

Revived downtown attracts Safeway despite downturn

BY KATHERINE CONRAD

The developer of The 88 credits Safeway Inc.'s belief in downtown San Jose's renaissance — as well as its own relationship with the supermarket chain — with sealing the deal to bring the grocer to the condo tower.

That the deal endured through the economic meltdown can be attributed to developer Wilson Meany Sullivan's past relationships with Safeway, said Seth Bland, a principal with Wilson Meany.

"I think it's a testament to us having worked with Safeway successfully in the past," Bland said. "It's a clear endorsement of all efforts made in the downtown. Safeway realizes the transformation taking place in downtown San Jose."

The last step in the deal occurred on Feb. 24 when the City Council signed off on San Jose's \$1.85 million contribution to build an elevator between the 330-spot parking garage and the 24,000-square-foot store called The Market at Safeway.

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Bland said the money was critical, and so was the public parking, or Safeway would have walked away.

The San Jose store, scheduled to open in late summer, is similar to an enterprise on King Street in San Francisco, near SBC Park, Bland said. The Market represents a departure for the suburban retailer and will offer shoppers a somewhat different experience in a smaller urban store.

Bland would not reveal sales figures for the almost 200 condos in The 88, located at 88 San Fernando St., but he said the first residents move in next month.

"It was very, very quiet through the end of 2008 after the October (financial) meltdown. People were not buying shoelaces, let alone homes," he said. "But the interest in the project is high, and Safeway is a significant boost."



VICKI THOMPSON

MOVING IN: Safeway's smaller, urban store is expected to open on the ground floor of The 88 late this summer.