



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Mayor Mahan  
Vice Mayor Foley  
Councilmember Salas  
Councilmember Mulcahy  
Councilmember Casey

**SUBJECT:** SEE BELOW

**DATE:** 03/14/2025

Approved:

Date: 03/14/25

**SUBJECT:** Proposed Economic Strategy Work Plan for Fiscal Year 2025-2026 and Fiscal Year 2026-2027

**RECOMMENDATION:**

Approve the following Economic Strategy Work Plan for FY 2025-2026 and FY 2026-2027:

1. Grow jobs and revenue and promote innovation from large and medium-sized businesses in key sectors such as manufacturing and artificial intelligence.
  - a. Add (attraction or expansion) a total of 10,000 jobs.
  - b. Increase the City's sales, property, and utility tax revenue by \$10M.
  - c. Conduct 25% more business retention visits and ensure follow-through on a list of actionable items from each meeting.
  - d. Generate/facilitate the permitting of three data centers.
  
2. Foster small business resilience and create thriving business districts.
  - a. Establish two new business assessment districts.
  - b. Generate combined revenue of \$550,000 from assessment districts and develop an implementable district spending plan.

- c. Streamline at least two city policies to simplify and accelerate the permitting process for small businesses.
  - d. Award 100% of City-wide allocated Storefronts Grant funding each year, with at least 30% facilitating a reduction in vacant ground floor retail spaces.
3. Accelerate a thriving Downtown.
- a. Generate 10 commercial lease renewal commitments of 10,000 square feet or more.
  - b. Facilitate 10 new commercial business attractions.
  - c. Achieve 10% year-over-year increase in downtown daytime foot traffic.
  - d. Receive a 10% increase in positive sentiment in the Focus Area Community Survey.
4. Activate San José as the South Bay's hub for sports, arts, and entertainment.
- a. Implement our commitments to secure San Jose Sharks in San José for 25 years.
  - b. Implement our commitments to secure San Jose Giants in San José for 25 years.
  - c. Complete the policy work related to: Supergraphics, Special Events Zone, and Entertainment Zones, including pilot implementation.
  - d. Produce or facilitate at least eight cultural, outdoor events specific to 2026 activities and deliver six public artworks.
  - e. Facilitate at least 485 city-wide outdoor special event days that cumulatively drive over two million attendees.
  - f. Develop a conceptual plan a sports and entertainment district within walking distance of the SAP Center for City Council approval by December 2025.
  - g. Increase Downtown nighttime visitors by 10% by streamlining event policies to attract and support more activations.

## **BACKGROUND**

San Jose's future depends on an economic development strategy that recenters our attention and resources on opportunities that drive long-term prosperity.

Our proposed refinements (*found in Attachment A*) align the Office of Economic Development and Cultural Affairs' limited resources on efforts with the greatest impact. Prioritizing job creation, revenue growth, business retention, small business resilience, downtown activation, and positioning San José as a premier destination fosters long-term economic health. These priorities are essential for attracting investment, supporting businesses, and maintaining the vibrancy of San José for both residents and visitors.

We thank staff for the thoughtful and strategic work reflected in the revised Economic Strategy Work Plan. This plan focuses on measurable outcomes that can drive accountability and ensure San José remains well-positioned for growth.

**Attachment A**

1. Grow jobs and revenue and promote innovation from large and medium-sized businesses in key sectors such as manufacturing and artificial intelligence.

- Add (attraction or expansion) a total of ~~3,000~~ **10,000** jobs.
- Increase the City's sales, property, and utility tax revenue by ~~\$210M~~.
- ~~Increase business retention visits by 25%~~ **Conduct 25% more business retention visits and ensure follow-through on a list of actionable items from each meeting.**
- Generate/facilitate the permitting of ~~two~~ **three** data centers.

2. Foster small business resilience and create thriving business districts.

- Establish two new business assessment districts.
- Generate combined revenue of \$550,000 from assessment districts **and develop an implementable district spending plan.**
- ~~Reduce the time to resolve small business related issues (permitting, licensing, etc.).~~ **Streamline at least two city policies to simplify and accelerate the permitting process for small businesses.**
- Award 100% of City-wide allocated Storefronts Grant funding each year, with at least 30% facilitating a reduction in vacant ground floor retail spaces.

3. Accelerate a thriving Downtown.

- Generate 10 commercial lease renewal commitments **of 10,000 square feet or more.**
- Facilitate 10 new **commercial** business attractions.
- Achieve 10% year-over-year increase in downtown **daytime** foot traffic.
- Receive a 10% increase in positive sentiment in the Focus Area Community Survey.

4. Activate San José as the South Bay's hub for sports, arts, and entertainment.

- **Implement our commitments to** ~~Secure~~ San Jose Sharks in San José for 25 years.
- **Implement our commitments to** ~~Secure~~ San Jose Giants in San José for 25 years.
- Complete the policy work related to: Supergraphics, Special Events Zone, and Entertainment Zones, including pilot implementation.
- Produce or facilitate at least eight **cultural**, outdoor ~~special~~ events specific to 2026 activities and deliver six public artworks.
- Facilitate at least ~~400~~ **485** city-wide outdoor special event days that cumulatively drive over two million attendees.
- Develop a **conceptual plan** for a sports and entertainment district within walking distance of the SAP Center for City Council approval by **December 2025.**
- ~~Increase visitors to the Downtown by 10% as a result of arts and cultural programming and events.~~ **Increase Downtown nighttime visitors by 10% by streamlining event policies to attract and support more activations.**

*The signers of this memorandum have not had, and will not have, any private conversation with any other member of the City Council, or that member's staff, concerning any action discussed*

**COUNCIL AGENDA: 03/18/2025**

**FILE: 25-244**

**ITEM: 8.1**

*in the memorandum, and that each signer's staff members have not had, and have been instructed not to have, any such conversation with any other member of the City Council or that member's staff.*