



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Lee Wilcox

SUBJECT: See Below

DATE: August 4, 2025

Approved

Date:

8/13/25

COUNCIL DISTRICT: 3

SUBJECT: San Jose Downtown Association Services Agreement

RECOMMENDATION

Adopt a resolution authorizing the City Manager or her designee to:

- (a) Negotiate and execute a Services Agreement with the San Jose Downtown Association to provide marketing, business retention and expansion, event production, and promotional services through June 30, 2026, for an amount not to exceed \$1,238,806;
- (b) Negotiate and execute subsequent amendments to the agreement to revise the scope of services, subject to appropriation of funds; and
- (c) Execute up to five additional one-year amendments to the agreement through June 30, 2031, to provide ongoing services for an estimated annual cost of \$313,166 in Year 1, \$322,560 in Year 2, \$332,237 in Year 3, \$342,204 in Year 4, and \$352,471 in Year 5, subject to appropriation of funds.

SUMMARY AND OUTCOME

If the City Council approves the recommendations above, it will authorize an agreement with the San Jose Downtown Association (SJDA) to provide services aligned with the City of San José's (City) Fiscal Year (FY) 2025–2027 Economic Strategy Work Plan, including downtown marketing, business support, and event activations through June 30, 2026, with extension options through 2031.

BACKGROUND

The SJDA, a nonprofit membership-based organization founded in 1986, represents approximately 2,100 business and property owners and works to enhance downtown

vitality and livability. The City Manager's Office of Economic Development and Cultural Affairs and the Department of Transportation manage the SJDA agreement to support the following goals.

1. Position Downtown San José as an easy-to-access, high-value, and distinct work environment for start-ups, scaling businesses, and corporate headquarters.
2. Maintain a dialogue with existing downtown businesses and build relationships and an information base with new businesses through in-person visits.
3. Continue to create a vibrant and safe environment attractive to a diverse range of employers, residents, and visitors.
4. Increase revenue and parking activity in City facilities while improving customers' parking experience.
5. Enhance the pedestrian environment along key corridors through storefront activations and implementation of the City's public life strategy.

ANALYSIS

Staff recommends continuing and expanding the services provided by the SJDA in FY 2025-2026 based on the organization's demonstrated capacity to deliver high-impact programming in business engagement, placemaking, cultural activation, and strategic marketing.

Recent accomplishments include supporting over 20 new business openings in the past year, completing the Santa Clara Street beautification project, producing and promoting annual events such as Starlight Cinemas, Dine Downtown, and CityDance, and distributing an updated walking map ahead of the March 2025 NVIDIA GTC conference. These efforts reinforce SJDA's role in advancing a vibrant and resilient Downtown San José.

The proposed agreement builds on this foundation with an expanded scope aligned with the FY 2025-2027 Economic Strategy Work Plan¹, specifically Objectives 3 and 4 – accelerating a thriving downtown and activating San José as the South Bay's hub for sports, arts, and entertainment. The proposed services contribute to increased foot traffic, enhanced activations, and downtown readiness for major 2026 events such as the Super Bowl and FIFA World Cup.

¹ <https://sanjose.legistar.com/View.ashx?M=F&ID=13916375&GUID=B59F8592-5F09-46FB-AACA-45B8DCA5B47C>

Below lists the program areas in the FY 2025-2026 services agreement.

- Downtown Parking Program – Stimulate economic activity and increase revenue in City parking facilities by enhancing SJDA’s website and event calendar, promoting family-friendly events on pedestrian malls, and supporting marketing for programs like CityDance, Starlight Cinemas, and Make Music San José. Implement visual projection displays to enhance the holiday atmosphere and attract pedestrian activity.
- Downtown Branding Initiative – Continue implementation of a digital video campaign to promote Downtown San José to underrepresented audiences, featuring local businesses, events, and public spaces. Deliverables include targeted audience analysis, three six-week social media campaigns, and performance metrics using Placer.ai data to measure reach and impact.
- 2026 Major Events Readiness – Provide direct outreach, resources, and toolkits to prepare downtown businesses for the major sporting events coming to San José and the South Bay in 2026. Activities include door-to-door engagement, workshops, marketing collateral, and collecting community feedback to ensure businesses are positioned to benefit from increased visitation.
- Data and Economic Insights – Enhance data tools and reporting capabilities through Placer.ai and Beacon Economics to track economic activity. SJDA will maintain a public-facing data dashboard, provide quarterly and event-specific reporting, and support stakeholder decision-making through expanded analytics.
- Downtown Events and Cultural Activations – Coordinate and support a diverse calendar of downtown events and cultural activations aimed at increasing foot traffic, driving regional visitation, and positioning Downtown San José as a vibrant and inclusive destination. Key Initiatives include:
 - Dine Downtown – Promote downtown’s culinary scene through targeted outreach and marketing, with a focus on diverse and newly established restaurants. The program will include at least 40 participating restaurants, influencer partnerships, and post-event surveys:
 - *Alebrijes* Public Art – Support the two-month, outdoor display of eight large-scale illuminated sculptures from Oaxaca, Mexico, with cultural programming, workshops, and performances to boost regional visibility and visitation;
 - Downtown Ice – Provide continued support for the seasonal skating rink, offsetting operational and permitting costs. This long-standing holiday tradition drew 35,000 skaters and 150,000 spectators in 2024;

