

For Immediate Release:

August 3, 2004

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**Housing & Retail Development Proposed for
Heart of Downtown
*Redevelopment Agency and San Jose Parking negotiate
mixed-use development for Fountain Alley site***

San José ---The San Jose Redevelopment Agency today signed an agreement with San Jose Parking that would lead to the development of the Fountain Alley Parking Lot in the heart of Downtown San Jose.

The agreement replaces a 1997 contract with San Jose Parking and sets guidelines to negotiate a Disposition and Development Agreement between the Agency and San Jose Parking.

Currently a parking lot, the site on South Second Street was identified as a keystone for development in the City's Downtown Development Strategy 2000. San Jose Parking has development rights on the Agency-owned parcel.

"Revitalizing Fountain Alley as the nucleus of our Downtown will help attract new economic opportunities," said Councilmember Cindy Chavez who represents the downtown area. "We are anticipating an unique, mixed-use development that showcases San Jose's innovative and historic character."

"We are confident that our partnership with the San Jose Redevelopment Agency will result in a successful project and reenergize Fountain Alley," said Al Schlarman, president of San Jose Parking. "This is an essential step in developing Fountain Alley that downtown businesses and residents have long desired."

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**Housing & Retail Development Proposed
For Fountain Alley in Downtown San Jose**

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Under the agreement signed today, the Agency and San Jose Parking will have up to eight months to negotiate a mixed-use development agreement that includes housing, retail, and parking. San Jose Parking will pay for the required environmental and historic reviews. In addition, the negotiations agreement settles outstanding litigation between the SJRA and San Jose Parking. A development agreement could go to the Redevelopment Agency Board as early as February 2005.

“Housing and retail are critical to the growing strength of our Downtown,” said Harry Mavrogenes, interim Redevelopment Executive Director. “Our goal is to connect our historic retail district on First and Second Streets and provide greater convenience to our residents and visitors for shopping at Downtown specialty stores, restaurants, and services.”

The San Jose Redevelopment Agency is dedicated to creating jobs, building housing, and improving the lives of all who live and work in San José. Governed by the City Council, the Redevelopment Agency partners with business and the community to achieve economic revitalization in the Downtown, our technology parks and industrial areas, and our neighborhoods.

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