

For Immediate Release:**April 2, 2009****Contact:****Helen Duong, (408) 795-1807
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Redevelopment Agency Implements Salary and Hiring Freeze and Redeploys Staff

This cost-cutting measure and restructuring would help save the Agency approximately \$1 million

SAN JOSE, CALIF. – In response to the volatility of the current economic climate, the Executive Director of the San Jose Redevelopment Agency, Harry S. Mavrogenes, took a proactive and bold move to freeze salaries for himself and for all Executive Staff and Directors in the Redevelopment Agency for the upcoming fiscal year. This freeze will apply to both merit and cost of living increases. Additionally, a hiring freeze will remain in place.

“Our Agency is dedicated to improving the life and conditions of the City of San Jose’s residents and businesses,” said Mavrogenes. “In light of the City’s needs, we are looking at ways to provide help to the City administration through this very difficult time.”

Since August of 2008, in an abundance of caution about overall finances, only four vacant positions have been filled. Currently, the Agency has 121 full-time employees and six vacancies. The Agency has done a partial restructuring to avoid hiring additional staff. As a result of the salary and hiring freeze and restructure, the Agency is projected to save approximately \$1 million in personnel costs this year.

The Agency, which relies on a portion of property taxes within its project areas for much of its revenues, has seen some significant increases in its revenue, up 12 percent the year before, 8 percent this current year, and a projected 2 percent to 3 percent increase in the upcoming fiscal year.

“Because the State of California has no cohesive economic development programs, redevelopment agencies are the only tools available to fuel the local economic engine and to create badly needed jobs,” said Mavrogenes.

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Salary and Hiring Freeze and Redeploys Staff

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“Due to our Agency efforts, approximately 65 percent of all the City of San Jose’s industrial jobs are in redevelopment project areas.”

The Agency’s project areas encompass approximately 16 percent of the City’s total land area. The Agency continues to assist the City financially when legally possible; funding \$23.8 million worth of City staff and services this current fiscal year, including over 26 full-time positions in areas like gang intervention, code enforcement, blight and graffiti abatement, police services, a portion of office costs for the Mayor and Agency Board (City Council), legal services, auditor services, and support of the City’s Office of Economic Development.

The Agency’s \$419 million capital budget is also keeping many City employees employed through project services memoranda, which allows the City’s workforce to do the actual design and improvements of projects (street reconstruction, traffic signals, street lights, pedestrian and parking lot improvements, and public art) instead of contracting out to private contractors.

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