



Memorandum

TO: COMMUNITY AND ECONOMIC
DEVELOPMENT

FROM: Nanci Klein

**SUBJECT: DOWNTOWN ANNUAL
PROGRESS REPORT**

DATE: June 11, 2024

Approved

Date

6/16/24

RECOMMENDATION

Accept the annual Downtown progress report, including business and economic development, public life, and arts and cultural initiatives.

BACKGROUND

A vibrant city center is many things: eclectic, interesting, and inviting, with a strong and growing commercial and residential base. It is socially, economically, and ethnically diverse, easily accessible from transit, and attractive to talent and residents. Downtown San José is Silicon Valley’s city center, its only true urban environment – critical to its economy and cultural heart. The City is committed to attracting investment in jobs and housing, arts and culture, and quality amenities to enhance and sustain a safe, vibrant Downtown. The Downtown Management unit, housed within the Office of Economic Development and Cultural Affairs, coordinates across departments to advance the City’s strategic goals for Downtown. The unit includes the Downtown Manager position, and in Fiscal Year (FY) 2023-24, a permanent Downtown Coordinator position was added. This Downtown Progress Report compiles noteworthy achievements, challenges, and solutions from July 2023 to June 2024.

ANALYSIS

Over the past year, Downtown San José demonstrated resilience and progress despite ongoing macroeconomic challenges. Hosting NVIDIA's GPU Technology Conference, which attracted 20,000 visitors over five days, showcased a vibrant, safe, and clean city center. Restaurants, special events, and entertainment activities have drawn more visitors than ever since 2020. However, office leasing remained slow, development activity lagged, and quality-of-life concerns persisted, indicating areas that need continuous attention. Despite these challenges, the overall trajectory points towards a revitalized and vibrant Downtown.

This analysis begins with an overview of Downtown’s economic and demographic indicators and then describes milestones and achievements, including new programs and initiatives to tackle Downtown’s needs. While the focus is on the previous 12 months, a forward-looking Downtown Action Plan for FY 2024-2025 is included in the **Attachment** to this memorandum, providing a description of selected cross-department efforts organized into functional domains: business development and investment; clean, safe and housed; public realm and activation; and arts, entertainment, and culture.

Downtown Indicators

Downtown’s economic and cultural indicators continued to recover from pandemic-era disruptions, with some metrics exceeding 2019 levels.



Urban Living

23,000 residents in the Downtown San José Growth Area	36,000 Spartans attending San José State University	\$130,602 median household income	4,078 homes approved
336 homes under construction	\$2,550 one-bedroom apartment rent	5% apartment vacancy rate (stabilized)	2,045 new homes since 2020

Following several years of decline, the resident population increased by roughly 1,500 people within the Downtown Growth Area. According to American Community Survey 2022 five-year estimates, 29 percent of residents identify as White Non-Hispanic, 27 percent as Asian, 29 percent as Hispanic, eight percent as African American, and the remaining population as Native American or a mixture of races/ethnicities. With more than 4,000 residential units entitled, Downtown has capacity to increase population even further.



Workplace

25,263 jobs in the Downtown core	1,239 employers in the core (1+ full time employees)	8% of the City’s total employment	10.8M square feet office building base
\$3.59 office asking rent per square foot	2M square feet office space built since 2023	85% daytime visit recovery rate	31% office vacancy rate

This year’s progress report analyzed jobs in the business improvement district boundary, as opposed to the larger Downtown Growth Area in previous years, due to higher data confidence. The BID area is Julian Street to the north, Fourth Street to the east, I-280 to the south, and Highway 87 to the east. Additionally, the area includes the Coleman Market Center and

Diridon/Downtown West neighborhood. Downtown’s largest employers are Adobe, San José State University, the City of San José, and Deloitte. Downtown’s top industry sectors are diversified, with the leading sectors by employment being professional, scientific and technical services (28%); information (22%); education (16%); accommodation and food services (10%); and public administration (7%). While most businesses are small, employment is concentrated in a relatively small number of larger employers.

