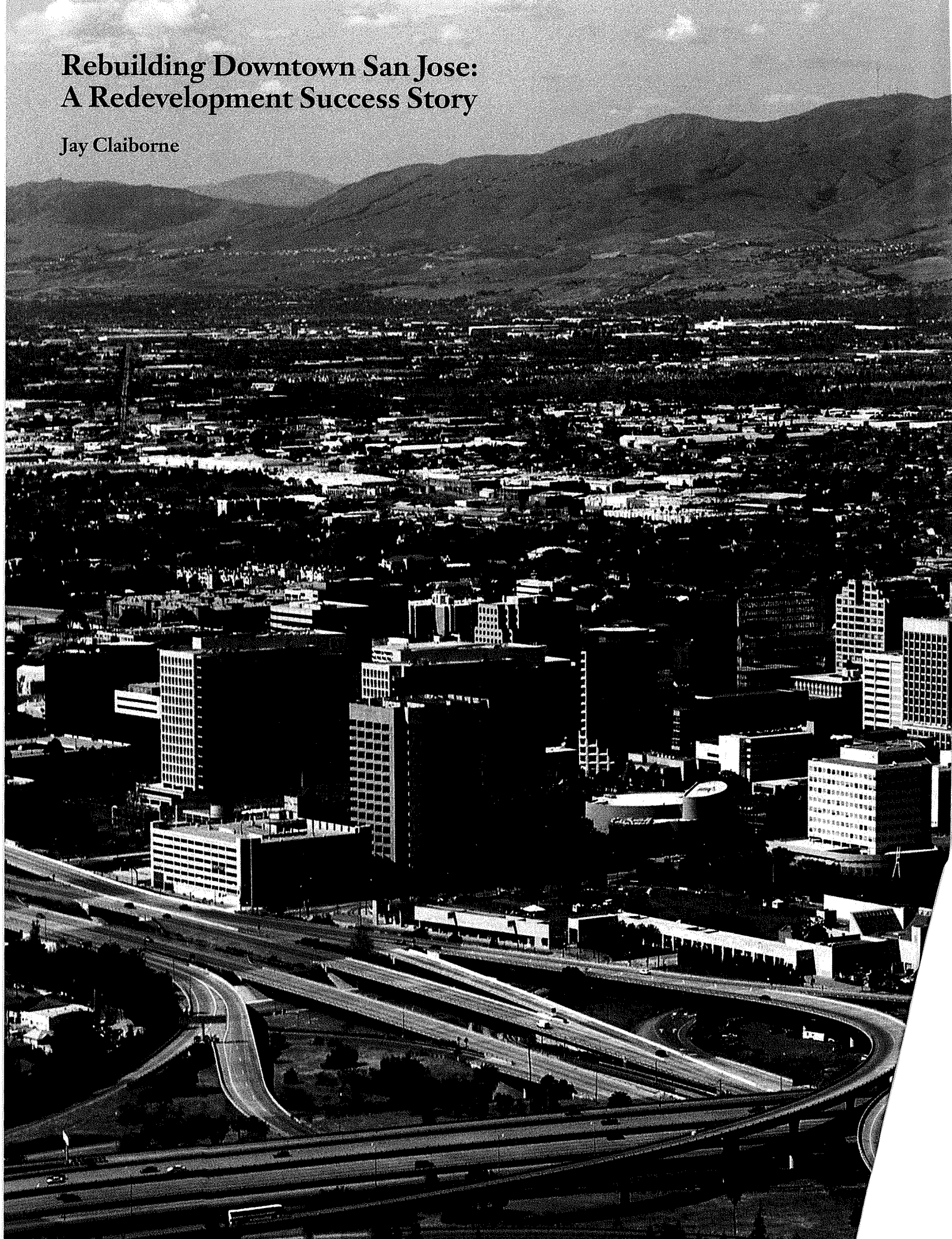


# Rebuilding Downtown San Jose: A Redevelopment Success Story

Jay Claiborne



The decline of downtown San Jose in the mid-twentieth century is a story common to many cities in the United States. What had been the thriving business and civic center of a fertile agricultural valley became, through an era of suburban expansion and failed urban renewal, a wasteland.

