

**For Immediate Release:**

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**Downtown Market To Reopen by Summer**  
*Redevelopment Agency structures new deal with Zanotto's grocery-deli*

*San José* --- Zanotto's Market Inc. will reopen in its former location as early as this summer as a result of today's approval by the San Jose Redevelopment Agency Board to restructure the current loan agreement with the Downtown grocery and deli.

The agreement with the newly-formed entity, Zanotto's Downtown Market, will allow the store to occupy 14,000 square feet at 40 South Second Street and once again offer Downtown residents, employees and visitors a full-service grocery-deli at a convenient central location.

"The return of Zanotto's to our City Center is very encouraging," said Vice Mayor Pat Dando. "Their commitment to Downtown is a testament to the increased development activity our City is experiencing."

In 1997, Zanotto's opened a 22,000 square-foot full-service grocery store in the Downtown with the assistance of a \$1.6 million loan from the Redevelopment Agency as part of the SJRA New Retailer Recruitment Program. Citing the impact of the prolonged local recession on sales and operating costs, Zanotto's closed its Downtown store on August 1, 2003.

Under the new agreement and restructured loan, Zanotto's will operate a full-service grocery store at the same location for a minimum of seven years, seven days a week from 8 a.m. to 8 p.m. For each year the store operates, one-seventh of the loan will be forgiven. No new public funds are allocated in the new agreement, and the loan is secured by Zanotto's Naglee Park store.

"Zanotto's is a valuable Downtown service for our residents, office workers, the University community, and visitors," said Councilmember Cindy Chavez who represents the Downtown area and who was actively involved in the agreement negotiations. "I'm delighted that they will reopen, and I expect they will find greater success because of the growing number of people living, working, and visiting Downtown."

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Zanotto's, which also operates stores in Santa Cruz and Scotts Valley, will invest approximately \$1.35 million of its own capital for tenant improvements and will step-up its marketing efforts by investing up to \$5,000 a month on advertising its Downtown location. The store will offer fresh produce, meat and fish, household goods, and an expanded deli.

"The future is bright for Downtown San Jose, and we want to be part of it," said Troy Tibbils, Zanotto's general manager. "We will offer competitively-priced, quality products at a convenient location. This is our commitment to the Downtown community."

"We are always looking for opportunities to add to the strength of our Downtown that will both serve the community better and bring more people here," said Harry Mavrogenes, Interim SJRA Executive Director. "Zanotto's will help meet the needs of the thousands of new residents in Downtown homes that have been recently built and are planned to come, and the store will complement the retail, restaurant and entertainment businesses that have opened in the past year."

Zanotto's will also hold an open house and will ask for feedback from its shoppers to ensure the store's success. For more information regarding Zanotto's Downtown Market, please contact Troy Tibbils at [troyt@zanottos.com](mailto:troyt@zanottos.com).

"We've missed Zanotto's," said Christi Welter, president of the Downtown Leadership Forum. "It will be great to have another conveniently-located neighborhood grocery store for Downtown residents like me to shop at."

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 accomplish economic revitalization in the Downtown, our technology parks and industrial areas, and our neighborhoods.

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