Employer Size (full-time employees)	Number of Employers	Employment	Share of Employers	Share of Employment
1 to 34	1,158	5,252	93.5%	20.8%
35-75	41	2,092	3.3%	8.3%
75 and up	40	17,919	3.2%	70.9%
Totals	1,239	25,263	100%	100%



Arts, Events, Culture

2.1 million special event attendance	+22% theater attendance vs. 2019	+25% hotel revenue year-to-date, year-over-year	122% nighttime visit recovery
265 permitted event days through the Office of Cultural Affairs (OCA)	12,000 square feet new San Pedro mural	44 Sharks home games (23-24)	18 walkable museums/galleries

The importance of the arts sector cannot be overstated. According to a 2023 study¹, the nonprofit arts sector alone supports at least 2,800 jobs, worth a payroll of \$173 million in San José, and roughly \$291 million in total industry spending. Though these are citywide numbers, Downtown hosts the majority of arts and entertainment events and organizations.

Business Development and Investment

Ground-Floor Commercial: Downtown’s ground-floor commercial ecosystem offers unique food, drink, and services that serve not only the immediate area but increasingly draw in visitors from throughout the region. Below are some notable new business openings over the past year. Most of them were served by the City’s Small Business Ally and the San José Downtown Association’s Business Development team, which assist small business owners through permitting and business start-up procedures (an asterisk indicates a business opening soon).

¹Americans for the Arts, “Arts and Economic Prosperity 6.” Available at [Arts & Economic Prosperity 6 Report Now Available - SVCREATES](#)

- **Historic District:** The Eden Gardens; Purple Lotus; Nirvana Soul; Chief Eating Officer*; Still OG/Alter Ego Cocktail Club; Elyse; San José’s Downtown Food Hall; Spirit Brothers; Hobee’s*; Velvet House; Rollati; Angkor; Hash and Dash; Paleta Planeta*; Home Eat
- **SoFA:** Ashy Aromas; Downtown Yoga Shala; California Miramar University*; Urban Putt; Eos & Nix*
- **San Pedro Square:** Mommy’s Banh Mi; Hinodeya Ramen; Suerte; The Corner*; The Gelato Shop; Pineapple Thai*
- **Little Italy:** The Italian Cellar; Famiglia Meduri Poor House Bistro
- **Paseo de San Antonio:** Campus Burgers; MOMENT Paseo

Pop Up Retail Program: In May, five small retailers launched inside two storefronts at 112 and 115 Paseo de San Antonio as part of MOMENT Paseo: Bad Witch Crystals, Plant Slut, Cositas Contreras, MiGi Cera Candles, and La Paloma Imports. This year-long partnership among the City, San José Downtown Association, and retail consultancy MOMENT represents the first phase of a new Downtown Pop-Up Program. The goal is to activate vacant spaces, support promising new entrepreneurs, and showcase the potential for retail in the core. The program provides discounted space, a modest storefront enhancement grant, and marketing and technical assistance support. Successful businesses may be transitioned into a permanent space at the program’s conclusion, and staff will reassess the potential for it to continue at that time. The program has leased two additional storefronts on Post Street and is targeting a summer 2024 opening.

Office Market: Commercial office inventory increased to nearly 11 million square feet with the completion of Jay Paul Co.’s 200 Park, which added roughly 1 million square feet of Class A space to the Downtown core. Office vacancy remained elevated at roughly 31%, as companies paused leasing plans due to economic uncertainty and a reduced need for office space in the hybrid work era. Boston Properties paused construction on Platform 16, a 390,000-square-foot office project at 440 W. Julian St., until leasing momentum improves. Some tenants opted to leave Downtown, including PwC, which announced in April it would move to Santana West. Staff is meeting with Downtown’s top employers to assess tenant needs and offer support in advance of lease renewals. Despite challenges, many employers recognize Downtown’s central location, transit proximity, cultural and entertainment amenities, and lower cost compared to other premiere office submarkets. While it is impossible to capture every deal, some notable office leases are included below.

