

**Huge Town and Country proposal  
may take area's retail market share**

**DOWNTOWN**

# Retail Reckonings

It has 630,000 square feet of new ground floor retail space, 1,200 market rate apartments and condominiums, 200 rooms of hotel space and eight parking garages. Dubbed by its financiers a "main street-style development," it might sound like the ideal solution to awaken downtown from its retail slumber. Others say it will keep downtown retail sleeping a long time. "It" is the project planned for the Town and Country shopping center, less than five miles west of downtown.

The proposal for Town and Country produces a passionate debate among San Joseans anxious to see the many years and dollars invested downtown come to fruition. "We need to carefully think through how Town and Country meets this city's overall goals," said SJDA President **Malcolm Bordenon**.

Timing is a central issue, as downtown grows with new office and housing projects. "New retailers tell me downtown is just a couple years away," said broker **Maggie Blhdau**. "If Town and Country is built as proposed, it will be a couple decades before an important time in downtown's maturity. "Retail will ultimately complete downtown's development, but if Town and Country is allowed as currently designed, downtown's growth will be stunted."

The prospect of the Town and Country development has the downtown community poised to bring its own retail revival to the forefront. In May of 1995, SJDA's Retail Task Force offered its "Prescription for



**Development proposal could mean more of these signs for downtown**

Retail Revival" in the Downtown San Jose Retail Report. The Task Force, chaired by SJDA Vice President of Operations **Chuck Hammers**, offered specific remedies to nurse downtown retail back to health. Its conclusions, presented to the City Council in October 1995, are notably similar to current plans for Town and Country.

"Essentially, our report says downtown needs contiguous, active, shopping streets below mixed-use, mid-rise office and residential development with plenty of parking," said Hammers.

Several of the report's recommendations have become policy, including the reduction in the Conditional Use Permit fee for downtown businesses, the creation of the Entertainment Zone Policing Plan to better patrol entertainment districts, and the opening up of Second Street between St. James and St. John to automobile traffic.

The Redevelopment Agency's New Retailer Recruitment Loan Program, which helped bring Zamotto's Family Market to

downtown is also an outgrowth of the report.

Perhaps the most significant recommendation the report put forth, however, was to embrace an overall policy of creating continuity within and among downtown's core districts. The report encourages funds to be concentrated on filling in the gaps in downtown's core districts. The ideal projects would be the mixed-use developments, offering ground floor retail, with two to four stories of office space, and housing above. In the interim however, the report suggested enhancing vacant properties with temporary treatments such as graphics, murals, faux storefronts and attractive lighting.

The prospect of the Town and Country development offers the downtown community an opportunity to renew its commitment to retail in the city center. "SJDA wants to be the catalyst for creating a definite retail plan for downtown," Hammers said.

The City Council is set to evaluate the progress of the recommendations put forth in the Retail Report early this year. The Planning Commission hearing on the proposal for Town and Country is tentatively set for March 25.

## Downtown's Retail Vision

Excerpts from SJDA Retail Task  
Force Report, May 1995

"Retail stores are a key element in linking the needs of the people who live and work downtown. Retailers have a much better chance of success when they are in close proximity to other stores. What is missing is coordinated public and private development of an entire block through to completion.

"Downtown can overcome its lack of a main (prime-  
r)ade/central shopping boulevard by linking its core  
districts. Public revitalization funds should be con-  
centrated on "filling in the gaps" between downtown  
commercial districts with mixed use projects.  
Distinctive uses and specialty shops can augment  
downtown's regional draw as a dining, cultural and  
entertainment destination."



**Chris Partlow and David Zulaica**

Siralta's owners recently received SJDA's Golden Nail award, recognizing business owners who help contribute to downtown's architectural landscape.

## "Sideways grill" doubles capacity Stratta serves up bold cuisine, atmosphere

**Shalta owners David and Louis Zulaica and Chris Partlow** opened their San Fernando Street restaurant in March 1996. They opted for a downtown location because of the tremendous investment in downtown at the time. "Downtown is a good growth area,"

explains Louis Zulaica, head chef of the restaurant, who previously worked in downtown restaurants Les Saisons and Bellino.

