



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Mayor Matt Mahan

SUBJECT: SEE BELOW

DATE: 03/18/2025

Approved:

Date: 03/18/25

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

RECOMMENDATION:

Incorporate the following modifications into and approve the 3/14 memorandum from Mayor Mahan, Vice Mayor Foley, Councilmembers Salas, Mulcahy, and Casey (**in bold**):

1. **Retain**/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, expansion, or retention**) 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 **year-over-year** 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 **annually** from **two new** 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 **5,000** square feet or more.
 - b. Facilitate 10 new commercial business attractions.
 - c. Achieve a 10% year-over-year increase in downtown daytime foot traffic.
 - d. Receive a 10% **year-over-year** 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 for a sports and entertainment district within walking distance of the SAP Center for City Council approval by December 2025.
 - g. Increase Downtown nighttime visitors 10% **year-over-year** by streamlining event policies to attract and support more activations.

BACKGROUND

This memorandum serves to clarify direction for the City Council and staff. Any item not explicitly stating “year-over-year/annually” is considered a key result to be achieved by the end of fiscal year 26/27.

Let’s also acknowledge that strategic work plans are about focus — we could pursue countless and yet meaningful economic development initiatives, but these priorities as written are designed to drive broad-based prosperity. The plan prioritizes initiatives that grow/retain jobs, increase city revenues, and foster business investment.

Workforce development, while important, is heavily reliant on federal, state, corporate, and philanthropic funding, rather than solely supported by city dollars. Existing programs like Work2Future serve this noble function. Layering on new objectives without clear, dedicated funding may set unrealistic expectations.

Instead of adding a fifth objective, the city should focus on executing our current workforce development plans effectively and leveraging outside funding sources to strengthen workforce initiatives where appropriate.