Employer	Address	Size (SF)	Industry
U.S. Attorney’s Office	60 S. Market	36,000	Government
Sima.ai	333 W. San Carlos	20,000	Tech
City of San José	4 N. Second St.	17,500	Government
Northeastern University	4 N. Second St.	17,500	Education
Coactive	50 W. San Fernando	~16,000	Tech
Steinberg Hart	50 W. San Fernando	4,500	Professional Services
Aedis Architects	333 W. Santa Clara	~6,000	Professional Services

Boys & Girls Clubs of Silicon Valley	15 W. San Fernando	5,600	Nonprofit
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Commercial sales activity remained slow in FY 2023-2024. Three notable deals are:

- **303 Almaden:** The 163,000-square-foot hub for EY, Anatomage, and others, sold for \$23.75 million (\$146 per square foot). The buyer was Steerpoint Capital, an investment group that includes George Mersho, founder of San José-born Shoe Palace.
- **Market Square:** At 111 N. Market and 111 W. St. John streets, sold for \$34.2 million (\$106 per SF), also to Steerpoint Capital.
- **Signia Hotel South Tower:** Throckmorton Partners acquired the Signia hotel south tower from investor Eagle Canyon Capital for \$73 million, paving the way for San José State University to transform the 264 rooms into student dorms.

Commercial development activity was also subdued as developers contemplated next steps amid challenging interest rates and lower office demand.

- **CityView Plaza:** In May 2024, Jay Paul Co. extended entitlements for its 3.8 million square foot redevelopment for another five years. The firm is also planning a refresh of CityView’s ground-floor commercial spaces along Park Avenue between Market Street and Almaden Boulevard with new food and services businesses.
- **Paseo:** Developer Urban Catalyst is nearing completion on roughly 75,000 square feet of office space at the former Camera 12 Theatres. It will offer wide-open floor plates, stunning views and outdoor terraces overlooking Downtown. Its 25,000 square feet of ground-floor retail space welcomed indoor mini-golf destination Urban Putt in February. Upscale restaurant Eos & Nix is expected to open this summer.
- **TownePlace Suites:** Urban Catalyst hotel project at San Carlos and Josefa streets will add 176 rooms when complete next year.

Residential Market: Out of the roughly 14 entitled projects in the Downtown core (worth roughly 4,100 units), few have gained construction financing amid the tough lending environment. However, several residential projects received approvals this year:

- **Terraine,** from developers Westbank and Terrascope, includes 345 units at 323 Terraine St., in close proximity to San Pedro Square.
- **439 S. 4th St.,** from property owner Nelly Amas, would add 210 units in 25 stories across from San José State University.
- **100 N. 4th St.,** being put forward by owner Brent Lee, contains 298 units on a site long eyed for private-sector student housing projects. The parcel was the site of a fire earlier this year that destroyed several historic Victorians.

Currently under construction is The Fay, a 23-story apartment tower at 600 S. First St. from developer Morro. Its 336 homes will enhance the SoFA neighborhood when completed later this year. Work is also underway to transform the former Signia Hotel south tower into a dormitory for more than 700 students. Another conversion is waiting in the wings: Developer Urban

Community in partnership with Vancouver’s Westbank has submitted permits for a full-scale renovation of the Bank of Italy tower at 12 S. First St., transitioning the upper floors from office into apartments.

San José State University

Downtown San José is fortunate to have a major university inside the Downtown core. With 36,000 students and 3,700 employees, San José State University is a major driver of economic activity throughout Silicon Valley and especially in Downtown. In recent years, the University has been extending beyond its historic 88 acres. This includes opening a storefront location for events and classes in partnership with SPUR at 76 S. First St. and the acquisition of the former Signia south tower, now known as Spartan Village on the Paseo. The University and the City are also collaborating on efforts to raise the profile of the University in Downtown, including a joint City/University banner campaign that will continue to expand in FY 2024-2025. A second Spartan head is being planned for the intersection of Seventh and San Salvador streets, joining one at East San Fernando and 9th streets. Meanwhile, a major on-campus milestone occurred this past fall with the opening of the new 161,000-square-foot Interdisciplinary Science Building. This first new academic building in 30 years aligns with the Campus strategic plan, Transformation 2030, which includes rebuilding and renewing as major priorities.

