lease-termination agreement with the existing anchor tenant to vacate the space years early, and closed the sale with Prometheus so construction could proceed. The end result will be an upscale multi-family residential complex with 28 much-needed below-market-rate units — likely the most added to Los Altos' housing supply in the city's history.

# Syndication



# Laurel I

**67,000 flex/incubator space, Santa Clara**

**\$4.7 million • 1983**

**Syndicated by Borelli Investment Company**



## **THE CHALLENGE**

Laurel I was an opportunity that Borelli was able to address by refinancing Orchard Plaza. Approximately four years after its development, Borelli refinanced Orchard B12 Plaza and used 3.3 million of the proceeds to buy Laurel I, a three-building industrial complex in Santa Clara.

## **THE SOLUTION**

While Laurel I's spaces were properly sized for smaller businesses, much of the complex was in disrepair. Management and leasing had also been negatively impacted by absentee ownership, which was causing negotiations to take far too long for small businesses on tight timetables.

## **THE RESULTS**

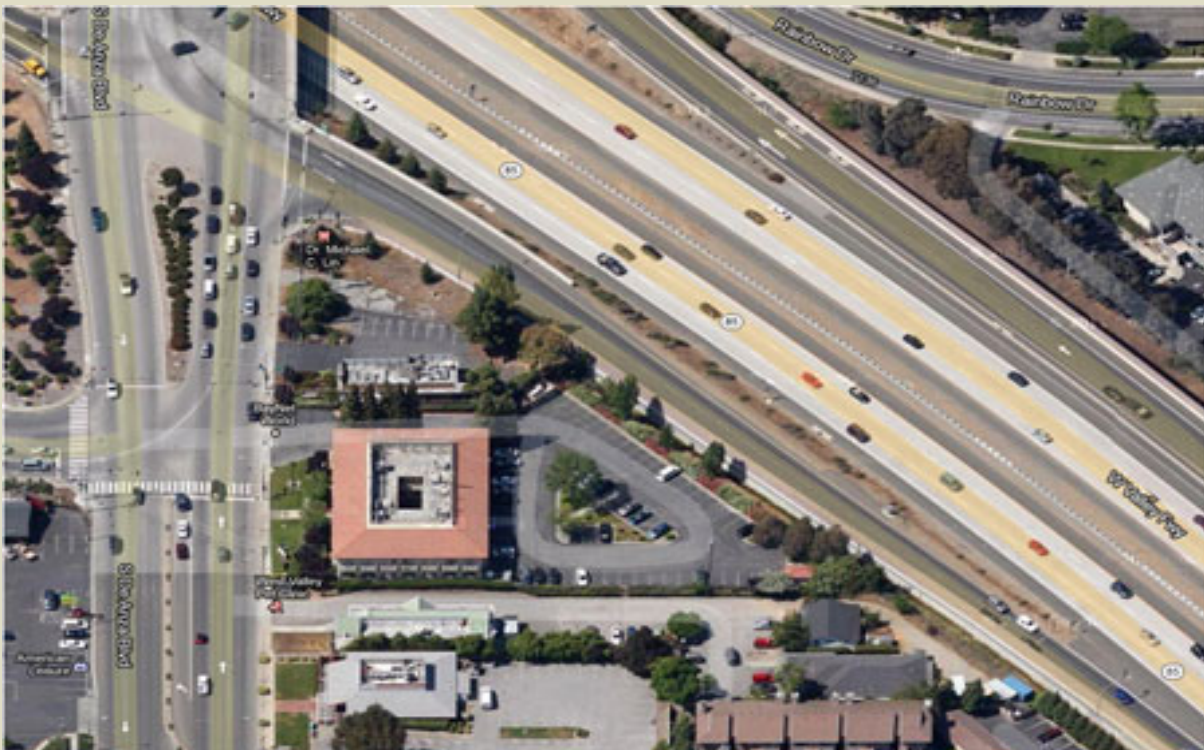
Borelli renovated the buildings and brought responsive, local management to Laurel I. The improved efficiency in closing lease transactions restarted the flow of transactions from brokers – resulting in a rapid lease-up of the buildings' vacant space. Laurel I was sold in 1996 for \$4.7 million in aggregate.

# B&B VI

18,600 sq. ft. of office space, Cupertino

\$4.7 million • 1984

Syndicated by Borelli Investment Company



## THE CHALLENGE

In 1984, Borelli purchased a 18,600 sq. ft. multi-tenant office building in a prime location near the intersection of De Anza Boulevard and Highway 85 in Cupertino for \$ 2.2 million.

## THE SOLUTION

The building was renovated with an emphasis on creating additional smaller spaces to accommodate startup companies and individuals. Borelli was also able to arrange variable interest rate financing — helping the project to better weather down cycles thanks to smaller mortgage payments.

## THE RESULTS

Borelli negotiated the placement of five cell phone antennas on the roof of the building, generating an additional \$ 60,000 in annual cash flow. The building was sold with ideal market timing in 2007 for \$ 4.7 million.

