



Urban revolution hits Silicon Valley capital

Agence France-Presse – Last updated 09:23am (Mla time) 10/02/2007

SAN JOSE, California--Silicon Valley's capital city San Jose is undergoing an urban development revolution calculated to keep it as the thriving heart of a region renowned for technological innovation.

The city is working to reverse a trend in which promising startups take root in suburbs and neighboring cities such as Mountain View, Sunnyvale, and Cupertino -- the homes of Google, Yahoo and Apple respectively.

Districts brimming with high-density housing are now blossoming near downtown office towers. There are 32,000 units in or near the city center and "enterprise incubation centers" have sprung up to nurture start-ups in the areas of software, bioscience, environment and market access.

"We take care of the capital and resources expenditures, so the companies can grow further and faster," Melinda Richter, executive director of the BioCenter technology business center which houses 25 companies, told AFP.

"We take care of maintenance for them. We teach them to do venture capitalist pitches, and we do legal and marketing workshops, as well as industry panels."

Located about 45 miles (75 kilometers) south of San Francisco, San Jose is the tenth most populated US city with about a million residents.

Its highways and broad streets wind like tentacles from downtown to outlying neighborhoods and districts where companies such as eBay and Cisco have grown to be symbols of Silicon Valley's technology prowess.

Now the city hopes its efforts will bring back the economic vitality lost when US lifestyles shifted to suburban homes and shopping centers a half century ago.

Its aim is to lure pioneering and nascent tech firms back downtown with economic incentives, research centers and urban revitalization.

Triple towers built there more than two decades ago by Adobe, the ever-prosperous firm famous for Photoshop picture editing software and Acrobat text applications, will be flanked by three new buildings.

"In the 1980s, we talked to Apple, Hewlett-Packard, and we finally struck a deal with Adobe," San Jose Redevelopment Agency program manager Dennis Korabiak told AFP.

Adobe has 90,000 square meters of office space in its existing three towers in downtown San Jose. "The city subsidized the first building, and they did the two others on their own," Korabiak said.

The city hopes to convince firms that employees can more productively interact in shared downtown office space than in college-style campuses far from the urban core.

"The notion of collaboration amongst teams doesn't work if they are scattered around a campus," said the director of the San Jose Office of Economic Development, Paul Krutko.

"Putting people in a vertical structure so they can interact with each other may be a better work place environment."

The city's redevelopment plan includes diversifying its Internet-heavy portfolio of firms.

BrighTex BioPhotonics, which specializes in analyzing skin, is a BioCenter tenant. "I started my other companies out of my garage," the company's chief executive Raj Chhibber told AFP.

"I have started this one in a professional building, so we were up and running within a few weeks. The saving of money allows you to focus on the core development."

San Jose is also banking on the potential of renewable energy.

"We have the possibility of being the solar energy capital of the world," said San Jose mayor Chuck Reed.

Solar panel maker Sunpower is already based here and Nanosolar is building a photoelectric cell facility in south San Jose, he said.

The politics of city planning and zoning is closely coordinated with its development policy.

"We spend time thinking about housing, cultural development and recreational amenities, the quality of life," Krutko said.

"Today the talent is so mobile, and has the ability to live anywhere, so the nature of the place and the quality of the place become very important."