Clean, Safe, and Housed

A consistently high-quality experience for visitors, students, residents, and workers is critical for the success of Downtown. Downtown San José sees unique challenges but also dedicated resources to support cleanliness, safety, and social services. While more work remains, key highlights over the past year include:

Groundwerx: Enhanced clean-and-safe services provided by the Property Based Improvement District and managed by the San José Downtown Association completed its first full year of delivery after a major boundary expansion in 2023. Groundwerx’s 50-person staff provides cleaning, safety ambassadors, and other critical quality-of-life services within the district seven days a week. Anyone can submit a service request through the Groundwerx app or by calling dispatch at (408) 287-1520. Crews provided the following services on average each month from July 2023 to May 2024:

Task	Total	Monthly Average
Pan & Broom-Hours	21,859	1,987
Power Washing-Hours	11,438	1,040
Ambassador Hours	18,095	1,645
Trash Removal (pounds)	765,550	69,595
Graffiti Removed	36,600	3,327
Total Biohazards	8,773	978

Task	Total	Monthly Average
Enhanced Security via San José Police Department Secondary Employment (hours)	1,320	120

Homeless Outreach: Since 2015, People Assisting the Homeless (PATH) has served as the City’s contracted provider of outreach services Downtown through a contract with the Housing Department. The goal of homeless outreach is to help participants access essential resources and move into safe and secure housing. PATH staff includes case managers (including clinical case managers) and a Housing Opportunity Team that focuses on problem-solving, benefits, employment, and rental support. Following a competitive procurement, in 2023, PATH was selected to continue in this capacity within Downtown.

In the first three quarters of FY 2023-2024, PATH served 580 people in the Downtown Core and Guadalupe River Trail areas. The organization conducted 3,881 street outreach engagements, including case management services; provided 860 clinical case management services; and helped 185 individuals transition into shelter, transitional housing, and permanent housing. PATH outreach providers are available Monday through Friday from 7 a.m. to 5 p.m.

In August of 2023, the Downtown Property-Based Improvement District (PBID) established the Social Impact Team to provide an enhanced level of support for the unhoused downtown, augmenting – but not replacing – the existing resource providers. Social Impact Team provides outreach and collaborates with various agencies, including PATH, to support the unhoused with connections to services and resources. To date, the Social Impact Team has made 3,902 outreach contacts, made 1,962 service referrals, and distributed 1,672 hygiene kits. Service requests can be made through Groundwerx dispatch.

Better communication and coordination among the various social services providers working with Downtown’s unhoused residents is essential for improved outcomes. Earlier this year, the Housing Department’s Homelessness Response Division began leading coordination meetings that include County’s Department of Behavioral Health, PATH, and Social Impact Team to focus attention and resources on the most vulnerable individuals Downtown. The meetings are being held in office space on East St. John Street adjacent to St. James Park that can also function as an office or “huddle” space for the partners.

Public Safety: A safe Downtown is foundational for the district’s success. While Police Department staffing resources continue to be stretched, several existing and forthcoming programs augment the Department’s coverage. The Downtown Foot Patrol provides capacity for proactive police work and increased visible presence on Downtown streets. It continues to be filled five days a week via voluntary overtime until department-wide staffing improves. The plainclothes Downtown Services Unit addresses gang, narcotics, and quality-of-life issues.

New this year is the Community Service Officer Downtown Detail. It recently kicked off on a voluntary overtime basis, but the first permanent positions are expected to launch in July. While

Community Service Officers do not respond to crimes in progress, they do support police officers in investigations, provide business outreach, and support an additional sense of safety through presence. Also, the Bureau of Field Training Operations recently launched its first class in Downtown, bringing police academy graduates into the Downtown core to train alongside experienced officers. This will result in the visible presence of dozens of additional officers.

A Downtown Safety and Security Committee meets monthly to discuss Downtown safety issues, resources, and solutions. The committee builds bridges between public safety agencies, social services providers, and other stakeholders. The group is also tracking data to identify trends, hotspots, and opportunities for collaboration. One outcome is a new Downtown resource guide, which lays out clear and simple guidance on how to report or get assistance with a variety of safety- and cleanliness-related concerns. The guide is currently being finalized and will be distributed to Downtown businesses.