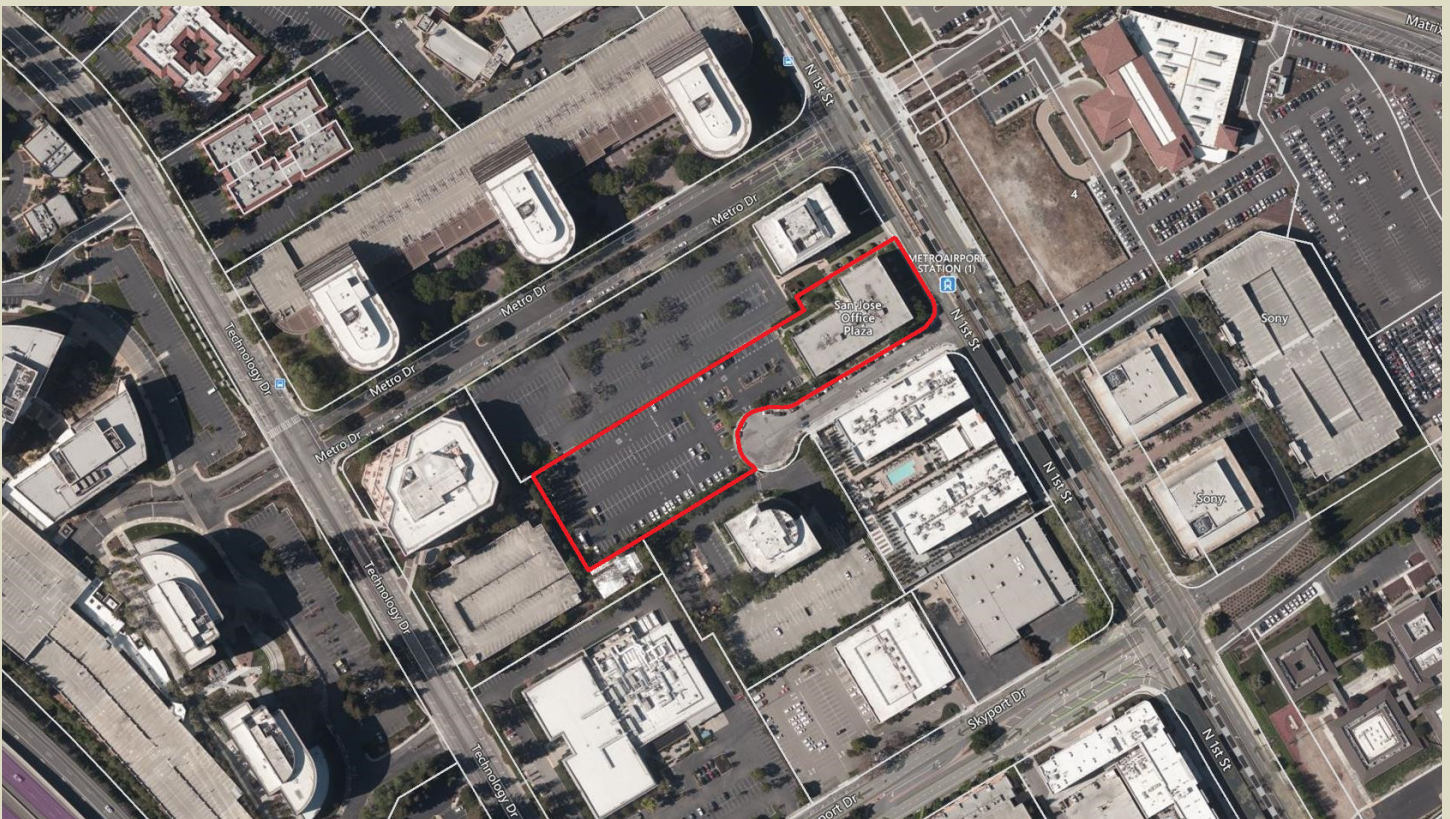


# San Jose Office Plaza

64,000 sq. ft. office space, San Jose

\$12 million • 1988

Syndicated by Borelli Investment Company



## THE CHALLENGE

Borelli was approached through its mortgage-banking correspondent to purchase 55 OP, a 64,000 sq. ft. office/R&D complex being offered as an REO by Crown Life Insurance. The purchase price was approximately /sq. ft. for a total initial value of \$ 5.6 million.

## THE SOLUTION

Again, Borelli's strategy was to position the complex for a larger leasing pool by creating spaces that appealed to the smallest start-ups or individuals. Once the suites were re-configured, Borelli's limited rollover costs to cosmetic items only — reducing capital expenditures.

## THE RESULTS

In 2004, Borelli successfully sold the complex for \$ 195/sq. ft. for a total value of approximately \$ 12.5 million providing investors a return of approximately 127%.

# Golden Pacific Office Center

69,000 sq. ft. of office space, San Jose

\$10.7 million • 2000

Syndicated by Borelli Investment Company



## THE CHALLENGE

Golden Pacific Office Center is a two-building complex 69,000 sq. ft., located in western San Jose. In 2000, owner Comerica Bank approached Borelli — which was handling the leasing for the buildings — about purchasing the aging complex.

## THE SOLUTION

Borelli bought the two buildings for approximately \$ 5.1 million, or about \$ 75/sq. ft., and invested capital to improve the property. Borelli was also able to secure Corinthian Schools (for its Everest College brand) as a key tenant, and negotiate a long-term leaseback with the bank.

## THE RESULTS

With the buildings' occupancy stabilized after three years, Borelli decided to sell the complex for approximately 10.7 million and continues to manage the property today.



# Paragon

**32,000 sq. ft. of office space, San Jose**

**\$3.5 million • 2005**

**Syndicated by Borelli Investment Company**



## **THE CHALLENGE**

Paragon was a 32,000 sq. ft. multi-tenant industrial building that Borelli and local partners purchased for \$ 2.5 million in 2003. Occupancy was well below capacity, and the building had suffered from inadequate maintenance over the years.

## **THE SOLUTION**

Borelli painted the building, improved the drainage, planted new landscaping, and increased parking ratios. An aggressive marketing and management effort brought the building to nearly 100% occupancy.

## **THE RESULTS**

Again, with impeccable market timing, in 2005 Borelli sold the building for slightly more than \$ 3.5 million, or \$ 110/sq. ft.

# Orchard Business Plaza

**120,000 sq. ft. flex/industrial, San Jose**

**\$18.6 million • 2006**

**Syndicated by Borelli Investment Company**



## **THE CHALLENGE**

In 1979, Borelli Investment Company syndicated its first equity partnership. The fund raised \$ 1.8 million in equity capital, and together with institutional financing, Borelli acquired a 120,000 sq. ft. flex/industrial building in San Jose for \$ 4.25 million.

## **THE SOLUTION**

Borelli renovated the building, dividing the space into smaller units to address a wide range of tenants. The company also increased the parking ratios, upgraded the landscaping, and provided on-site marketing and management for more timely response to tenant needs.

