

For Immediate Release:

February 3, 2004

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Economic Conditions Lead to Reorganization and Reduction in SJRA Workforce

San José ----A prolonged recession, lower property tax revenues, and the ongoing state budget crisis have led to today's reorganization of the San Jose Redevelopment Agency that included the layoff of 11 Agency employees, representing approximately ten percent of its workforce at all levels of the organization.

"Today is extremely difficult for all of us," said SJRA Interim Executive Director Harry Mavrogenes. "These are our colleagues who served the people of San Jose well and have contributed to the success of our programs. We will miss them. To avoid potentially deeper cuts later on, however, we have made the difficult decision to reduce the size of workforce now."

Since the beginning of the Agency's fiscal year in July 2003, its workforce has been reduced by attrition from 136 people to 123. With today's layoff, the workforce now numbers 112 people.

The reorganization includes the reassignment of several employees to other divisions in the Agency and an increased responsibility for some in their current positions. SJRA divisions that are affected include Downtown Management, Project Management, Finance and Administration, and Neighborhood and Business Development. All affected employees were offered a severance package and outplacement services.

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In October 2003, the Agency Board adopted the FY03-04 Operating Budget that called for a reduction of \$2.4 million in operating expenditures that reflected lower revenue projections. Today's workforce reductions will result in about \$1.4 million in annualized savings for the Agency. Additional operating cost savings will be achieved through reductions in contract work and have already been realized through attrition since July.

Despite the decline in revenues, the Agency continues an ambitious workplan, which includes building 3,000 new housing units and a major mixed-use project in the Downtown, the completion of a \$73 million renovation of the California Theatre, and approximately \$70 million in neighborhood investment.

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