Public Realm and Activations

FY 2023-2024 was a big year for the public spaces that make Downtown special, as seen in the following highlights:

San Pedro Pedestrian Mall: In January 2024, City Council approved the San Pedro Pedestrian Mall, which removed regular vehicular traffic from W. Santa Clara to W. St. John streets. The permanent closure means businesses can now use the full width of their sidewalks for outdoor seating, while the street can be used as a walkway and for activations. In May, the San José Downtown Association spearheaded a 12,000-square-foot street mural with 1,250 people signing up to add a splash of color to the street, creating a new iconic image for Downtown. The Downtown Management Team will work with the San José Downtown Association on additional programming for the pedestrian mall and with other City departments on minor infrastructure improvements, such as the installation of permanent removable bollards.

Post Street Closure Pilot: Post Street, initially closed to vehicular traffic in 2020, implemented a four-day-a-week pilot closure in July 2022 which allowed businesses to extend outdoor operations. The program was extended through December 2024 with support from the community. This additional time allows staff to continue to meet with property owners and businesses to build consensus on moving forward with a full closure. The Downtown Management Team anticipates initiating the Pedestrian Mall for Post Street by the end 2024.

Santa Clara Street Beautification: Santa Clara Street is Downtown's primary east-west corridor, but some stretches suffer from blighted street frontages in need of paint, freshened windows, lighting, and other improvements. In 2024, the Property Based Improvement District (PBID) launched a campaign to improve the streetscape on Santa Clara Street from Market to Fourth Street. A working group began meeting this past spring to develop a plan and start outreach to property owners. The initiative is resourced with \$275,000 in seed funding from the PBID and \$250,000 in the City's FY 2024-2025 Budget, with plans to raise additional private-sector donations to reach a \$1 million budget.

Holiday Light Projection: For the 2023 holiday season, the Office of Economic Development and Cultural Affairs once again partnered with Estioko Designs and the Diocese of San José on a projection-mapped art show on the Cathedral Basilica of St. Joseph. The animated light show featured classical holiday music synchronized to the custom-designed art. Staff is seeking to expand the projections to three buildings in 2024.

Downtown's Park Portfolio: In October, the City reopened Pellier Park, completing a long-awaited half-acre refresh of the park at the corner of W. Julian and St. James streets. The site sits on what was once known as City Gardens, a nursery that prune farmer Louis Pellier started in 1850. Notable features include a story-telling wall adorned with historic artifacts, donor plaques, and a spacious community table, all contributing to the park's inviting atmosphere.

In March, Plaza de Cesar Chavez underwent a comprehensive refresh. The improvements, donated by neighboring property owner Jay Paul Co., replaced grass and benches, upgraded landscaping, and added new seating, tallboy tables, games, features, and permanent umbrellas. Parks, Recreation, and Neighborhood Services (PRNS) staff prioritized the renovation for completion this year in time for NVIDIA's GPU Technology Conference.

In January 2024, City Council adopted official names for Elisabeth Boyer Park and City Gardens Park, which are planned for the intersection of Bassett and North San Pedro streets. Boyer Park (.89 acres) is envisioned as an outdoor living room and is the first City park named after an African American. City Gardens (.31 acres) will have a focus on fitness and play. PRNS is going out to bid during summer 2024, and construction will begin in January 2025.

Planning for the redesign of St. James Park continues to progress despite a legal and funding challenge associated with the renovation. On February 27, 2024, the Master Agreement was amended to allow the landscape architecture firm Conger Moss Guillard to advance the design drawings to 90 percent. This stage of the design process represents a critical milestone in the design process, reflecting 90 percent of the total design effort. The PRNS team continues working with the Friends of Levitt San José to execute a contract to facilitate fundraising by this important non-profit partner.

At the same time, a privately led initiative to re-think Plaza de Cesar Chavez began a new phase over the last year. Urban Confluence Silicon Valley, the nonprofit group behind the proposed Breeze of Innovation, hosted a series of three visioning workshops focused on desired elements in a future Plaza de Cesar Chavez. Facilitated by landscape architecture firm OJB, the committee discussed balancing the needs of special events producers with the traditional park needs of Downtown workers, visitors, and residents, as well as honoring the legacy of labor and civil rights leader Cesar Chavez. A final report is forthcoming.