What is unusual about this story is that, since San Jose's low point in the mid- to late 1970s, it has been reborn as a vibrant urban place. San Jose is now the most populous city in the San Francisco Bay Area, and the eleventh largest in the nation. Most importantly, its downtown has been rebuilt through a collective effort and is again a place where people want to be. Despite its many unique aspects, the story of San Jose's success holds important lessons for other cities seeking to rewrite their destinies.

What lies behind San Jose's transformation? Much can be attributed certainly to the high-tech boom that peaked in the late 1990s. Historically, San Jose is the most influential of a string of cities at the south end of San Francisco Bay, an area today known worldwide as "Silicon Valley." But the reasons are more complex than high-tech wealth. In reinventing itself, San Jose did not parrot a marketing trend from a distant source of corporate capital. Nor did it seek salvation from some hot new planning trend. Rather, it focused on rebuilding an authentic sense of regional identity and connection; it emphasized design quality; and its decision-making was responsive to local, pluralistic interests.

Most importantly, the rebuilding effort, led by the San Jose Redevelopment Agency, has been based on a belief in the importance of a civic context for private development, one that includes streetscape improvements, public parks, plazas, museums, civic buildings, and transit infrastructure.

### City Parks

The civic framework of downtown San Jose is nowhere more evident than in its new and refurbished parks. The most visually prominent, named for labor leader Cezar Chavez, occupies an ellipse in the middle

of Market Street between San Fernando and San Carlos Streets. Throughout the years of downtown decline, this space, where the old City Hall once stood, remained the emotional center of the city. Today, its redesign includes a grid of water jets set in a granite circle that provides a continuing attraction for children and adults. When decorated at Christmas and other holidays, the park also brings crowds from all parts of the city, as it has for more than a century. It also provides the symbolic setting for more spontaneous public gatherings throughout the year in response to local or national events.

The rehabilitation of St. James Park has been similarly successful. The oldest park in San Jose, it was first surveyed for open space during Gold Rush days and was originally fenced and planted with American elms in 1868-69. By 1990, however, this classic urban square had endured years of neglect and disregard. Most amazingly, its central 1880s fountain was demolished in 1955 for no better reason than to connect Second Street through its middle and facilitate the flow of traffic. Today, as part of a new downtown framework of public open space, its diagonal paths and formal plantings have been carefully restored, and it serves as a central organizing space for many of downtown's remaining grand old buildings. A green oasis, it is well used by visitors to the nearby courthouse, older members of the community, and residents of a growing number of downtown apartments.

New parks have also played a powerful role in downtown San Jose's rebirth. At one end of the scale is the exquisitely designed Parco de Los Poblares, located on a gore-shaped parcel at the intersection of Market and South First Streets. Here, in the center of what is envisioned as a new arts district, one can sit alongside a granite wall under a grid of pear trees and enjoy a quiet break during a busy workday.

At the other end of the scale is the Guadalupe River Park, which runs along the entire west edge of downtown. Still largely under construction, it will eventually provide a continuous ribbon of landscaped spaces linked



by trails. Completed sections already function as informal playing fields and locations for concerts and festivals, and the meadow and grounds surrounding the new Children's Discovery Museum are now directly connected to the downtown by an elegant pedestrian bridge.

The Redevelopment Agency took a typically proactive approach to this project. Seeing an opportunity to create a major regional park, it successfully lobbied the Army Corps of Engineers to shelve its original plan to contain the small Guadalupe River within a concrete flood channel. The new master plan incorporates a system of naturalized flood plains, acceptable to federal engineers, which can provide recreational spaces when the river is at normal flow.

The Redevelopment Agency's approach to streetscape projects has been equally creative. Following its reorganization in 1979 under Frank Taylor, the agency identified streetscape improvements as the most cost-effective way to build civic character and create an environment that would attract new development. Downtown streets today are lined with rows of large-stature trees that provide shade, color and texture. Special attention has been paid to lighting, consistency of materials between streets and buildings, and to the use of soothing colors. Drainage structures are hidden, and manhole covers are embossed with the city seal. Enamelled sunburst signs identify historic landmarks. Along First and Second Streets, the multi-segmented trolleys of the county transit agency roll into downtown under a leafy canopy of sycamore trees. And since the tracks are located in a sidewalk area without

barriers, pedestrians can reclaim full use of the space when the trolleys roll away.

