



Memorandum

**TO: COMMUNITY & ECONOMIC
DEVELOPMENT COMMITTEE**

FROM: Blage Zelalich

**SUBJECT: DOWNTOWN PROGRESS
REPORT**

DATE: June 17, 2022

Approved

Date

6/16/22

RECOMMENDATION

Accept the informational report highlighting Downtown progress from July 2021 to June 2022.

OUTCOME

The CED Committee will receive a progress report related to Downtown commercial and residential development, economic vitality initiatives, public life and place making, clean and safe activities, special events, and convention and cultural activities.

BACKGROUND

A vibrant city center is eclectic, interesting, and inviting; has strong commercial and residential development; is socially, economically and ethnically diverse; is easily accessible from a variety of transit options; has a healthy mix of land uses; and attracts a variety of talent. Downtown San José is Silicon Valley's city center, its only true urban environment. To this end, the City is committed to thoughtful but aggressive growth and planning efforts Downtown, as demonstrated by the fact that it is one of the eight Enterprise Priorities on the San José City Roadmap. A full-time Downtown Manager, embedded within the Office of Economic Development and Cultural Affairs, provides a central point of contact between City departments as well as a liaison for external partners and stakeholders on Downtown-related matters.

Vibrant and successful city centers include four key components – work environment, urban living, arts and entertainment, and shopping and dining – connected through the public realm.

Framework for a Vibrant City Center



ANALYSIS

The past twelve months have continued to be a struggle for Downtown businesses as the lingering effects of the COVID-19 pandemic persist. The June 2019 Downtown Progress Report outlined the continued positive momentum that Downtown had been experiencing as a result of growing amenities, proximity to transit options, and attractiveness to a highly talented workforce. Three years later, the substantial impact of COVID-19 continues to be felt as resulting factors such as continued work-from-home, rising cost of goods, depleted supply chain issues and labor shortages have resulted in a pause in Downtown's positive momentum. The level of activity on Downtown streets has picked up over the past 12 months but remains nowhere near that of the activity before March 2020. The industries that drove the Downtown economy – commercial office, conventions, hotel business, San José State University, bars and nightclubs, arts and cultural offerings, and events at the SAP Arena – limp toward recovery at varying rates.

Two clear indicators of the effect of the pandemic on the Downtown landscape are sales tax collection and parking data. When comparing 2020 and 2021 sales tax collections, the overall drop in citywide collections is a mere one percent; however, the decline in collections within the Downtown Growth Area is significantly higher, at 38.5 percent. Additionally, when looking at the day-to-day metric of on-street and parking garage utilization rates and revenue collections, occupancy and revenue numbers have only recovered 50 to 75 percent of what they were pre-pandemic.

To survive, many businesses took advantage of emergency government funding. San José businesses received \$2.36 billion in payments from the federal government's Paycheck Protection Program and \$100.2 million in funding from the California Small Business Relief Grant program.

The three zip codes within the Downtown Growth Area (see Exhibit A) – 95110, 95112, and 95113 – received a healthy portion of this funding (\$668 million), with the 95112 zip code receiving the largest amount of funding of any zip code in the City (\$365 million).

There was much uncertainty regarding the trajectory of commercial evictions after the ending of the statewide commercial eviction moratorium. The moratorium ended in August 2021, with rent back-payments due in phases beginning in early 2022. So far, neither Downtown nor the City overall has seen a major spike in evictions specifically tied to tenants failing to pay back rent. At this point, it seems that weaker businesses – including those that struggled with rent during the pandemic – have been “weeded out” already.

Work Environment

The number of jobs in the Downtown Growth Area has decreased by approximately 1,000 over the past twelve months to 32,000 jobs. Commercial office inventory remains steady at approximately nine million square feet, though that will increase soon as several large office buildings come online. Approximately 3,000 businesses are in the Downtown Growth Area, with the average age of a business being just shy of 11 years. City of San José 2021 Business License Data shows the distribution of businesses by sector in the area as approximately 26 percent business services and tech; 17 percent retail and personal services; 15 percent real estate; 12 percent construction and utilities; 8 percent leisure and hospitality; and a variety of other sectors in single digits. The greatest job losses over the past year are in tech and tech-supporting industries, construction and real estate, as well as retail, accommodations, and food service.