Finally, the long-planned demolition of the former Ranger Station at Confluence Point will soon begin, with 90 percent design drawings now complete. Staff anticipates Army Corps of Engineering approval this summer and demolition in October 2024 with completion eyed for next spring.

Parks Activation: PRNS continues to play a vital role in Downtown activation and community building through two flagship programs: Viva Parks and Viva CalleSJ.

- **Viva Parks:** For nearly a decade, Viva Parks has drawn people to Downtown’s public spaces with free events. In FY 2023-2024, Viva Parks activated Plaza de Cesar Chavez, St. James Park, and Parque de los Pobladores through creative partnerships with the San José Downtown Association and Council District 3. Events included San José Downtown Association’s Starlight Cinemas, Friends of Levitt Pavilion’s concert series, Paint the City SJ, luchadores wrestling, video game nights, and other engaging programs.
- **Viva CalleSJ:** This program has become a signature event for San José, attracting over 150,000 people per event. It facilitates car-free streets for walking, riding, or rolling through some of San José’s most iconic neighborhoods and marquee destinations. The three Viva CalleSJ events in FY 2023-2024 featured activity hubs throughout Downtown. These events provide excellent business development opportunities by bringing people from outside the area, allowing them to explore and discover Downtown. The Viva CalleSJ Pit Stop Program, restarted this year, gives businesses along the route additional visibility through curated social media posts, webpage listings, app locations, and Pit Stop A-frame signage, encouraging participants to support these businesses during or after the event.

Guadalupe River Park: The Guadalupe River Park Conservancy continues to be a trusted partner for the operation and management of the Guadalupe River Park & Gardens. Over the last year, the nonprofit’s metrics included:

- 6,000 park service hours
- 73,000 visitors to Rotary PlayGarden
- 1,200 volunteers
- 36,500 pounds trash removal
- 119 programs
- 1,000 students served

The Conservancy has been involved in improvements over the last year, including the Rotary PlayGarden expansion, planning for the 40-acre Prototype Park, replanting the historic orchard, and producing eight new murals as part of SJ Walls.

Transit and Infrastructure: Downtown infrastructure saw several milestones. Caltrain began testing new electric trains that will launch regular service in September. The new rolling stock will shorten the time between Diridon Station and San Francisco while increasing the number of daily departures. Also, the Valley Transportation Authority (VTA) purchased the tunnel-boring machine to make way for the six-mile extension from the Berryessa Flea Market to Santa Clara, running underneath Santa Clara Street. A groundbreaking for the West Portal site – the home base for tunneling operations – took place on June 14, 2024. VTA proposed several architectural design concepts for the Downtown San José and Diridon stations. City staff is working with VTA to ensure both sites meet City and community goals for high-quality architecture and activation.

As part of the broader Downtown Transportation Plan, the Department of Transportation has selected Sitelab Urban Studio to lead the Re-envisioning Santa Clara Street project. This effort

aims to transform Santa Clara Street, from Stockton Avenue through 17th Street, into a vibrant, multi-functional urban streetscape. Sitalab will create comprehensive design plans, visual renderings, and an implementation strategy to enhance transit operations, pedestrian experiences, and retail dynamics. The project's focus will be on creating a lively, efficient, and welcoming environment for all users, with particular attention to the central portion of the corridor.

Arts, Entertainment, and Culture

The arts and entertainment industry has anchored Downtown's recovery. Recurring events like Music in the Park, Pobladores Night Market, Starlight Cinemas, Culture Night Market, the Urban Vibrancy Institute's Block Parties, and First Fridays create a unique rhythm of activation Downtown. Public and private theater venues – large and small alike – from the Center for Performing Arts to City Lights Theater, San José Stage, and 3Below Theaters – consistently bring high-quality performing arts that can compete with art scenes anywhere.

Outdoor Special Events: Thus far in the calendar year, the Office of Cultural Affairs (OCA) has permitted 61 events. These 61 events total 147 event days and are expected to draw an estimated 600,000 attendance in Downtown. That represents 60% of events citywide, 70% of event days citywide, and 86% of event attendance citywide. This highlights the role of Downtown as the City's central event district, thanks to signature events like San José Jazz, SoFA Street Fair, Fountain Blues and Brews Festival, the Juneteenth festival, and the suite of holiday-season events that includes Silicon Valley Turkey Trot, Christmas in the Park, Winter Wonderland and Santa Run Silicon Valley. A major highlight this year was the return of the Cinco de Mayo parade sponsored by Council District 3, which culminated in a festival at Plaza de Cesar Chavez.