Sales were brisk, and the tiny restaurant soon earned itself the nickname, the "sideways grill," explains Partlow, as anx-

ious patrons piled seemingly on top of each other, waiting for a table. When the opportunity presented itself, its owners jumped at the chance to almost double the size of their restaurant.

It was a daunting task to re-make the space which once housed the oldest comic book store in the Bay Area to suit their modern restaurant. The cast iron plumbing and electrical both had to be completely redone, and the owners

restored the old hardwood floor through layers of paint, linoleum and carpet. The brick walls now exposed on the restaurant's newer side had to be uncovered from a layer of plaster.

When all the dust had settled, though, Stratta had added 13 tables, a wine bar and a dessert display case. Customers now enjoy two bar areas where they can anticipate their meal in less "sideways" conditions.

### Profile



## The Downtowner



■ What traffic problems? According to preliminary city studies, expansion of Valley Fair and Town & Country shopping centers will only result in "very light congestion," a bizarre finding for anyone who tried to get near Stevens Creek and Winchester boulevards during the holidays. Certainly that was the experience of SIDA Prez **Malcolm Bordenlon**, VP **Chuck Hammers** and Exec. Director **Scott Knies** when they were invited out to T & C to view a model of the mega-development proposed for that site. The SIDA trio had been meeting with **Stan and Jan Berliner**, local representatives of the developers. Federal Really Investment Trust of Maryland, which bought the shopping center in March 1997. After meeting at Berliner's downtown law office, the group divided into three vehicles to drive out to the site. Stan Berliner and Bordenlon left seven minutes before everyone else. Hammers and Knies drove separately behind Jan and legal assistant **Brook Anderson** while Jan Berliner turned suddenly off I-205 to catch the Bascom exit. Later, she explained the sharp turning maneuver was after Stan had called on his car phone warning that traffic was horrible through the Stevens Creek weave from I-880. About five minutes later, Stan and Malcolm finally pulled up at T & C — the first to leave and the last to arrive. So much for "very light congestion."

■ Police Chief **Lou Cobarruviaz** met with the Association's Entertainment Zone committee January 14, the same day he announced his resignation from the police department. Cobarruviaz answered questions about the city's seven month old "Entertainment Zone Policing Plan" that replaced off-duty police officers moonlighting security jobs at downtown nightclubs with a new on-duty patrol mostly paid for by the clubs. After soothing club owners' concerns about the program, Cobarruviaz joked that Deputy City Manager **Adriana Garza** was off the meeting to keep an eye on him. So the wrinkles do any campaigning while on the job. It is widely assumed that Cobarruviaz is stepping down from San Jose's top cop position on March 21 to run for Santa Clara County Sheriff.

## SIDA News



**SIDA staff changes:** SIDA said goodbye last month to Development Director **Mimi Paulsen**. An SIDA veteran of six years, Paulsen was originally hired as Promotions Director after serving as Executive Director of the Santa Cruz Downtown Association. SIDA's cash sponsorship program grew to \$225,000 in FY 1997-98 under Paulsen's leadership. "I first met Mimi right after the Loma Prieta earthquake in 1989," recalled Executive Director **Scott Knies**. "Her downtown had just been devastated, but she was there first thing in the morning, ready to rebuild. Paulsen resigned her duties to spend more time with her young sons.



Assistant **Mika Kelly** will manage development activities in the short term while the department is restructured, reported Knies. Many downtowners will recognize Mika Kelly, who originally started at SIDA as an intern in the Development department last year. She has since been hired part time as a Development Assistant. Kelly is a Public Relations major at San Jose State, where she received the **Pierce Davies** Scholarship, named for the founder of the school of Public Relations. She will graduate with honors in May.



The friendly new voice heard when dialing into SIDA lately is **Terri Calleo**, who joined the staff in December as an Information Specialist. Calleo fields BID inquiries, answers questions about events and provides administrative support to all SIDA departments. Calleo most recently worked in the Human Resources Department of Candescant Technologies, a flat panel manufacturer in San Jose.