Not surprisingly, employment in the Downtown Growth Area is concentrated in large businesses. There are 100 large businesses with a headcount over 35 employing 21,969 workers (the equivalent of 68 percent of all jobs in the area) matching a classic business district/city center profile. Businesses with the largest headcount (aside from San José State University) are Adobe, Accenture, EY, and PWC. The Downtown Growth Area has 1,348 small businesses (45 percent of all businesses) with a headcount of two to 35 employees and contributes 8,877 jobs. About 38.5 percent of businesses in the Downtown Growth Area are sole proprietors/self-employed. The City's business license data shows an increase (2,796 to 3,012) in the number of active businesses between July 2021 and June 2022.

Leasing activity over the past twelve months slowed to a crawl as companies put expansion or move plans on pause. During the pandemic, Downtown has averaged office leasing activity of roughly 70,000 square feet per quarter (including renewals), according to CoStar. In the two years prior to the pandemic, the average was roughly 230,000 square feet per quarter. The Downtown vacancy rate at the end of the first quarter of 2022 stood at 19.4 percent, according to Cushman & Wakefield. That is up from 16.7 percent a year prior and 12.8 percent at the end of 2019, prior to the onset of the COVID-19 pandemic. However, asking rents have remained

relatively stable as landlords seek to maintain market stability. Properties were asking an average of \$4.36 per square foot per month in Q1 2022, little changed from \$4.42 a year earlier.

Time Period	Vacancy Rate	Average Asking Rent
Q1 2022	19.4%	\$4.36 PSF
Q1 2021	16.7%	\$4.42 PSF
Q1 2020	14.2%	\$4.56 PSF
Q1 2019	12.8%	\$4.24 PSF

Data: Cushman & Wakefield

Three notable leases this past year were Poly taking 20,000 square feet at 333 W. San Carlos (Riverpark Towers) in November, Raymond James Financial taking 20,000 square feet at 333 W. San Carlos in December, and Okcoin taking 34,000 square feet at 160 W. Santa Clara St. in March.

Commercial sales volume has declined dramatically in 2022, with only two major commercial sales in the first two quarters: The Pavilion building in December 2021 to Texas-based Hines and Westin San José in January 2022 to Khanna Enterprises. Roughly \$154 million in sales took place in Downtown in the first two quarters of June 2022. That compares to roughly \$290 million for the same period in 2021 and \$930 million in the first two quarters of 2020. Experts say increasing interest rates may be one reason for a general slowdown in sales. Commercial sales averaged more than a billion dollars annually between 2017 and 2020. A considerably smaller but significant transaction occurred with the sale of 15 E. Santa Clara, the building at the northeast corner of First and Santa Clara Streets, when it was purchased by a local investment group at a loss for \$14.6 million in April. This purchase completes the turnover of all four buildings at the intersection of First and Santa Clara Streets over the last five years. Building permits have been submitted for an interior and exterior renovation of the building.

The impact of the COVID-19 pandemic appears to have some impact on Downtown's long-term future as only 2.4 million square feet of office space is under planning review at the time of this report, down from \$5.2 million in last year's report. The City approved entitlements for 4.4 million square feet of office and 75,000 square feet of retail over the past year, down from 5.1 million square feet of office and 150,000 square feet of retail in the last report. These entitlements consist of Boston Properties' and KT Urban's Almaden Blvd. developments at Woz Way and Westbank's Arbor project in the North San Pedro area. Construction is currently underway on 2.6 million square feet of office space and 113,000 square feet of retail space. Commercial development under construction includes Jay Paul Company's office building at 200 Park Avenue, Adobe's fourth tower at 333 W. San Fernando Street, and Urban Catalyst's conversion of the former Camera 12 Cinemas building into creative office space along the Paseo de San Antonio. Boston Properties' Platform 16 (1.1 million square feet of commercial) resumed construction in February and Jay Paul Company's One West and Divco West's 2 W. Santa Clara (former home of Walgreens) were completed at the corner of First and Santa Clara Streets since last year's report. Rising interest rates on construction loans seem to have

dampened construction starts as a number of projects have been moving forward with permits but are slow to start construction.