More events are anticipated thanks to the SJ Places program, which provides free, simple, and expedited event permitting at selected locations in Downtown. Qualifying events must be free to the public, limit attendance to under 500 people and have a maximum length of four hours. Free-use locations include Arena Green East, City Hall Plaza, Fountain Alley, St. James Park, Hammer Theater Plaza, and Parque de Los Pobladores.

Public Art: OCA also manages the City's public art portfolio, which has a substantial collection located Downtown. In October, OCA hosted the CODA Summit, which brought hundreds of public art professionals to Downtown from all over the world to envision the future of art and technology – and exposing them to San José's unique art assets. OCA led the Pellier Park design process with Artist Norie Sato and collaborated with PRNS and its landscape architect to realize a design vision celebrated by the community. City staff also collaborated with Adobe on its Creativity Blooms project, which added brightly colored tree sculptures to their new pedestrian bridge, creating a new icon visible from surrounding streets. This year, the brightly colored sculpture titled Civic Stage Set, originally created in 1989, was restored and relocated to the Children's Discovery Museum.

Meetings and Conventions: The McEnery Convention Center, managed by Team San José, celebrated the return of NVIDIA's GPU Technology Conference in March, marking the largest convention event there since 2020 and selling out hotels in Downtown and surrounding areas. Its

success showcased San José's ability to host premiere global business events as tech and mainstream journalists traveled from all over to chronicle the latest developments in artificial intelligence. Multiple City departments alongside VTA collaborated to ensure a safe, clean, and enjoyable experience for attendees. Meanwhile, new groups like SynBioBeta and F5 joined returning groups like Fanime, Open Compute Project, and SPIE (the International Society for Optics and Photonics) to draw significant crowds to Downtown.

City-Owned Arts Venues: The Team San José-managed theaters also performed well this year. Attendance at the four theaters (Civic Auditorium, Montgomery Theatre, California Theater, and Center for the Performing Arts) was 22 percent greater than pre-pandemic levels, at 500,000. Calendar year to date, San José's Downtown hotels are seeing a 25-percent year-over-year increase in revenue, and attendance at the Convention Center grew by 10 percent. Spending from attendees in San José increased by 40 percent. Overall spending in San José businesses by visitors to the Convention Center and theaters increased by 46 percent to \$76 million for FY 2023-2024.

Planning for 2026 Events: A working group consisting of the City, Team San José, and the San José Sports Authority began meeting to plan for the series of major public events taking place in 2026: Super Bowl 60, National Collegiate Athletic Association Men's Basketball Regional Tournament, and FIFA World Cup. Goals include positioning Downtown as a premiere destination for hotel stays, entertainment, viewing parties, and pop-up events.

Conclusion

While Downtown's recovery has been impressive in some areas, there is much work to do in others. Given the importance of Downtown's success to the City and the region overall, this year staff is providing a look ahead at a Downtown Action Plan for next fiscal year. The Plan details strategies, goals, and outcomes for four key functional domains: clean, safe and housed; public realm & activation; arts, entertainment & culture; and business development & investment. The Plan is not exhaustive of every City initiative that touches on Downtown but compiles some of the most impactful ones that staff within the Downtown Vibrancy Focus Area Execution Team will drive forward over the next 12 months.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office, Department of Transportation, Department of Parks, Recreation and Neighborhood Services, Housing Department, Police Department, Guadalupe River Park Conservancy, PATH, San José Downtown Association, and Team San José.

COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE

June 11, 2024

Subject: Downtown Progress Report

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/s/

Nanci Klein
Director of Economic Development
and Cultural Affairs

For questions, please contact Nathan Donato-Weinstein at nathan.donato-weinstein@sanjoseca.gov or (408) 535-8178.

Attachment:

2024 – 2025 Downtown Action Plan