

East meets East San Jose at proposed Asian retail center

BY KATHERINE CONRAD

SAN JOSE – In another sign of a thawing economy, veteran developer Dave Dollinger hopes to begin building an Asian retail center in East San Jose this summer.

Dollinger is working with John Luk of Milpitas-based GD Commercial to demolish the two office buildings at the corner of Oakland and Brokaw roads and start construction on the 102,000-square-foot retail center he is calling the Silicon Valley International Plaza.

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Redwood City-based Dollinger Properties bought the 8-acre site almost three years ago and originally planned to build a conventional strip mall with standard American stores. But the economic downturn scared away the retailers who planned to sign on for the project, and Dollinger switched gears.

Realizing the Berryessa neighborhood has a high percentage of Asian households with a median household income of \$80,000, Dollinger decided to build a center targeting the population.

"The demographics in that area called out for it," Dollinger said. "It's an awesome site for Asian retail. Plus, there's a shortage of retail in the South Bay. With the traffic count in the area, this is a home run."

He was more convinced by statistics showing a 30,000-square-foot Asian market in the location would do \$32 million in sales, compared with a 50,000-square-foot American store that would do \$18 million.

"So we decided to go this direction last fall," he said. The city has granted the entitlements so the estimated \$50 million project can proceed as soon as the developer gives the signal.

The plan is to start demolition of the two buildings totaling 125,000 square feet this spring. The target date for completion is early 2011. Dollinger said timing depends on whether an as-yet-unnamed super-



NEW APPROACH: Developer Dave Dollinger, left, and broker John Luk, right, plan an Asian retail center at the corner of Oakland and Brokaw roads in San Jose.

VICKI THOMPSON

market from the East Coast signs a lease.

"We've got to lock a grocery store in," he said. "We should know in the next few weeks."

Luk, marketing director for the project, said he is close to signing an Asian supermarket as an anchor as well as a 10,000-square-foot upscale dim sum restaurant along the lines of Asian Pearl in Fremont. He also hopes to place a bank in the center.

"The city knows it has been leaking retail dollars for a long time," Luk said. "People go to the Mayflower

Seafood Restaurant in Milpitas, Asian Pearl in Fremont or Dynasty Chinese Seafood Restaurant in Cupertino. There's a high Asian demographic there, and a typical American mall just wouldn't work."

If the tenants come on board and construction on the project starts this summer, Luk hopes it will be ready to open by Chinese New Year in 2011.

KATHERINE CONRAD can be reached at 408.299.1820 or kconrad@bizjournals.com.

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