## **THE RESULTS**

Borelli owned Orchard Business Plaza for 27 years. The building was refinanced several times, with some of the proceeds used to invest in other developments. Orchard Business Plaza was sold in 2006 for \$ 18.6 million, an increase of over 400%. Investors who remained in the partnership to closeout received distributions that were 10 times their original investment.



# Oakmead Terrace

**134,000 sq. ft. of office space, Sunnyvale**

**\$29.5 million • 2006**

**Syndicated by Borelli Investment Company**



## **THE CHALLENGE**

In 1993, Borelli purchased a 134,000 sq. ft., multi-tenant office complex in Sunnyvale's Oakmead Park for \$ 7.1 million. The four-building, three-story complex had suffered under out-of-town ownership that wasn't responsive enough to meet tenant requirements.

## **THE SOLUTION**

Borelli renovated and repositioned the complex and provided on-site leasing and management to dramatically improve the ability to resolve concerns quickly and cost-effectively. The company also implemented an aggressive marketing/leasing program focusing on key broker relationships.

## **THE RESULTS**

The complex was sold near the top of the market in 2006 for \$ 29.5 million, an increase of more than 400% over the original investment.

# Mowry East

20,000 sq. ft. of retail space, Fremont

\$2.5 million • 2006

Syndicated by Borelli Investment Company



## THE CHALLENGE

In a rising market in 2004, Borelli purchased a retail center in Fremont for \$ 1.8 million. The center was only 60% to 70% leased at the time and needed a significant face-lift to attract new tenants.

## THE SOLUTION

Borelli invested the funds necessary to modernize the retail center. A retail-leasing specialist was hired, and the center's occupancy quickly rose to virtually 100%. The property was creatively set up as a tenancy in common (TIC) to address partnership needs.

## THE RESULTS

With the occupancy at nearly 100%, Borelli took advantage of a rapid increase in value to dispose of the property in 2006 for \$ 2.5 million, achieving a 39% gain in approximately two years.



Development

# Twin Palms

**50,400 sq. ft. of office space, Santa Clara**

**Current Value \$12 million • 1972**

**Developed by Borelli Investment Company**



## **THE CHALLENGE**

In 1972, Borelli Investment Company built a 50,400 sq. ft. multi-tenant industrial complex on Aldo Avenue in Santa Clara. In the mid to late 1970's the chassis of the Apple II computer was manufactured in this complex.

## **THE SOLUTION**

Borelli has actively managed the property to maintain the buildings in good functional condition with ample power and market-ready interiors. Aggressive leasing and management has provided stability to the owners, maintaining the average occupancy at close to 100% for almost 40 years.

## **THE RESULTS**

Occupancy continues to be at or near 100% — yielding steady cash flow on a free and clear basis to the owners.



# Bonaventura

**Two building flex industrial, 31,000 feet, San Jose**

**Partial Disposition \$ 2.5 million • 1978**

**Current value \$7,500,000**

**Developed by Borelli Investment Company**



## THE CHALLENGE

In 1978, Nelo Borelli — company founder and Ralph's father — purchased four acres of land and built three industrial/R&D buildings in San Jose. One was a build-to-suit for Alerco Manufacturing. The other two were multi-tenant industrial buildings.

## THE SOLUTION

Over time, Alerco outgrew its build-to-suit. Borelli Investment Company refurbished the space, leased it and sold it for a nice return.

## THE RESULTS

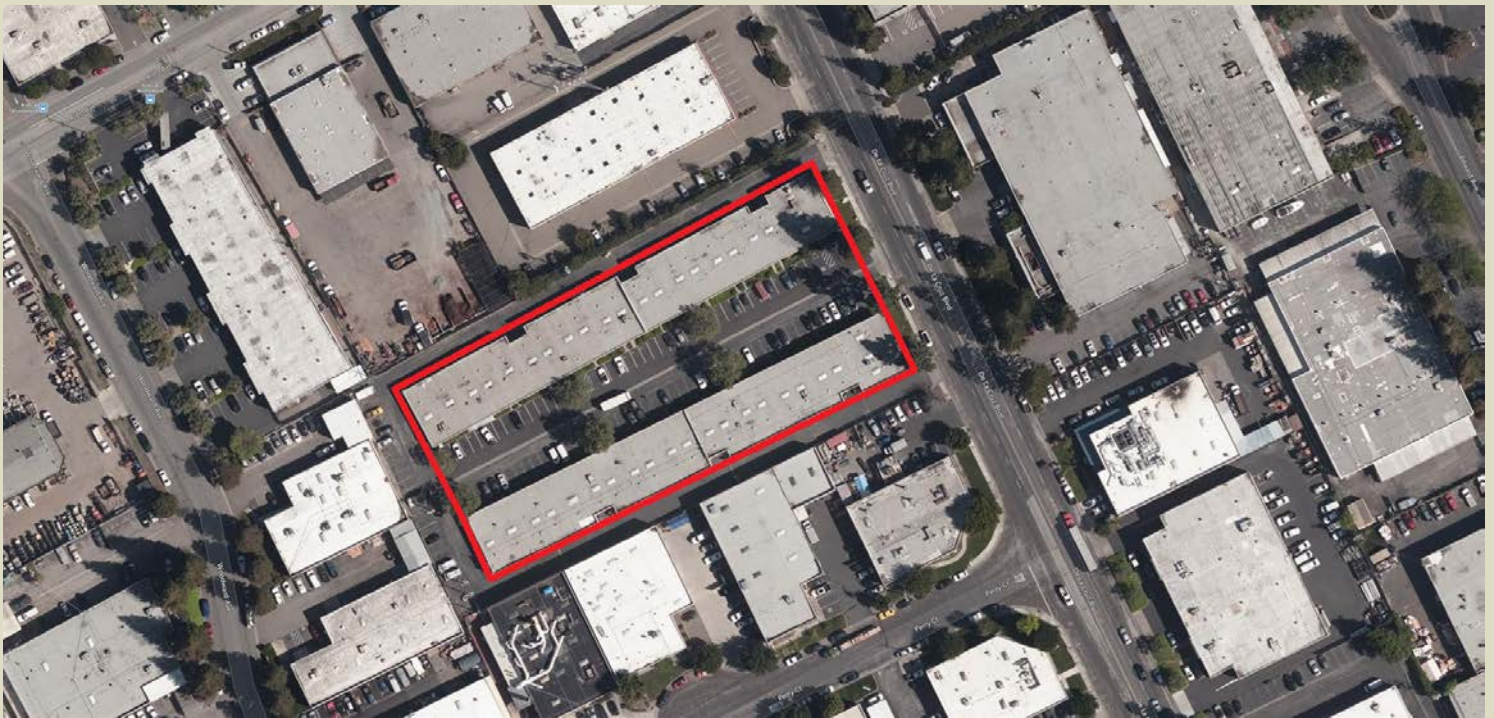
The remaining two buildings continue to be managed and leased by Borelli and provide a steady cash flow for the owners.