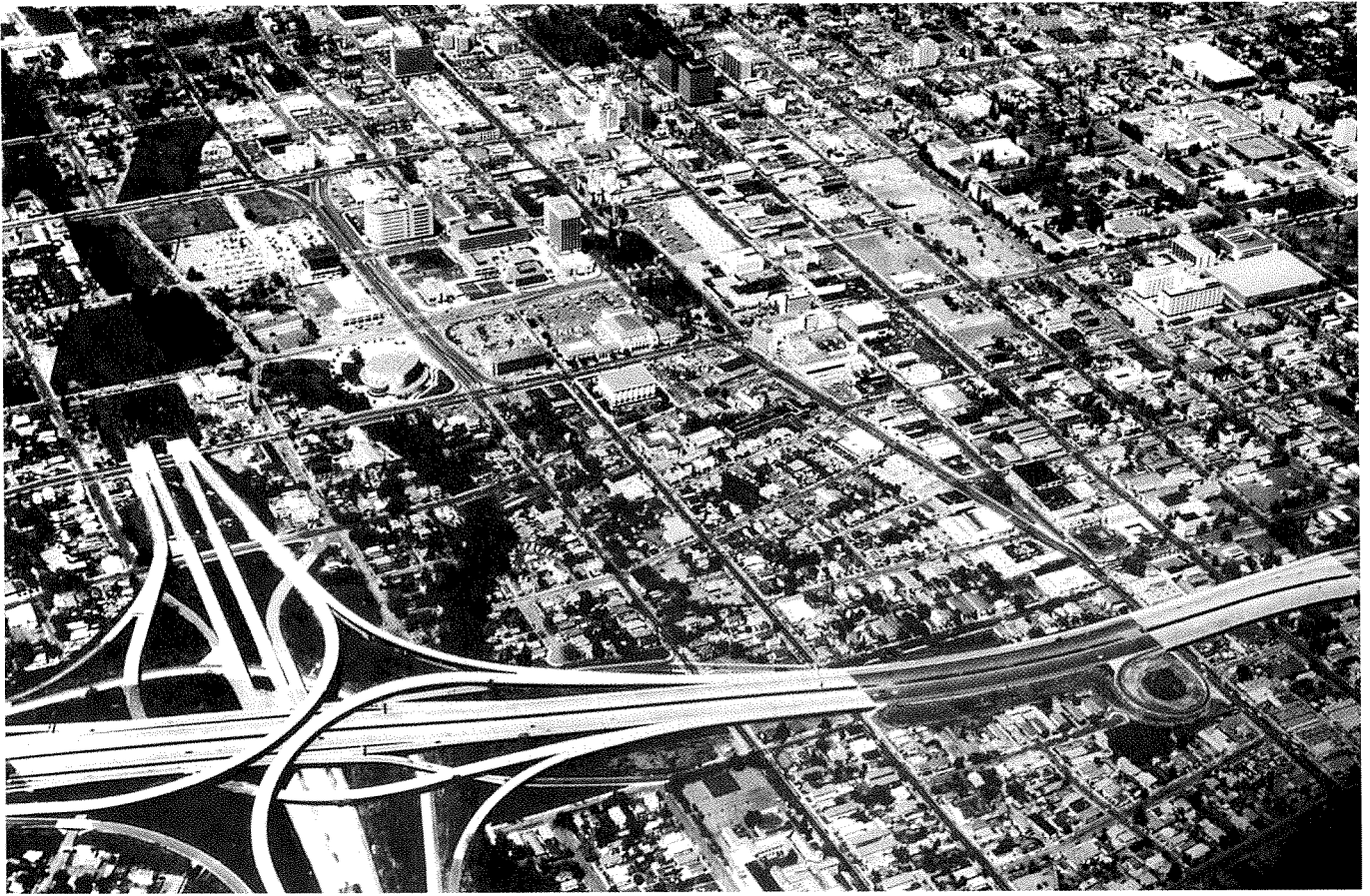
Such an abundance of high-quality, human-scale materials and good design enriches the experience of strolling through the downtown in a climate that is usually sunny and mild. Unlike in many other Bay Area cities, evenings in San Jose remain pleasantly warm much of the year, a reminder of why the Santa Clara Valley, where the city is located, was once called "the valley of the heart's delight."

