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Milpitas R&D park seeing major overhaul lures Company from North San Jose

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Advanced Energy Industries Inc. is moving its Silicon Valley office from North San Jose to the Tasman Tech campus in Milpitas, a 47-acre research and development park undergoing a major overhaul to nab new tenants. Advanced Energy will move into about 25,000 square feet at 888 Tasman Drive, taking over the first floor of a two-story, newly remodeled building on the site. Currently, Advanced Energy is located in a single-story building at 115 Nicholson Lane in San Jose, not far from the busy North First street and West Tasman Drive intersection.
"Geographically [the campus] functions as part of the North San Jose market, so it is not surprising to us that a tenant would come from North San Jose," Mike Biggar, managing partner with property owner Orchard Partners, said in an interview last week. The Tasman Tech campus in Milpitas is undergoing a major rehabilitation as many of the property's leases expire. Owners Orchard Partners and Lionstone Investments are looking to fill about 225,000 square feet in the 14-building, 609,000-square-foot office park.

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Meanwhile, another lease announcement is on the way, according to Orchard Partners. Biggar said he couldn't yet share many details about the pending 31,000-square-foot lease, but said he expects to reveal more soon. Advanced Energy, based in Fort Collins, Colorado, makes power and control technologies for semiconductor and industrial companies. Representatives did not immediately respond to a request for comment on the move Tuesday. Kevin Waldman and Tom McGovern of Cushman & Wakefield represented the company in the lease deal. Bob Steinbock and Sherman Chan, both of CBRE, represented Orchard Partners. As its name suggests, the 14-building Tasman Tech campus sits sprawled along East Tasman Drive, and is tucked between Coyote Creek and Interstate 880. It is currently home to a slew of businesses, including a couple of big names like semiconductor company Micron Technology. Orchard Partners, along with Houston-based Lionstone Investments, picked up the property in 2014 for about $116 million when the park was about 98 percent leased, past Business Journal reporting shows. But Biggar says the investors knew the property wouldn't stay that full for long. "One of the things that we knew about the project when we bought it was that there was going to be significant tenant rollover, meaning leases would expire," he said.
Currently, Orchard Partners is looking to lease about 220,000 square feet of space in the 609,228-square-foot development. Buildings on the site range from about 31,000 square feet to 52,000 square feet in size, but the current vacancy can be split into spaces as small as 11,000 square feet, Biggar said.

Orchard Partners was formed more than a decade ago as a spin-off from Orchard Properties, a well-known Bay Area developer. The company has been working with Studio G Architects to update both interiors and exterior space on the Tasman Tech campus, adding bike parking, new restrooms with showers, punching out large windows and offering some "creative open" ceilings in the campus. "When we bought the property, all 14 buildings looked pretty much the same and we wanted to differentiate them," Biggar said. "We have some common themes that we've used throughout, but the buildings we've redone are a little more distinctive now."

Later this year, the company will also announce additional amenities to be added to the park, including bike share and new eating options on site. But the big selling point, Biggar said, is the campus' proximity to transit. The development sits along the VTA light rail line with a stop adjacent to the project. When the new Milpitas BART station opens later this year, it'll be one light rail stop away.

"We consider this a true 'transit oriented' project," Biggar said in a statement last week. "With competitive rents relative to comparable locations and ... connectivity with the Bay Area, Tasman Tech provides an excellent foundation for tech companies to grow and scale."

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