# De La Cruz

Development – 24 industrial condominiums, 51,000 sq. ft., Santa Clara

\$ 4.1 million • 1984

Syndicated by Borelli Investment Company



## THE CHALLENGE

In 1984, a Borelli-managed investment partnership purchased an aging 51,000 sq. ft. incubator industrial building in Santa Clara. On October 19, 1987, Black Monday saw the Dow Jones average plummet 22.6%, sending the economy into turmoil.

## THE SOLUTION

Borelli responded by successfully obtaining approval from the City of Santa Clara to renovate the property and convert the building into 24 industrial condos. A new loan was negotiated, and sources were identified to provide SBA financing when required by buyers.

## THE RESULTS

Sales of the units averaged \$ 80/sq. ft., for a total valuation of \$ 4.1 million. Partners received 100% of invested capital at close in 1992, even in the face of the economic downturn. Those who opted to exit the project by taking title to a condo in lieu of equity ultimately sold their units for additional returns.



# Airport Office Plaza

55,000 sq. ft. of office space, San Jose

\$13.8 million • 1985

Developed by Borelli Investment Company



## THE CHALLENGE

When the syndicated investment group assembled by Borelli acquired Airport Plaza Office Center (APOC), it was a walk-up, garden-style office complex offering “Class B” space. The complex was being overshadowed by many newer office projects in the area.

## THE SOLUTION

Borelli positioned APOC to continuously provide the best value in the marketplace. A major renovation included features and amenities that were a first for Class B space in that area, differentiating the buildings from the competition. On-site management improved response time and financial controls.

## THE RESULTS

In 2004, Borelli rezoned one of the three buildings at APOC and completed \$ 2.5 million in improvements to create AirTech Office Condominiums — which sold out very quickly. The other buildings maintained 95% occupancy through up and down economic cycles and were sold in 2006 for approximately \$13.8 million.

# Berryessa

**88,000 sq. ft. in industrial condominiums, San Jose**

**\$15 million • 2000**

**Developed by Borelli Investment Company**



## **THE CHALLENGE**

In 2000, Borelli developed 88,000 sq. ft. of flex industrial space in a gated, five-building, master-planned development in San Jose. Fortunately, Phase I was 60% pre-sold at a healthy profit, because shortly after completion, the “dot-com” bubble burst, sending markets into a two-year spiral.

## **THE SOLUTION**

To navigate the property through the challenging time, Borelli mapped the remaining space into industrial condos ranging in size from 5,000 to 11,000 sq. ft. — gaining access to a much deeper and wider pool of potential buyers.

## **THE RESULTS**

Despite the dot-com market crash, Berryessa was sold in 2009, providing investors a 10% annual increase over the original cost.



# Ringwood Business Center

**47 business condominiums, 72,000 sq. ft., San Jose**

**\$16 million • 2003**

**Developed by Borelli Investment Company**



## **THE CHALLENGE**

When a six-building corporate campus in North San Jose was sold in the summer of 2003, a five-acre parcel of land at the end of a cul-de-sac was excluded from the transaction. Borelli assembled an investor group and quickly raised \$2 million to purchase the odd piece of land.

## **THE SOLUTION**

Borelli orchestrated a zoning change from R&D to general commercial and obtained needed entitlements within six months. This enabled the construction of a three building, 72,000 sq. ft. business condo complex, with a unique "Main Street" design and units as small as 750 sq. ft.

## **THE RESULTS**

Within 90 days, more than 80% of the 47 units were either sold or in escrow, leading to an early sellout. Initial invested capital grew by approximately 250% providing investors with highly desirable returns.

# Club Auto Sport

Business community and event center, San Jose

2008 - 2015

Developed by Club Auto Sport - Silicon Valley LLC



## THE CHALLENGE

Club Auto Sport was conceived as an exclusive, private club for auto enthusiasts — featuring secure, climate-controlled car condos for storing and enjoying expensive collections. Shortly after its grand opening, the club suddenly faced a major roadblock caused by the Great Recession.

## THE SOLUTION

Club Auto Sport changed lanes — transforming the project in the midst of a major economic decline. The facility was repositioned as a dynamic business community and event center, in addition to a unique club. Although Club Auto Sport's original lender failed in the downturn, the managing members were able to arrange for a discounted note payoff, which eliminated \$4.5 million worth of debt. Then, a highly aggressive marketing and leasing campaign was launched.

## THE RESULTS

Even with the formidable obstacles, Club Auto Sport's 120,000 sq. ft. of space sold out by 2015, with profitable re-sales for owners continuing to occur from time to time. The unique car community is home to more than 15 specialty car dealers under license from the California DMV, car collectors and auto enthusiasts, plus an array of non-auto-related service businesses.



# Hilton Garden Inn, Fontana

115-room hotel and conference center, Fontana

\$18 million • April 2009

Owned and developed by Sierra Hotel Group, LLC  
and Borelli Investment Company



## THE CHALLENGE

An existing group had invested significant time and effort developing the hotel and working with the city of Fontana on needed entitlements. But although this group had received approval for the project, they were unable to obtain the building permits and raise the money required to begin construction.