**New address:** SIDA staff will make the move this month to newly remodeled offices space in Suite #1000 of the Commercial Building at 28 North First Street. The new SIDA office is eight floors above the previous

January 19, after 10 weeks of operation. Early estimates put the total number of skaters who visited the rink at 35,000, with 135,000 more in attendance as spectators. Contrary to earlier newspaper reports, the rink is expected to return for a fourth season to its Hotel East site, adjacent to the Convention Center. Later this year RDA officials reveal that hotel development of that parcel will probably not occur until 1999.

## Downtown Facts

- In 1997, almost 300,000 square feet in downtown office space was absorbed
- Vacancy rates for Class "A" office space dropped below 2 percent in 1997
- Secondary market vacancy rates are at 2.7 percent
- Of buildings in the downtown core that were surveyed, 68 percent are completely occupied
- Source: Ritchie Commercial

## General News

**RDAs growth necessitates more staff, office** order to accomplish its aggressive new strategy, RDA will be hiring the equivalent of 12 and a half full-time employees. Among the newly created positions are a Civic Plaza Coordinator, a Deputy Director, an Aurbost and several support staff for various departments.

The hiring surge, coupled with already cramped quarters at 50 W San Fernando, necessitates additional office space, concluded downtown firm Reel Grohman and Associates, the Agency's space planners. The Agency Board approved a lease of Suite #470 at 60 South Market Street on December 19 at \$2.50 per square foot. The additional 3,400 square feet is expected to accommodate 20 Agency personnel.

**Further study for Vasona:** As requested by the City Council on November 25, further study is continuing on the suggested downtown alignments for the Vasona light rail line. The study will focus on more thorough analysis of the scope and cost of the San Fernando alternative, given the complexity of the utility nerve center located in the path of the proposed tracks.

VTA has submitted a plan to Pacific Bell for their review, detailing how the light rail tracks could be placed above the phone lines of their main switching center. Factors still remaining for consideration are further analysis of the cost of the San Fernando option, risk analysis, and some additional field work to pinpoint the depth of the utilities. The study will be presented to the Policy Advisory Board in March or April, reports Steven Fisher, Senior Transportation Planner with VTA.

## Production eyes Oasis building: Scott Eran

Guggenheim, Executive Director of the Schoonhouse Rock Live! production that just finished its run in San Francisco, is under negotiations with the Redevelopment Agency to temporarily use the former Oasis building, at the north end of St. James Park, as a performance space. The Oasis building and adjacent parcels owned by the Redevelopment Agency, are slated for future development as a high-rise residential project.

Guggenheim Productions, along with Young Conservatory Theatre of San Jose, will occupy the building for a period of 18 months, performing student matinees during the week and evening performances for the public, beginning March 12. They will then seek a more permanent downtown home, possibly in the Letitia building or the Studio Theatre. For more information, call 973-0974.

## Parking Board considers validation increase:

At its February 2 meeting, the Downtown Parking Board will decide whether to increase the rates merchants pay for books of parking validation stamps. The proposal, which stems from the recommendations of both the three year Parking Plan and the Wilbur Smith parking study, would increase rates to 20 percent of market value in the first year, 35 percent the next year, and 50 percent in the third year. Currently, merchants pay between seven and 13 percent of the market value, depending on the number of books they purchase. The Parking Board will meet on February 2 at 8:30 a.m. at 50 W. San Fernando Street, 15th floor.

**Designs on Montgomery:** Plans for the annex to the Fairmont Hotel, requiring the demolition of the Montgomery Hotel and the Chamber of Commerce building, will be revealed at the February 5 Redevelopment Agency Board meeting. Prepared by Moore Ruble Yudell and Gensler Architects, the plan contains 14 stories of hotel space, including two floors designated for retail, one floor for meeting space and a 260 space underground public parking garage to be operated by the Redevelopment Agency. The annex will connect to the main Fairmont Hotel with a bridge over the Paseo. RDA has proposed selling the property to developer **Lew Wolff** and **Gruid Prince Alwaleed bin Taha** for \$4 million.



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## Promotions & Events

**Ice rink numbers increase:** Noriel's Downtown Ice ended its third and most successful season yet on

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