### In Retrospect

Such a climate had once made the San Jose area a favored location for Native American settlement. However, after the Spanish discovered San Francisco Bay in the mid-eighteenth century, they overwhelmed local Ohlone culture, and, in 1777, the city was established as one of the new mission towns along El Camino Real. Later, as part of an independent Mexico, the area came to be dominated by the wealthy owners of vast *ranchos*.

By the mid-nineteenth century, the Gold Rush brought a large, diverse, and unruly new population to California. Many of these people were migrants from the eastern United States, who looked upon the rich agricultural lands of the South Bay as their "manifest destiny." Not surprisingly, following California statehood, the *rancho* lands were seized, and a new Anglo-dominated culture took hold.

Throughout the latter half of the nineteenth century, San Jose promoted itself as an alternative to the "sinful" and "lawless" city to the north — San Francisco. Its leaders



came from a prosperous new middle class of farmers, merchants, religious figures, and educators. For a short time in the 1850s, the city served as the capital of the new state of California. San Jose State University became a leading educational institution, and its downtown cathedral became a center of Catholic worship.

By the late nineteenth century, much of the Santa Clara Valley had been planted with plums, apricots, cherries, and other fruits — all of which thrived in the benign climate. For nearly a century, fruit growing and canning were staples of the local economy. Early-twentieth-century accounts describe the beauty of San Jose's cathedral and Bank of America tower, the tallest building downtown, rising above a springtime sea of pink and white blossoms.

As in major cities of the West Coast, World War II brought profound changes. Military spending, including shipbuilding and the development of nearby Moffett Field Naval Air Station, created thousands of new jobs in the Bay Area. Following the war, returning servicemen and their families further swelled the local population. Meanwhile, Cold War military research and development continued to provide an engine for economic growth. During this time, large farm-machinery and cannery buildings served as readymade facilities for defense-industry suppliers — leading, for example, to the transition of the Farm Machinery Corporation into a major defense contractor, FMC. (Later, some of these same buildings would provide start-up space for a new generation of high-tech ventures.)

Being less constrained by geography than other Bay Area cities, San Jose grew rapidly. In 1960, its population

was only slightly more than 204,000. But between 1960 and 2000, it grew significantly every decade, adding approximately 691,000 new residents, finally surpassing San Francisco in population in 1990.

By the mid-1960s the orchards surrounding the city had all but disappeared, replaced by suburban residential subdivisions, shopping centers, office parks, and freeways. Sprawling, automobile-convenient development drained much of the vitality from the once-thriving downtown. With the opening of the Valley Fair Shopping Mall in the mid-1950s, Hart's, the last downtown department store, closed. The city's major newspaper, the *Mercury-News*, moved to an office-park location on the northeast fringe of the city. Most symbolically, perhaps, San Jose's City Hall was moved from downtown to North First Street in 1958. Following the architectural fashion of the times, it took the form of a lushly landscaped superblock of modern, low-rise buildings with a signature mid-rise tower. The old City Hall, a fanciful turn-of-the-century structure (1887-88) with great civic presence and urban character, was demolished.

Throughout this period, reaction to the decline of downtown was typical in its concern for the removal of

**Previous overleaf:** Downtown San Jose looking northeast. Photo courtesy of SJRA.

**Opposite:** Downtown San Jose was a thriving local business center at the turn of the twentieth century. Photo courtesy of SJRA.

**Above:** Following years of failed reclamation efforts, downtown San Jose was dominated in the late 1960s by abandoned buildings and parking lots. Photo courtesy of SJRA.



“blight.” But many of the sites cleared for redevelopment would remain vacant for years. And those projects that were built often created only dead street frontage.

San Jose in the 1960s and 70s seemed to typify the decentralized growth that many planners viewed as the inevitable future of the modern city. San Jose was seen as the ultimate suburbia. For San Franciscans, it was not even a place; it was a joke.

### Local Pride of Place

Fifteen to twenty years ago, people who insisted that San Jose should be taken seriously were considered either hopelessly unsophisticated or blind. Yet in the mid-1970s an influential group of local leaders made the connection between civic pride, memories of the old downtown, and a new destiny for their city.

At the political helm was Tom McEnery, San Jose’s mayor from 1983 to 1990. A local businessman, history buff, and son of a former mayor, McEnery forged important coalitions that, for years to come, provided the base of support for downtown projects and programs. Through the 1990s, his successor, Susan Hammer, maintained this commitment, while supporting new programs of public investment for nearby neighborhoods.