## THE SOLUTION

Borelli Investment Company assembled a partnership group — Sierra Hotel Group, LLC — to take over the project. Borelli successfully raised the required capital in a short timeframe and secured the necessary building permits to build the hotel.

## THE RESULTS

The Hilton Garden Inn, Fontana, opened in April, 2009 to highly positive reviews — including earning a 96% rating from Hilton. The four-story hotel features well-appointed guest rooms and suites, a 24-hour business center, and 2,600 square feet of flexible meeting space — as well as a location close to the Ontario Airport and the nearby Auto Club Speedway (formerly California Speedway).

# Junction Office Center

52 office condominiums, 77,400 sq. ft., San Jose

\$17.5 million • 2011

Developed by Borelli Investment Company



## THE CHALLENGE

Borelli acquired an REO R&D/manufacturing complex in North San Jose. \$10 million was raised from an equity partnership for a sweeping renovation and creation of 52 office condos. Early sales were strong, with 70% of the units sold by year-end 2007. Then came the Great Recession of 2008.

## THE SOLUTION

While some developers walked away or hunkered down, Borelli turned to innovative marketing. Bold e-mail blasts to prospects, social networking, and a project blog raised the visibility of the property. TEAM Junction — a business-acceleration and mentoring group also differentiated the project.

## THE RESULTS

By the spring of 2009, sales began to inch forward again. The final unit was closed in May 2011, almost 5 1/2 years after the first office condo closed. Prices had been driven down by up to 30% due to market conditions, but the project was successfully completed and sold for 17.5 million.



# Fremont Business Park

**120,000 sq. ft. of office space, Fremont**  
**Listed at \$11.7 million • Sold September 2012**



## THE CHALLENGE

In mid-2009, Fremont Business Park — a multi-tenant office complex in southern Fremont — was showing its age and struggling to stay leased. Occupancy had fallen to just 35% at its lowest point, and the ongoing recession had eliminated most sources of financing.

## THE SOLUTION

Borelli approached the equity partners and convinced them to provide \$ 2.5 million in additional equity capital, so the complex could be extensively renovated. An aggressive marketing program was implemented that included a project micro web site, blog, HTML e-mails, and the TEAM Christy Street business-support group. Between 2009 and 2012, over 100 leases were negotiated in one of the most difficult leasing markets in history.

## THE RESULTS

By mid-2011, occupancy had reached 95%. The following summer, occupancy topped 97%, and rent increases were initiated. With the building well-positioned, Borelli listed the complex for sale for \$11.75 million, selling it for an undisclosed figure in September 2012.

# Sierra Avenue Fontana

**7,500 sq. ft. multi-restaurant retail building, Fontana**

**\$5 million development • 2015**

**Developed by Sierra Hotel Group, LLC**



## THE CHALLENGE

The owners wanted to develop a multi-restaurant building to offer additional dining options to guests of the adjacent Hilton Garden Inn as well as local foot traffic. However, with the dissolution of California's redevelopment agencies in 2012, plans to move ahead had been delayed for several years.

## THE SOLUTION

Borelli Investment Company patiently and expertly worked through the entitlement process until it could acquire a clear title and proceed with construction of a \$5 million, 7,500 sq. ft. Spanish-style building to complement the Hilton Garden Inn on the site. The four restaurant spaces were pre-leased to strong national or regional chains before construction began.

## THE RESULTS

Restaurant tenants include Chipotle Mexican Grill, Jersey Mike's Subs, Jamba Juice, and Pizza Studio. The new multi-restaurant development and Hilton Garden Inn operate in a mutually beneficial relationship. In addition, Borelli has obtained favorable, long-term, fixed-rate, non-recourse financing that provides for stable, distributable cash flow to investors.



# Bay 101 Technology Place

Mixed-use office, hotel and entertainment complex, San Jose

Projected development value \$400 million • 2015 - Present

Developed by First Street Holdings, LLC



## THE CHALLENGE

Bay 101 Casino wanted to expand its highly successful card club. With time running out on its existing lease, the new site had to be: readily available, located in San Jose, at least 1,000 lineal feet from residential areas, and visible from heavily traveled Highway 101. Planned gaming uses significantly limited the supply of appropriately zoned land.

## THE SOLUTION

Borelli was able to assemble an ideal 16-acre parcel with outstanding visibility along the Highway 101 corridor. Minutes from San José Mineta International Airport. Apart from any residential neighborhoods. With minimal demolition and site prep required.

## THE RESULTS

The \$100 million Bay 101 Casino is set to open in Fall 2017, with expanded gaming and entertainment, fine dining and white linen table service. Also planned for the mixed-use development are: a Class A, 9-story, office tower with 235,000 sq. ft. of space; upscale, 174-room Embassy Suites by Hilton hotel; 8-level parking garage with 1,325 spaces; and over time, another high-rise, business-class hotel.

# Garage Unlimited of Monterey

**46 specialty automotive garage-condos totaling 65,000 sq. ft., Monterey**

**Sold for approximately \$17 million • 2015–2017**

**Joint venture with 10 Ryan Court Investment Group**



## THE CHALLENGE

The high-end garage-condo car community was the first of its kind on the Monterey Peninsula. This required a long and involved entitlement process through the city. The site itself — on a bluff above Hwy 68 in Ryan Ranch Business Park — also presented significant site development challenges, with the need for retaining walls of up to 30 feet.

## THE SOLUTION

When the project was first conceived a decade earlier, Borelli was able to secure precious water rights. This was pivotal to the ultimately successful development effort. However, Borelli had to adapt the original design — scaling from two stories to one, reducing the square footage by more than 50% and opting for cost-effective steel construction, while maintaining the approved footprint. The 50% footprint reduction was partially offset by utilizing an innovative mezzanine system, adding 33% based on the floor-area ratio to the total unit space.

