

**City Manager's Office of Economic Development and
Cultural Affairs
Proposed Economic Strategy Work Plan for
Fiscal Year 2025-2026 and Fiscal Year 2026-2027**

**City Council
March 18, 2025
Item 8.1**

Nanci Klein, Director
City Manager's Office of Economic Development and Cultural Affairs

SAN JOSE

Office of Economic Development Existing Core Services and Programs

Core Service	Program
Arts and Cultural Development	<ul style="list-style-type: none"> ▪ Arts and Cultural Development Administration ▪ Convention and Visitors Bureau ▪ Cultural Grants ▪ Cultural Facilities Operations and Maintenance ▪ Outdoor Events ▪ Public Art/Placemaking
Business Development and Economic Strategy	<ul style="list-style-type: none"> ▪ Business District Management ▪ Business Outreach and Assistance ▪ Downtown Management ▪ Development Attraction and Facilitation ▪ Economic Policy Analysis/Communications
Real Estate Services	<ul style="list-style-type: none"> ▪ City Lease Administration ▪ City Property Acquisition and Sales
Regional Workforce Development	<ul style="list-style-type: none"> ▪ Workforce Development Services ▪ Workforce Innovation and Opportunity Act Board Support and Administration
Strategic Support	<ul style="list-style-type: none"> ▪ Budget ▪ Finance/Contracts/Grants/Procurement ▪ Human Resources/Employee Relations ▪ Public Records Act



Strategic Goals 2010 - 2015

1. Encourage Companies and Sectors that Can Drive the San Jose/Silicon Valley Economy and Generate Revenue for City Services and Infrastructure.
 2. Develop Retail to Full Potential, Maximizing Revenue Impact and Neighborhood Vitality.
 3. Preserve and Strengthen Manufacturing-Related Activity and Jobs.
 4. Nurture the Success of Local Small Businesses.
 5. Increase San Jose's Influence in Regional, State and National Forums in Order to Advance City Goals and Secure Resources.
 6. Improve the Speed, Consistency, and Predictability of the Development Review Process and Reduce the Costs of Operating a Business in San Jose.
 7. Prepare Residents to Participate in the Economy Through Training, Education, and Career Support.
 8. Advance the Diridon Station Area as Key Transportation Center for Northern California.
 9. Keep Developing a Competitive World Class Airport and Attract New Air Services.
 10. Continue to Position Downtown as Silicon Valley City Center.
 11. Create More Walkable, Vibrant, Mixed-Use Environments to Spur interaction and Attract Talent.
 12. Develop a Distinctive Set of Sports, Arts, and Entertainment Offerings Aligned With San Jose's Diverse Growing Population.
-

Economic Snapshot

February 2025

- 969,491 residents—**71% are people of color** and **42% born outside U.S.**
- 60,000 businesses —**97% are small businesses with fewer than 35 employees.**
- **Largest employment sectors**—Health Care, Manufacturing, Government, Professional Services, and Retail.
- **Largest sales tax generators**—Restaurants, B2B Equipment, New Auto Sales, Department Stores, Commercial Construction.
- **Emerging sectors**—AI, Sustainability and Green Tech, and Quantum Computing.
- San José was **top patent-generating city** and home to five top 20 Bay Area companies awarded most patents in 2023.