The development of the Diridon Station Area continues to progress. Since the approval of the Downtown West mixed-use development project in May 2021, Google and its development partner Lendlease have submitted several applications for infrastructure improvements (i.e., streets, utilities, etc.). The focus is on preparing the site for the first phase of development, which generally includes the area between Park Avenue and San Fernando Street. Google has fulfilled its initial community benefit obligations. These include payments to the City of \$3 million and \$4.5 million for community stabilization and economic opportunity programs and the dedication of 0.82 acres on Autumn and Montgomery Streets for affordable housing development. Staff is currently taking steps to establish the new Community Advisory Committee, which will guide decisions on the Community Stabilization and Opportunity Pathways Fund. Google will contribute up to approximately \$155 million to this Fund, as office buildings are completed over time.

San José State University (SJSU) continues to be a shining example of how to safely repopulate Downtown. It was wonderful to see 36,000 students and 4,000 faculty and staff return to campus – shopping and eating in Downtown businesses, filling residence halls to capacity, and riding public transportation. Downtown San José values SJSU for many reasons and one of them is SJSU-related spending. Of the \$4 billion in total economic output that SJSU created in California, \$776 million was generated in the City of San José. The University continues to invest in its campus infrastructure. In the fall, the Board of Trustees will hear an update on the Alquist Building, which could add up to 1,000 units for faculty, staff, and graduate students. Construction on the Interdisciplinary Science Building continues with move-in slated for early 2023. This building will be the first new academic building on campus in 30 years. In South Campus, construction continues on the Spartan Athletic Complex, and completed projects include the tennis and softball complex, beach volleyball courts, soccer bleachers, and baseball practice fields.

Urban Living

To realize its true potential as an active and vibrant urban core, Downtown must attract significantly more residents and provide housing at varying income levels. Never was this more evident than during the pandemic, when residents stayed close in their neighborhood for meals and the fulfillment of daily needs and services. There are approximately 23,000 residents living within the boundaries of the Downtown Growth Area. According to American Community Survey 2020 five-year estimates, 37 percent of residents identify as White Non-Hispanic, 27 percent as Asian, 25 percent as Hispanic, approximately 6 percent as African American, and the remaining population as Native American or a mixture of races/ethnicities. The median household income in the area is \$113,332 compared to \$117,324 for the City overall; however, the population living below poverty in the Downtown Growth Area is 20.8 percent compared to 8.3 percent citywide, partly due to Downtown's significant student population.

Since July 2021, 1,522 units have been completed. This total includes 188 West St. James in San Pedro Square, Hanover Diridon, and Miro across the street from City Hall. Sixty-six percent of the Miro development's east tower is currently leased and 105 units in the project's west tower are earmarked for WhyHotel by Placemakr. Still under construction are 130 units in the Firestone project in Downtown's SoFA District (scheduled for completion later this year) as well as the 87-unit affordable housing project Arya at 500 Almaden Blvd. An additional 1,000 residential units are currently in pre-construction review and approximately 5,300 units are in planning review or have secured planning entitlements.

Shopping and Dining

While Downtown continues to build toward commercial and residential densities that will support more shopping activity, the number of Downtown dining options remains substantial and the general outlook of restaurateurs in the core is cautiously optimistic. Although weekday business continues to lag significantly, evening and weekend business for many establishments is approaching pre-pandemic levels.