## THE RESULTS

The Monterey Peninsula is a true car mecca, with this enthusiasm clearly evident during Monterey Car Week each August. The pent-up demand contributed to the project being 60% presold prior to the groundbreaking in March of 2016, and completely sold out to a combination of local residents and others from numerous states and countries worldwide less than a year later. The rapid sellout allowed Borelli to only tap 15% of its interest reserve — significantly enhancing the project's profitability for our syndication investors and joint venture partners.



# Saich Way Station

15,525 sq ft. multi-tenant retail center, Cupertino

\$16.5 million development • 2016

Developed by Borelli Investment Company



## THE CHALLENGE

A restaurant fire destroyed the previous retail strip mall in July 2009. Borelli worked closely with city officials to obtain the needed entitlements and planning approvals to develop an expanded retail center in Cupertino's desirable Heart of the City area.

## THE SOLUTION

Designed and built a sleek, modern retail center with broad storefronts, stylish awnings and attractive colors. Integrated many pedestrian- and cyclist-friendly elements including paved stone walkways and outdoor seating areas, as well as California Green features.

## THE RESULTS

Signed major national and local tenants including a drug store, quick-fire pizza and fast-casual restaurants, mobile retailer, tax preparer, optometrist, and several computer businesses. Achieved 95% occupancy in 18 months and successfully sold the property to investors two years after start of construction.

# Monterey Motorsport Park

**86 upscale automotive garage-condos totaling 90,000 sq. ft., Monterey**

**2016–2020**

**\$32,000,000 total value**



## THE CHALLENGE

This opportunity was driven by the rapid and highly successful sellout of predecessor, Garage Unlimited of Monterey. The property had previously been entitled for 60,000 sq. ft. of office condos with little, if any, demand. It included a private well system and one-acre set-aside for habitat conservation. Borelli had to negotiate a creative and complex seller carry-back financing arrangement to acquire the property — and then completely rework the entitlement process, recertify the well water for public consumption and get a new design approved by the city and State of California CEQA process.

## THE SOLUTION

The site has a 30-foot elevation gain from bottom to top, which Borelli addressed through an innovative grading and retaining wall system — stair-stepping the foundations and slabs — with several of the building walls also acting as retaining walls. This enabled the creation of a sleek, four-building complex with stone wall treatments, ample glass and awnings over some entries.

## THE RESULTS

With more than 50% committed prior to opening, Monterey Motorsport Park's remaining units sold out remarkably rapidly over the spring and summer of 2020 — even in the face of the Covid-19 lockdowns. The community brings together a unique mix of local automotive and motorcycle enthusiasts, as well as owners from other parts of the U.S. and overseas — many with ties to the Monterey Peninsula.



# 802 South First Street

246 mixed-income units • 5- to 7-story apartment midrise, San Jose

150,000 sq. ft. of residential • 4,600 sq. ft. of retail • \$120 million total value • 2016–2023

Developed by Maracor Development



## THE CHALLENGE

The marketability of the 1-acre property was impacted by an outdated City of San Jose plan imposing height limitations of 55 on First Street and 35 feet on Second Street. This created economic obstacles to viable development in the city's downtown area.

## THE SOLUTION

Borelli successfully obtained approval for a general plan change allowing building heights of 85 feet on First Street and 55 feet on Second Street. Then, after many iterations, planned development approval was secured for a midrise with 246 mixed-income apartment units based on a range of average median income (AMI) levels. Modular construction will reduce building costs by approximately \$100 per square foot, further improving project economics.

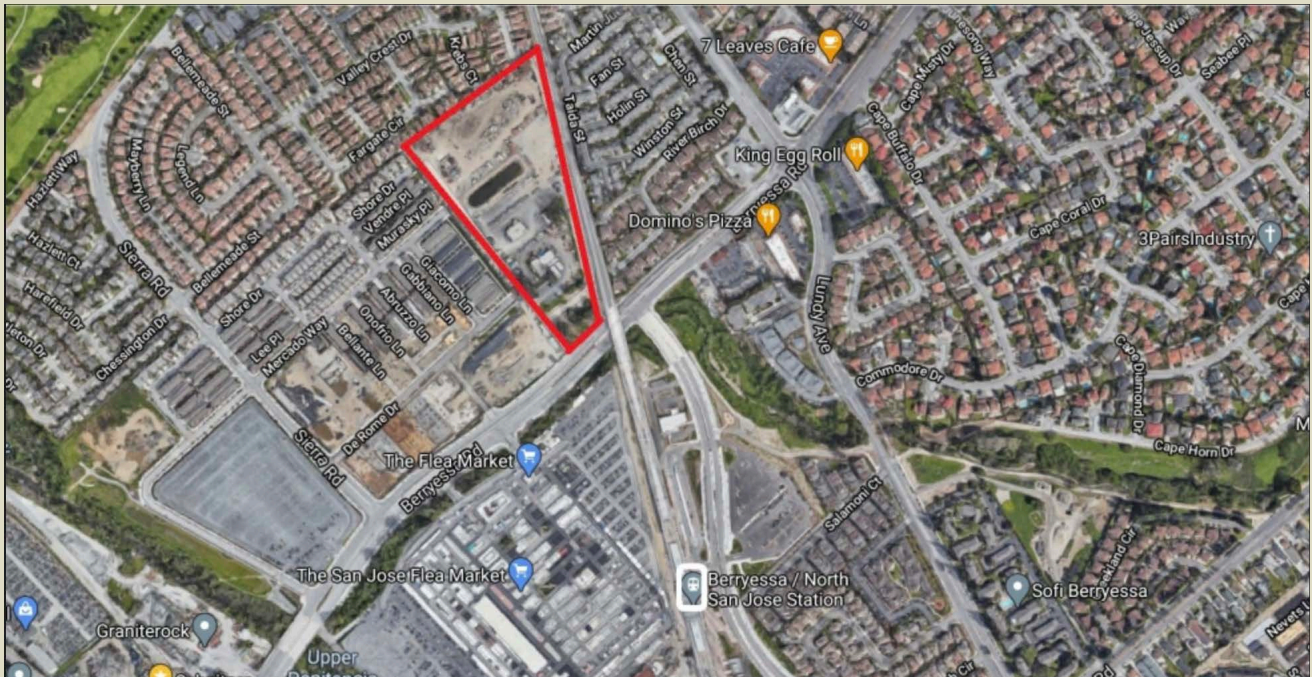
## THE RESULTS

The distinctively designed apartment complex will be built around a W-shaped, open-air courtyard. Renters will be able to choose from well-appointed studios and 1-, 2- and 3-bedroom units with ample glass for views of the Silicon Valley skyline. In addition, the building will include 4,600 sq. ft. of ground-floor commercial space, plus parking for 74 vehicles.