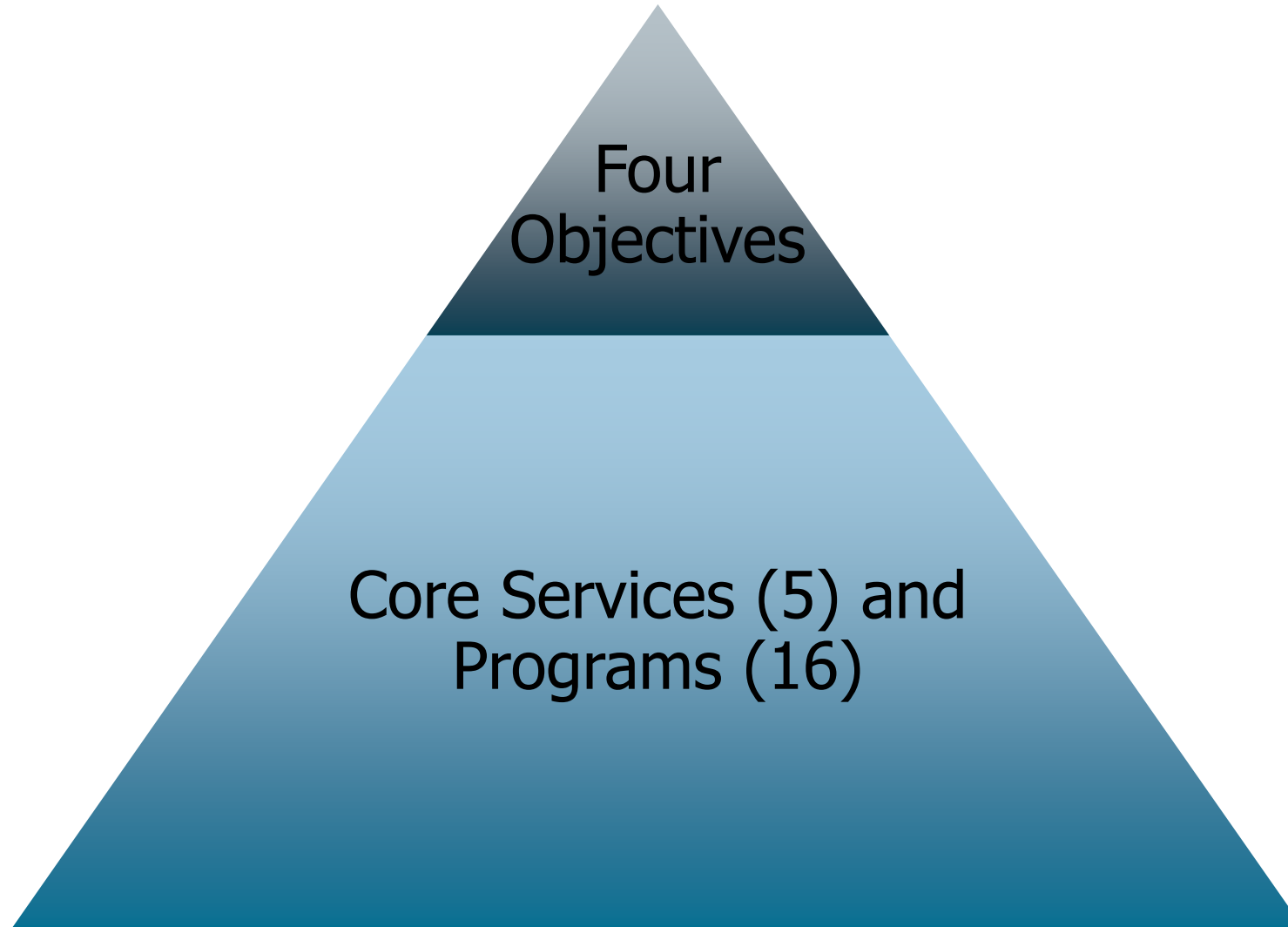
Indicators	2019	2023	2024	Change 2019-23
	Population	1,018,609	970,772	
San José Jobs	439,004	414,708	374,884	-24,296 (-5.5%)
Unemployed / Unemployment Rate	14,700 2.7%	20,000 3.7%	23,300 4.3%	5,300 (36.0%)
Office Vacancy (Q2)	12.1%	24.5%	23.5%	12.4 (102%)
R&D Vacancy (Q2)	12.4%	12.5%	14.5%	0.1 (0.8%)
Industrial Vacancy (Q2)	2.6%	2.5%	3.8%	-0.1 (-3.8%)
Retail Vacancy (Q2)	5.5%	4.6%	5.3%	-0.9 (-16.4%)

The table compares the period immediately before the pandemic to immediately afterwards. The pandemic itself was marked by extraordinary economic volatility beyond the scope of this analysis. Data sources are listed in Attachment C.

Objectives and Key Results Framework



OEDCA's Proposed Objectives + Core Services and Programs



Objectives

Objective 1

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

Objective 2

Foster small business resilience and create thriving business districts.