Today, a new mayor, Ron Gonzales, has expanded the city’s focus on neighborhood reinvestment, while seeking to put his stamp on downtown projects that have been in the planning stages for years. In particular, he has strongly supported the design of a new downtown City Hall complex as the anchor for a seven-block civic district.

Plans here include a symphony hall, a school, and a new public library (whose strategic location will allow it to be shared by city residents and students and faculty at San Jose State University). Gonzalez has also made the extension of the Bay Area Rapid Transit system (BART) to downtown a priority.

### A Dedicated Staff

Over the years San Jose also has benefited from the vision of a core of influential and highly talented city officials, initially led by Redevelopment Director Frank Taylor (1979-99) and his Principal Architect Thomas Aidala (1982-1998). Both shared a belief in the importance of cities and of city design, and they instructed members of their staff to become actively involved in the design of major new development projects. Aidala, in particular, was adept at finding ways to promote creative design solutions that might otherwise have wilted within the city’s bureaucracy. He trained his staff to negotiate with public-works engineers to maintain the integrity of streetscape projects in the face of design standards written primarily for automobiles.

Such a culture of design excellence has continued through several staff transitions. When the number of downtown projects grew dramatically, Walter Rask

*Above:* Downtown San Jose today. View looking north along First Street transit mall. Photo courtesy of SJRA.

*Opposite:* Silicon Valley comprises San Jose and other smaller cities at the south end of San Francisco Bay. Map courtesy of SJRA.

(1987-1995) became the agency's Principal Architect, with Aidala continuing as a full-time consultant. Both worked closely with the agency's Principal Landscape Architect, Ken Talbot, on streetscape and open space projects. Subsequent Principal Architects have been Jeff Orberdorfer (1995-2000) and David Nieh (2000-present), in partnership with Principal Landscape Architect and Urban Designer Martin Flores. In 1999, following Frank Taylor's retirement, a new Redevelopment Agency Director, Susan Shick, was appointed by Mayor Gonzalez.

One of the hidden benefits of a talented staff has been an ongoing elevation of public taste. Based on readership for design articles in the *Mercury News*, some might argue that public interest in architecture and urban design is now more sophisticated in San Jose than in other large cities in the Bay Area. In part, this public awareness can be traced to Taylor's establishment of an Urban Design Review Board for major downtown projects. Under his leadership, the board became a public forum on city design, and its profile was raised by his insistence that well-known national and international architects be paid to serve on it.

### The Source of Funding

Money, of course, also played a critical role in the rebirth of downtown San Jose. But even here the story has had an important local twist. San Jose was able to take advantage of a one-time exemption to California redevelopment law to combine three noncontiguous plan areas: downtown, Edenvale (an industrial area south of downtown), and Rincon de los Esteros (another industrial area to the north). Consolidation allowed tax-increment funds from one area to be used in the others — a move designed to benefit downtown, which had previously been unable to generate enough redevelopment money on its own.

The financial mechanism underlying redevelopment law in California is eloquently simple. When a new plan area is established, a review of assessed property taxes is made, and the year of its creation becomes the base year. Thereafter, increases in property tax assessments above the base amount constitute the tax increment and may be captured for use within the plan area, rather than being distributed to an entire city or county. The beauty of such a source of funding is that it does not increase taxes; nor is it a "new tax."

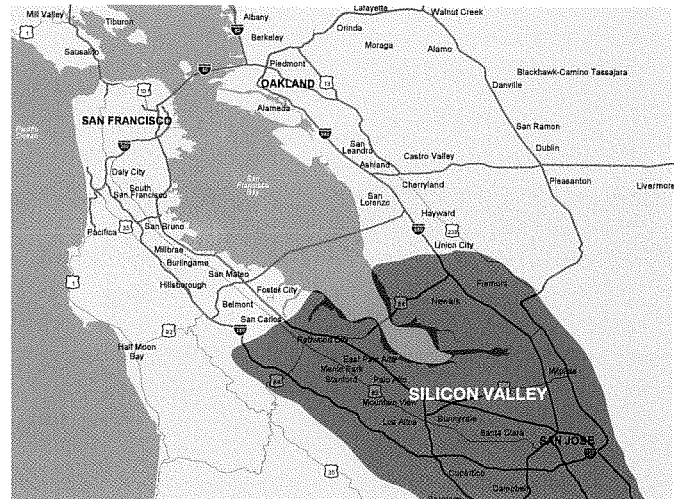
One measure of the success of such a public redevelopment effort is the extent to which it stimulates new private development. In turn, private-sector reinvestment translates into higher assessed property values — and, subsequently, a higher tax-increment. Thus, continuing success at attracting private development creates an