# Facchino District

## Berryessa BART Urban Village

13 acres • \$60 million total value • 2017–2021  
637 residential units, 280,000 sq. ft. of office and commercial space  
Developed by Terracommercial Real Estate Corporation



### THE CHALLENGE

The owners of 13.25 acres of land in North San Jose's Berryessa area were constrained from development by the property's long-standing industrial zoning. The site — bounded by Berryessa Road to the south with the BART line on its eastern border — was largely surrounded by single-family residential, making industrial uses incompatible with the local community.

### THE SOLUTION

Starting in 2017, Borelli worked diligently to get the property rezoned for mixed-use commercial and residential as a district within the City of San Jose's visionary Berryessa BART Urban Village plan, receiving final approval of the updated zoning in late summer of 2021.

### THE RESULTS

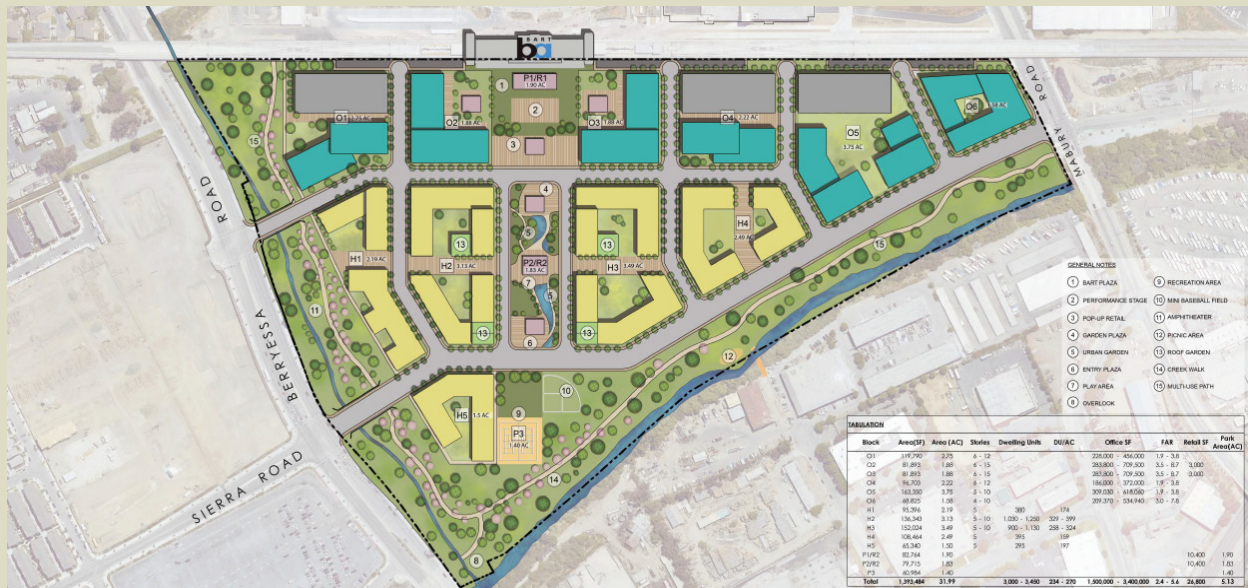
Development plans for the Facchino District within the Berryessa BART Urban Village call for 637 units of residential — 24 single-family homes, 23 townhomes and 590 market-rate and affordable apartments, built around a neighborhood park. In addition, there will be 280,000 sq. ft. of office and commercial space on a 2.25-acre site. This has increased the value of the property by approximately 400% to an estimated \$60,000,000 in total value.



# Market Park San Jose

## South Village Transit-Oriented Development

Up to 3.4 million sq. ft. of offices • Up to 3,450 residential units • Ground floor retail  
 \$2.5 billion mixed-use development, San Jose • 2021–2031  
 Developed by The Flea Market, Inc.



### THE CHALLENGE

Market Park San Jose's 63-acre South Village presented significant entitlement challenges under the City of San Jose's Berryessa BART Urban Village plan. There are major infrastructure requirements, including building two new bridges over Penitencia Creek and contributing to the funding for a new Highway 101 interchange at Berryessa Road.

### THE SOLUTION

Borelli worked closely with numerous city departments and agencies, CalTrans and the Santa Clara Valley Transit Authority to move the entitlement process forward and obtain needed approvals. Borelli also created a complex infrastructure-financing plan incorporating a Community Facilities District (CFD) coupled with an Enhanced Infrastructure Financing District (EIFD). This will enable the construction of \$80,000,000 in infrastructure to support from 1,500,000 sq. ft. to 3,400,000 sq. ft. of office space and ground-floor retail and service suites. In addition, there will be a residential component consisting of up to 3,450 units — including approximately 700 affordable units.

### THE RESULTS

The \$2.5 billion South Village will be constructed immediately adjacent to the Berryessa BART station in phases over the next decade. Borelli will team up with Newmark to develop the South Village, with an emphasis on attracting life sciences tenants. When the entire Market Park San Jose community is complete, it will be the largest mixed-use, transit-oriented development ever built in San Jose — providing leading firms that can't wait a decade to move into downtown San Jose due to continuing BART extension delays an immediate solution for their expansion needs.

