



NEWS RELEASE

FOR IMMEDIATE RELEASE

SAN JOSE ANNOUNCES CONVENTION CENTER EXPANSION AND RENOVATION PROJECT

Plans include a \$120 million expansion and renovation funded through a special hotel tax

SAN JOSE, Ca. – (April 12, 2011) – With a recent successful bond sale approved to fund a \$120 million project upgrade, City of San Jose and Team San Jose officially announced today plans to move forward with the construction of an additional 125,000 square feet of meeting and ballroom space and renovation at the San Jose Convention Center. The City Council approved an appropriation of funds this afternoon, the final step needed to officially launch the project.

The project is a key component of the city's Economic Strategy and will be delivered through a Public Works-led, Design-Build approach, similar to the award-winning San Jose Mineta International Airport's successful \$1.3 billion terminal modernization program.

Mayor Chuck Reed announced the official project launch along side City Councilmembers, hotel owners, and City officials. Team San Jose and the local hotel and tourism industry, has supported the expansion in an effort to increase San Jose's appeal as a lucrative meetings and events destination.

"The expansion and renovation of our convention center will help San Jose remain competitive as a meetings and convention destination," said Mayor Chuck Reed. "I'd like to thank San Jose hotel owners for providing the funding necessary to move this project forward during challenging budget times."

In 2009, San Jose hoteliers voted to institute a special, dedicated hotel tax to finance the project. By legal requirement, the tax can only be used to support capital improvements at the Convention Center and includes ongoing revenue for future maintenance. The special hotel tax shifts reliance on funding primarily from the City's General Fund and San Jose Redevelopment Agency further helping address the City's current budget challenges.

"The skilled Public Works team leading this project will ensure that our Convention Center expansion will provide a modern new facility that will serve convention planners and the travel industry for decades to come," said Debra Figone, San Jose City Manager. "This will allow San Jose to offer visitors a seamless world-class experience, from their arrival at the airport to their meetings, entertainment and hotel stays throughout the city."

The Convention Center project will showcase San Jose's innovative spirit, unifying the facility's urban appearance, increasing operational efficiency, and providing long-term sustainability that will improve service delivery. The expansion will be going after LEED silver certification, furthering San Jose's Green Vision.

"The new Convention Center will become an icon of pride for San Jose and increase Team San Jose's competitive edge selling San Jose as a destination in the meetings and convention marketplace," said Bill Sherry, CEO of Team San Jose, which operates the Convention Center and several other city cultural facilities. "We will use the same strategies we used at the Mineta San Jose International Airport where we were under budget and on time with no minimal impacts to operations, to deliver the convention center project."

On March 29 and 30, the bond offerings were received favorably in the market, with a total bond issuance for both series of bonds of \$138,410,000. The bonds are set to close on April 12th. The interest rates for both bond series came in better than anticipated which will result in a lower cost of financing over the life of the bonds than initially anticipated.

The Convention Center opened in 1989 and currently offers 425,000 square feet of exhibit, ballroom and meeting space. Since 1989, San Jose's hotel and tourism industry has grown to an estimated \$123 million hotel revenue industry, generating over \$10 million annually in tax revenue to support city services. The expansion will add an additional 125,000 square feet of flexible ballroom and meeting room space, increasing San Jose's Convention Center space to 550,000 square feet of usable space.

Expansion and Renovation at a Glance:

125,000 total sq. ft. of new, flexible space, which includes:

- 25,000 sq. ft. of flexible meeting space
- 35,000 sq. ft. flexible ballroom space
- Renovation and integration with the existing structure
- The new construction is a new footprint that expands the square footage with minimal impact to the current convention center.

The San Jose Convention Center will be open during construction and will celebrate a grand re-opening in Late Summer or Early Fall 2013.

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NOTE TO EDITORS: High resolution conceptual renderings available upon request.

ABOUT THE CITY OF SAN JOSE

From its founding in 1777 as California's first city, San Jose has been a leader, driven by its spirit of innovation. Today, San Jose stands as the largest city in Northern California and the Capital of Silicon Valley—the world's leading center of innovation. The city, the 10th largest in the U.S., is committed to remaining a top-ranked place to do business, to work and to live. For more information, visit, www.sanjoseca.gov.

ABOUT TEAM SAN JOSE (TSJ)

Team San Jose's innovative partnership unifies the San Jose Convention and Visitors Bureau, hotels, arts, labor and venues to deliver an exceptional visitor experience and serve as the gateway to San Jose as a destination. Team San Jose manages the San Jose Convention Center and Arts and Entertainment venues including the California Theatre, the Center for the Performing Arts, Montgomery Theater, Parkside Hall, San Jose Civic and South Hall. For more information about San Jose and Team San Jose, please visit the new www.sanjose.org.

CONTACTS:

Meghan Horrigan
Team San Jose
408-499-1345
mhorrigan@sanjose.org

Steven Brewster
City of San Jose
Office of Economic Development
415-577-8851
Steven.brewster@sanjoseca.gov