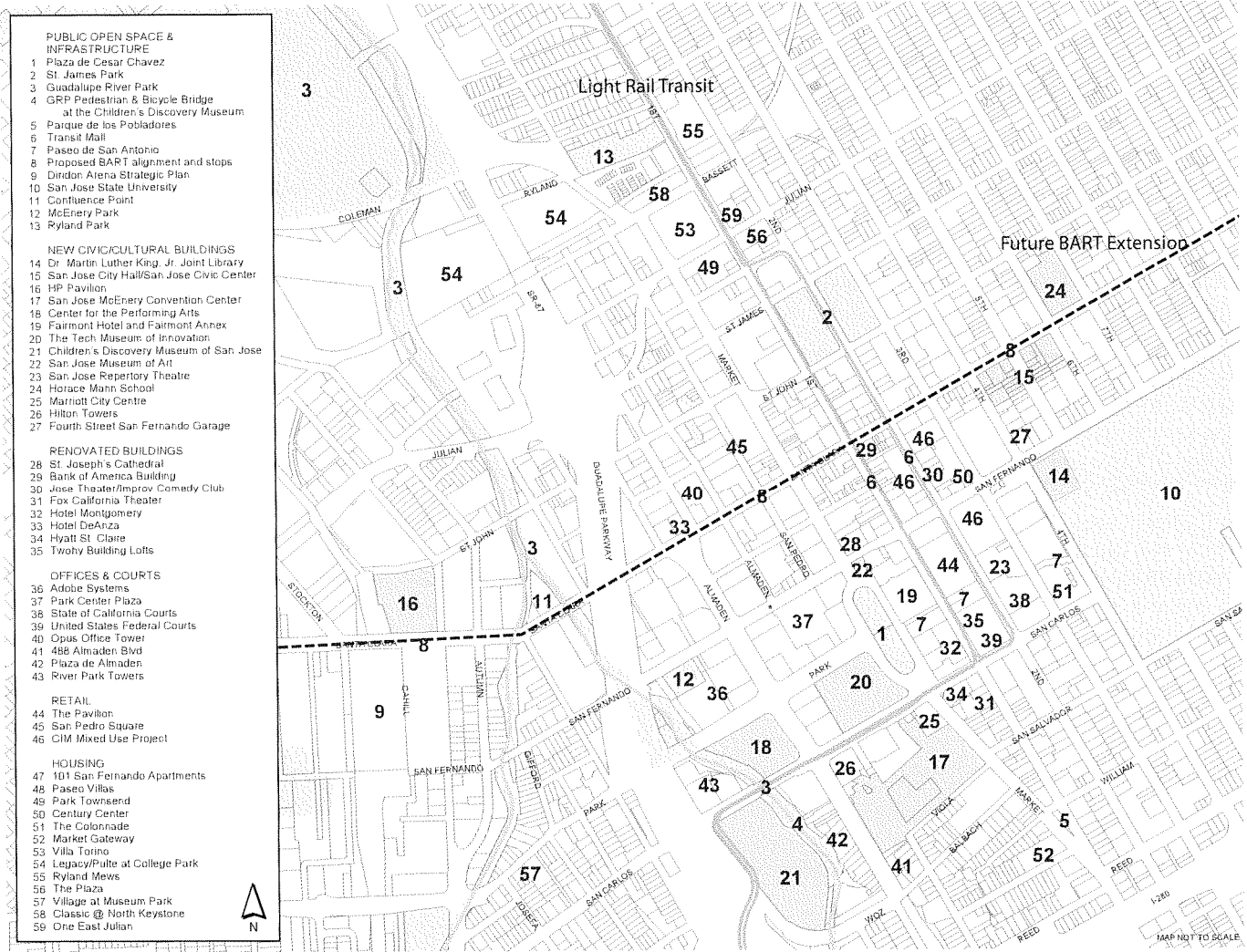
ever-expanding source of public redevelopment money.