- Downtown Farmers' Market – Promote the newly relaunched Wednesday Farmers' Market through digital outreach, social media, and partner coordination to increase public awareness and foot traffic;
 - Inclusive Downtown Programming – Develop and promote new programming that highlights Downtown San José as a welcoming, inclusive destination through large-scale events that celebrate community identity; and
 - Plaza de Cesar Chavez Stage Canopy – Install a temporary stage truss and canopy to enhance the attendee experience at the city's signature summer events, such as Music in the Park and Summer Jazz Fest.
- Stitching Districts – Support implementation of the directive in the Mayor's March 2025 Budget Message to enhance pedestrian connectivity and district identity between SAP Center, Little Italy, and San Pedro Square through lighting, art, wayfinding, and landscaping. Improvements will support 2026 event readiness and strengthen neighborhood cohesion.

SJDA will provide regular reports on pedestrian activity, business engagement, and economic outcomes, along with a mid-year and final report on contract performance. Evaluation data will inform future investment and coordination, particularly around the 2026 event calendar. As requested by the City, SJDA may also support downtown priorities through safety improvements, pedestrian enhancements, storefront activations, and public life initiatives. A three percent annual cost-of-living adjustment will apply to the non-reimbursable base funding starting in the first optional renewal year, consistent with other City agreements.

EVALUATION AND FOLLOW-UP

Staff from the City Manager's Office of Economic Development and Cultural Affairs and the Department of Transportation will evaluate SJDA's performance throughout the year and use that data to inform future scope adjustments. Any proposed one-time funding beyond the base contract will be brought to City Council through the annual budget process, as appropriate.

BUDGET REFERENCE

The table below identifies the fund and appropriations to fund the contract recommended as part of this memorandum and remaining project costs, including project delivery, construction, and contingency costs.

Fund #	Appn. #	Appropriation Name	Total Appropriation	Amount for Contract	2025-2026 Proposed Operating Budget Page*	Last Budget Action (Date, Ord. No.)
001	2065	San Jose Downtown Association	\$513,166	\$513,166	806**	6/17/2025, 31230
533	0512	DOT Non-Personal/Equipment	\$7,659,653	\$175,640	893	6/17/2025, 31230
001	206L	Downtown Pedestrian Quality of Life	\$300,000	\$300,000	N/A***	6/17/2025, 31230
001	231T	2026 Sporting Events	\$1,500,000	\$250,000	800	6/17/2025, 31230

*The 2025-2026 Adopted Operating Budget was approved on June 10, 2025, and adopted on June 17, 2025, by the City Council.

**An additional \$200,000 in one-time funding was added as part of the 2025-2026 Adopted Budget as directed in the Mayor's June Budget Message for 2025-2026, as approved by the City Council.

*** The Downtown Pedestrian Quality of Life amount of \$300,000 was added as part of the 2025-2026 Adopted Budget. ***

COORDINATION

This memorandum has been coordinated with the City Attorney's Office, the City Manager's Budget Office, the Department of Parks, Recreation and Neighborhood Services, and the Department of Transportation.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the August 26, 2025 City Council meeting.

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August 4, 2025

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COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.



Lee Wilcox

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Development and Cultural Affairs

For questions, please contact Chris Arkley, Senior Executive Analyst, City Manager's Office of Economic Development and Cultural Affairs at chris.arkley@sanjoseca.gov or (408) 535-8579.