# Market Park San Jose

## North Village Shopping Center

**101,000 sq. ft. Safeway-anchored retail center, San Jose**

**\$60 million development • 2008–present**

**Developed by The Flea Market, Inc.**



### THE CHALLENGE

Working from a previous plan for a 120,000 sq. ft. retail center without an anchor tenant — which was submitted to Safeway as early as 2008, but was rejected as premature — Borelli had to amend its existing planned development zoning and again usher the project through the complex entitlement process to approve the new configuration, with Safeway as anchor tenant.

### THE SOLUTION

The 65,000 sq. ft. build-to-suit Safeway store features a next-generation design and layout — making it one of only five in Northern California — together with a ground lease for a Safeway fuel station and convenience market. Borelli also negotiated a ground lease with CVS Pharmacy and a build-to-suit agreement with Chase for banking services. The remaining 17,600 sq. ft. of space has been rapidly leased to tenants such as Carbon Health, Dunkin', Firehouse Subs, SomiSomi, CoCo, and more. Dozens of lenders competed to provide construction financing, with Borelli recommending a major life insurer to supply permanent financing in a single long-term commitment on a non-recourse basis — eliminating interest rate risk.

### THE RESULTS

Opening in the spring of 2021, the retail center meets a significant need in an underserved area of North San Jose. It's also playing a central role in serving residents and businesses in the City of San Jose's Berryessa BART Urban Village — a redesigned 270-acre section of the city that will ultimately include 4,800 new residential units, 6.7 million sq. ft. of commercial space and jobs for 22,000 people.



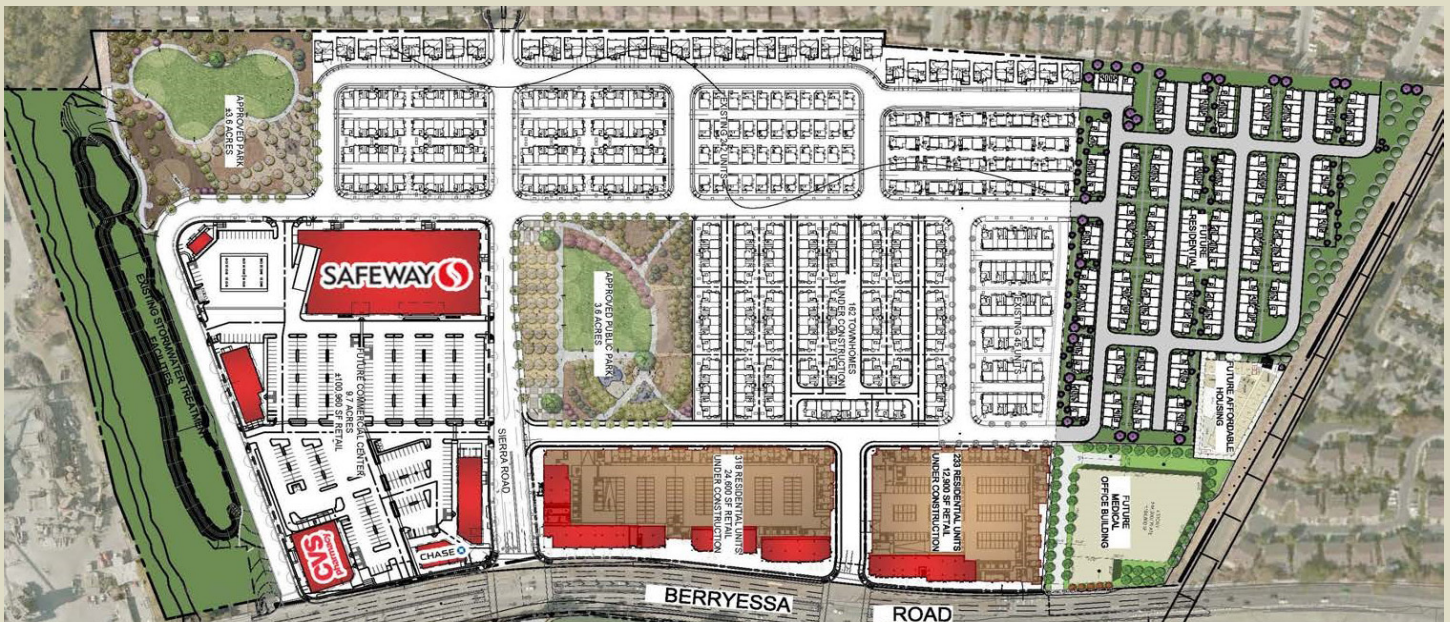
# Market Park San Jose

## North Village Residential

1,000 units of for-sale and rental housing • 36,000 sq. ft. of ground-floor retail • San Jose

\$110 million land sale over four phases • 2012–present

Developed by KB Home, Western National Group and The Flea Market, Inc.



### THE CHALLENGE

Major infrastructure improvements and remediation were required to transform 60 acres of what had been a portion of the San Jose Flea Market into the northern half of a 120-acre, mixed-use, transit-oriented development. Due to a pending City of San Jose affordable housing ordinance, the final two phases of the project had to be fully entitled in an exceptionally short timeframe.

### THE SOLUTION

The \$60 million in infrastructure improvements included widening Berryessa Road, extending Sierra Road, and creating the largest bioswale in San Jose to handle updated storm drainage collection and filtration for the North Village and neighboring properties. Borelli fast-tracked the design and entitlement process, negotiating with KB Home to complete the infrastructure in exchange for credits against future land purchases.

### THE RESULTS

Entitlement was completed three weeks prior to the ordinance taking effect, saving Borelli's client approximately \$15 million. KB Home built 440 units of production housing in four phases, including single-family homes and townhomes. Western National Group built The Platform Urban Apartments — 550 luxury mid-rise rental units with 35,000 sq. ft. of ground-floor retail space. The full market value of the North Village's residential component is estimated to exceed \$800,000,000. The North Village also includes two neighborhood parks totaling over 7.5 acres, connected to the Coyote Creek trail system.