In San Jose, the Redevelopment Agency's initial strategy was to fund public improvements in the Rincon de los Esteros area. Projects here included light-rail transit access to downtown and landscape improvements that might enhance its image as a site for new, privately funded high-tech development. Eventually, this effort was so successful that the area became known as the Golden Triangle — now home to such industry giants as Cisco, Intel, Lucent, Netscape and IBM. As tax-increment funds grew, money also became available for strategic downtown projects. In all, slightly more than \$1.2 billion dollars has been generated since the mid-1980s, often as much as \$90 million a year.

The magnitude of this targeted funding may suggest that downtown San Jose's renaissance is only about the power of money. However, large-budget projects don't necessarily add to the civic character of a city. Specifically, in contrast to the privatized nature of the corporate business parks and "campuses" in the Golden Triangle, the agency's use of redevelopment subsidies for major downtown development has emphasized the creation of social, economic, cultural and recreational interconnections.

Most recently, under Mayors Hammer and Gonzales, the Redevelopment Agency's attention has shifted ever more toward housing. Under California redevelopment law, 20 percent of tax-increment monies must be set aside to provide low- and moderate-income housing units. As the surge in residential construction on the edges of downtown now indicates, the city's commitment in this area is strong, and today more and more of the new housing in the downtown area is market rate.





Claiborne / Rebuilding Downtown San Jose

### The Missing Component

Retail development has been the one missing element in the rebirth of San Jose's downtown. Frank Taylor never denied the importance of retail to a revived downtown. Yet he considered it secondary to developing a strong framework of street and park improvements, providing civic and cultural attractions, and building a significant quantity of high-density housing. Ultimately, he believed that if these civic objectives were achieved, viable retail — often the fickle Holy Grail of downtown redevelopment schemes — would follow.

Nevertheless, the relative absence of retail is telling. Even today, with an increasing number of housing units and office developments downtown, there are surprisingly few shops. There are a few household- and office-serving stores, and there is even a moderately sized, high-quality grocery. But most of the new retail activity consists of cafes, restaurants, brewpubs, performance clubs, and sports bars. As in most cities today, San Jose's serious retail is still located in outlying malls and older neighborhood districts.

Mayor Gonzales is the most recent to tackle this problem. As late as April 2002, he was touting the success of negotiations with a New York developer, Palladium Co. to build almost 3 million square feet of new offices, shops, restaurants, and housing in the vicinity of St. James Park — an estimated investment of more than \$1 billion. But by the end of the year Palladium had backed out, citing the downturn in the high-tech economy. And, although another developer, CIM Group of Los Angeles, has discussed taking over parts of the project, for the moment major new downtown retail would seem once again to have eluded San Jose.

Such an outcome clearly cannot be blamed entirely on the economy. A huge new mixed-use complex, Santana Row, recently opened in San Jose. But it is located several miles from downtown, near the popular Valley Fair Shopping Center. Quite the opposite of bringing retail back to an authentic city center, it offers a themed, private urban environment within a 40-acre suburban enclave.

In many ways Santana Row is the antithesis of Taylor's vision for downtown. Approximately 1,200 units of housing are located over outlets for mostly upper-end franchise retailers. Other buildings include a multiplex movie theater and a hotel, and everything is organized within a grid of narrow, private streets. In pursuit of an orchestrated pedestrian atmosphere, there are many clearly imported elements, including Parisian-style park benches, a fountain from Barcelona, and a church facade from the south of France.

### A New Civic Culture

Despite setbacks such as the continued inability to create a major retail district, downtown San Jose is clearly back in business. Its scale and grandeur give it a serious claim to being the cultural and political center of the Silicon Valley.

San Jose has rewritten its destiny through planned reinvestment in public infrastructure and civic facilities and by rebuilding its downtown as an authentic, public place. While there have been many unique circumstances, including the amount of money available to fund redevelopment projects, the lessons of San Jose's new downtown are worth noting by all who would seek to revitalize their own cities: strong political leadership and the will to build strategic projects; long-range planning for project development and funding opportunities; and design talent responsive to local conditions and fresh solutions. It is an unfolding story of great significance.

**Opposite top:** Major recent projects in downtown San Jose. Map courtesy of SJRA.

**Opposite bottom:** San Jose's downtown redevelopment has concentrated on building a new infrastructure of public spaces. Guadalupe River Park looking north to Center for the Performing Arts and Adobe Systems office complex. Photo courtesy of SJRA.