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Brocade Opens New Headquarters, Expands in San Jose

The Capital of Silicon Valley works at the speed of business to bring \$278 million campus and adjacent retail development online

SAN JOSE, Calif. – With employees scattered in a number of buildings throughout the Silicon Valley and leases about to expire, Brocade Communications Systems faced a critical decision: where to establish a new headquarters that could accommodate future growth and bring employees together on one campus. While other regions wooed the networking giant, Brocade’s hometown of San Jose was uniquely positioned to provide the ideal location in the heart of Silicon Valley.

“The City of San Jose was able to meet our needs by working on our expedited timetable to find an appropriate site and facilitate the permit process in order to build Brocade’s new world-class headquarters right in San Jose,” said Michael Klayko, CEO, Brocade. “The new campus is a showcase of energy-efficiency and cutting-edge IT and provides the kind of workspace that inspires innovation and collaboration among our employees.”

“Industry leaders like Brocade are what makes Silicon Valley the world’s center of innovation, and we are delighted at their investment in San Jose and the jobs that will be created as a result of this project,” said San Jose Mayor Chuck Reed. “I hope to showcase Brocade’s success to show other corporations that San Jose is eager to partner, that we want you to locate here, stay here, and grow here in San Jose.”

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Brocade's new corporate campus consolidates five of the company's local facilities into three office towers that have the capacity to accommodate over 3,000 employees. At 562,000 square feet, the Brocade site features an expansive and advanced data center that serves as a model for clean technology, both in design and operations.

Green innovations include a 550-kilowatt photovoltaic system on the rooftop of the 2,000 stall, six-story parking garage – one of the largest solar-power deployments in San Jose. The campus is expected to be certified LEED Gold for its energy efficiency and green building components. Other campus amenities include on-site dining, a 7,500 square foot fitness center, an outdoor sports court, and wireless connectivity across the whole campus.

“The new Brocade headquarters will be a jewel in the Innovation Triangle,” said Harry Mavrogenes, Executive Director, San Jose Redevelopment Agency. “The current real estate market provides opportunities for companies looking to expand or relocate that were not possible in the recent past. Now is the ideal time to make the type of long-term investment that Brocade has made.”

The Brocade campus, at the intersection of North First Street and Highway 237 in the North San Jose Innovation Triangle, was built with an estimated \$278 million in private investment. The San Jose Redevelopment Agency invested \$2.5 million for the acquisition of new capital equipment. The Development Agreement between the Agency and Brocade includes a future Agency investment of \$1.5 million for capital equipment. Over the course of the five-year Development Agreement with the Redevelopment Agency, the project is projected to generate an estimated \$10 million for the City of San Jose's General Fund and the Redevelopment Agency's tax increment.

Adding to the amenities available at the state-of-the-art Brocade campus are a new 138,000 square foot Target Superstore, a 162-room Hotel Sierra and a 73,000 square foot retail village, which are all part of the larger 39-acre @First mixed-used development. The site plans also include options for future growth, with Brocade retaining an option to build a fourth tower, entitled up to 320,000 square feet.

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Brocade® Communications Systems

Founded in 1995, Brocade® (Nasdaq:BRCD) develops extraordinary networking solutions that enable today's complex, data-intensive businesses to optimize information connectivity and maximize the business value of their data. For more information, visit www.brocade.com. The company currently employs approximately 2,500 people in San Jose and 4,500 worldwide.

San Jose Redevelopment Agency

The Agency is dedicated to improving the quality of life for all who live and work in San Jose. Governed by the City Council, acting as the Redevelopment Agency Board, the Agency facilitates and oversees comprehensive programs for development to revitalize and strengthen quality of life and competitiveness for San Jose's downtown, neighborhoods and industrial areas.

www.sjredevelopment.org.

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