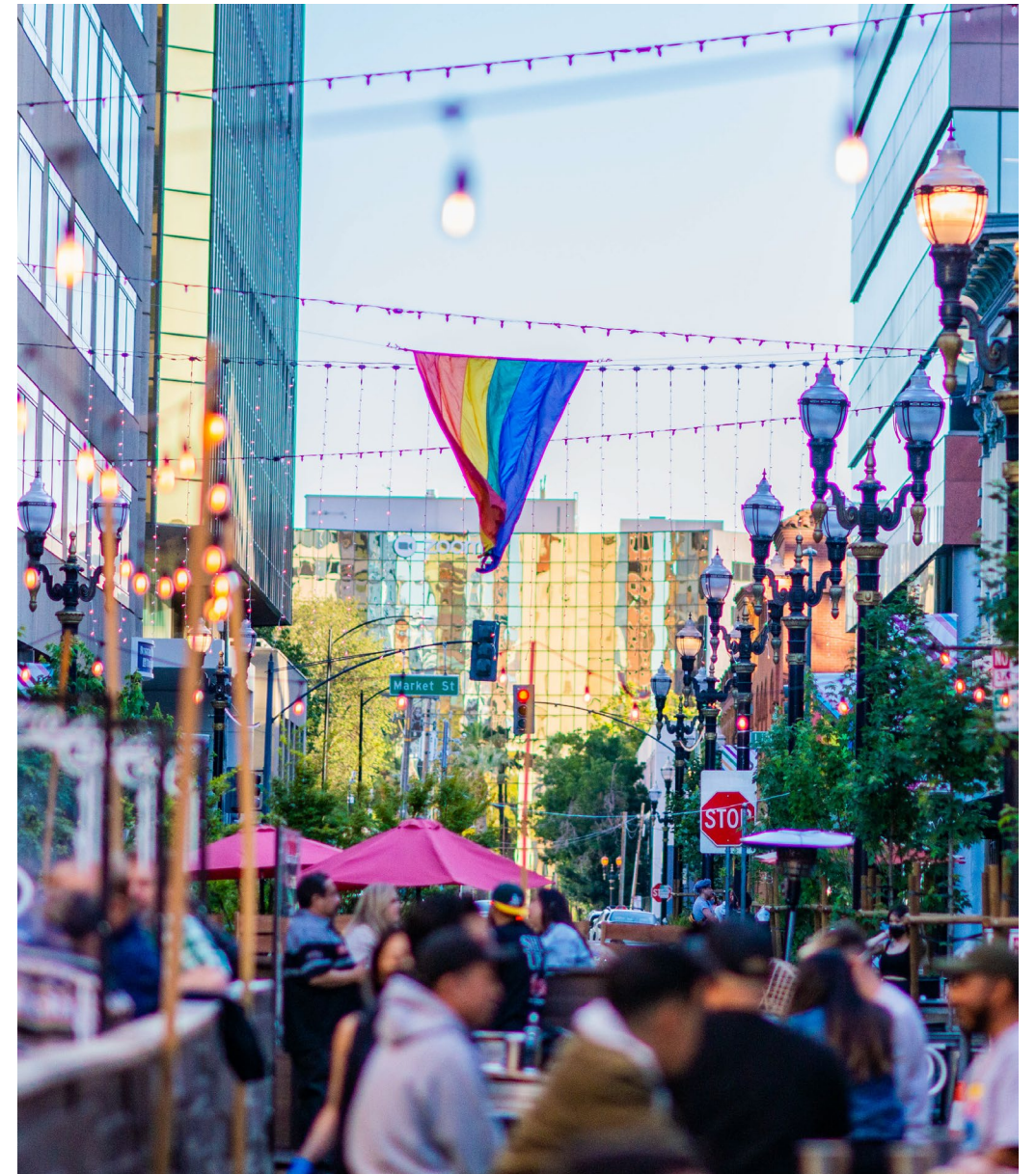
Objective 3

Accelerate a thriving Downtown.

Objective 4

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

***The objectives are for FY 2025-2026 and FY 2026-2027. The metrics are only for FY2025-2026 and are based on current staffing and funding levels.**



An aerial photograph of a city skyline under a clear blue sky. In the background, a range of blue mountains stretches across the horizon. The city features a mix of architectural styles, including modern glass skyscrapers and older brick buildings. A prominent white building with a grid of windows is on the right, and a tall brick building with a spire is in the center. A street with cars and trees runs through the middle ground. The text "Objectives and Key Results" is overlaid in white, sans-serif font across the center of the image.

Objectives and Key Results

Objective 1

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

Key Results

- Add (attraction or expansion) a total of 3,000 jobs.
- Increase the City's sales, property and utility tax revenue by \$2M.
- Increase business retention visits by 25%.
- Generate/facilitate the permitting of two data centers.



Objective 2

Foster small business resilience and create thriving business districts.

Key Results

- Establish two new business assessment districts.
- Generate combined revenue of \$550K from assessment districts.
- Reduce the time to resolve small business-related issues (permitting, licensing, etc.).
- Award 100% of city-wide storefronts grants, with at least 30% facilitating a reduction in vacant ground floor retail spaces.



Objective 3

Accelerate a thriving Downtown.

Key Results

- Generate 10 commercial lease renewal commitments.
- Facilitate 10 new business attractions.
- Achieve 10% year-over-year increase in downtown foot traffic.
- Receive a 10% increase in positive sentiment in the Focus Area Community Survey.




Objective 4

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

Key Results

- Secure San Jose Sharks in San José for 25 years.
- 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 outdoor special events specific to 2026 activities and deliver six public artworks.
- Facilitate at least 400 city-wide event days that cumulatively drive over two million attendees.
- Develop a sports and entertainment district within walking distance of the SAP Center for City Council approval by June 2027.





**City Manager's Office of Economic Development and
Cultural Affairs
Proposed Economic Strategy Work Plan for
Fiscal Year 2025-2026 and Fiscal Year 2026-2027**

**City Council
March 18, 2025
Item 8.1**

Nanci Klein, Director
City Manager's Office of Economic Development and Cultural Affairs

SAN JOSE