

# City of Alhambra

## PRESS RELEASE

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### **CITY OF ALHAMBRA SIGNS AGREEMENT WITH DEVELOPER FOR NEW MIXED-USE PROJECT AT THIRD & MAIN STREETS**

May 1, 2009 – Alhambra, CA – Passersby may have noticed the recent demolition of buildings located at the northeast corner of Main and Third Streets. A Disposition and Development Agreement by and between the Alhambra Redevelopment Agency (ARA) and Zen Development Company, LLC will lead to the construction of a four-story mixed-use development at the northeast corner of Main and Third Streets. The proposed project is included in the West Main Street Master Plan that was approved by the City Council in 2006. It has been estimated that construction of the project will begin in October 2010 with completion in June 2012.

The City has agreed to sell the Agency-owned 1.2 acre property (comprised of five parcels and a partial alley) to Zen Development for \$4 million. The firm plans to construct a mixed-use building that will include 94 residential “for-sale” condominium units and 5,000 sq. ft. of ground-level retail commercial or restaurant space with 398 parking spaces.

It is estimated that the value of the project at completion will be roughly \$33.9 million, and that the site will generate approximately \$339,000 annually in property tax revenue to the Redevelopment Agency. The Agency will receive approximately \$4,746,000 in property tax increment and the City will receive approximately \$140,000 in sales tax revenue during the anticipated life of the project. The total net project income is estimated at approximately \$1,310,000. It is also estimated that the project will create an estimated 25 new jobs at build-out, plus there will be a number of temporary jobs created during the project’s construction phase.

In addition to increasing the tax base, construction of the new mixed-use building will help eliminate a source of blight. The site is currently developed with three Agency-owned parking lots, an alley and approximately 20,700 sq. ft. of vacant land. By developing a higher and better use for the property (previously occupied by an automobile body shop, automobile repair shop and laundry service), it is anticipated that the project will be a factor in attracting new commerce and capital, help to create conditions that stimulate property values and the desire to improve other properties in the Downtown, as well as create a better quality of life for Alhambra residents through increased opportunities for dining, shopping and entertainment, and other amenities in the downtown. In addition, the project will be designed to increase pedestrian activity by supporting new and existing retail, restaurant and offices uses in the Downtown. It is also anticipated that the project will create the synergy needed to impart a desirable image to potential investors, businesses and customers.

The agreement comes on the heels of a series of good economic news for the City. Since the beginning of the year, six new restaurants have opened or relocated to Main Street; a new Volkswagen dealership closed escrow on a site in the Auto Row District; and at The Alhambra Campus on Fremont Avenue, news came of newly-signed leases with the Newport Dessert Company (which manufactures high-end desserts for upscale restaurants and sells over the QVC network) and DeVry University.

For more information about the City of Alhambra, visit [www.cityofalhambra.org](http://www.cityofalhambra.org).

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