The SJ Al Fresco initiative, enabling businesses to extend their operations outdoors onto public and private property, continued to give much-needed assistance to Downtown restaurants as many customers are still hesitant to eat indoors. The street closure on San Pedro Street was extended and a weekend closure of Post Street will resume this summer. Working in collaboration with the Knight Foundation, staff is assisting businesses to transition from temporary al fresco parklets to permanent outdoor seating. At its height, more than 30 Downtown businesses participated in the initiative.

The City's Small Business Allies have assisted approximately 200 ground-floor business and property owners in the past 12 months. The following is a sampling of ground-floor activity in Downtown's three primary districts:

San Pedro Square –The neighborhood welcomed Dr. Funk tiki bar in place of long-time retro-themed diner Peggy Sue's, as well as Serious Dumpling and Gyu Kaku Japanese barbeque on the ground floor of the Modera apartments at San Pedro Square. San Pedro Market introduced new eateries Mochinut, Hella Good Burgers, Bread Brothers, and new concept Alma Tequileria. The Source Zero, San Jose's first zero-waste shop, and soap refill boutique, graduated from their space at MOMENT to the Market. MOMENT, four micro-retail kiosks on the ground floor of the Market/San Pedro Garage, celebrated its fourth anniversary in May, and provided an opportunity for seven different local entrepreneurs to test their business model with a brick-and-mortar presence over the past year. Additionally, SJMADE successfully launched a weekly series of pop-up shops – named the Sidewalk Shops by SJMADE – on the parklet just outside of MOMENT. They hosted over 100 different creative small businesses from April through October of 2021. San Pedro Social, downtown's newest destination for food and drinks along with arcade games, pinball, pool, bowling, and karaoke opened in May.

SoFA District – YOBOX Fitness, a new concept that combines power yoga and boxing, moved into the district in November. Desi Express Indian café debuted at the SoFA Market, just across the street from Mama Kin which opened in the former Café Stritch space. A little further down First Street, Guildhouse opened its doors for E-sports gaming and tournaments and district neighbors Uproar Brewing and LVL Up, now known as LVL Uproar, teamed up for a combination of locally brewed beer, elevated pub food, and retro arcade gaming. Casa Guzmanía, serving artisanal empanadas, opened in the former Subway space on Market Street at 360 Residences in April.

Historic District – Neighborhood nighttime hotspots Rec Room and Nova located on San Fernando and Second Streets, respectively, opened earlier in 2022 with Scratch Cookery, serving hot chicken sandwiches, joining them as neighbors in the district on Fountain Alley. Axe Men Throw House, the first indoor axe-throwing facility in Downtown opened its doors in March in the former Voodoo Lounge space on Second Street. Downtown lost long-time neighborhood staple, Don Pedro's Mexican restaurant just recently; however, opening soon in the space is the Club on Post, an LGBTQ+ owned business. It is unclear if two other long-time neighborhood staples Nemea Greek Taverna or The Loft will reopen again.

The Paseo de San Antonio will soon experience some significant shifts with the renovation of the former Camera 12 Cinemas and the announcement of three out of four ground-floor leases in the building to Urban Putt (13,300 SF indoor miniature golf), Unofficial Logging (6,800 SF of axe throwing), and Eos and Nyx (4,000 SF brunch, lunch, dinner). Only one space remains unclaimed – which should not be the case for too long.

Along Santa Clara Street, HSBC Bank moved out of the corner space at Market and Santa Clara Streets in the last year and the space is currently for lease. Just recently, Fox Tale Fermentation Project microbrewery opened down the street at 30 E. Santa Clara Street and veteran Downtown bar owner Cache Bouren opened CASH ONLY in the former Dive Bar space in September. Starbucks relocated from the corner of Third and Santa Clara streets to the corner of Fifth and Santa Clara Streets in the east tower of the new Miro residential development and the Vine Hospitality restaurant group announced their intent to lease the remaining ground floor space at Miro for a protein-based Italian eatery with accompanying grab-and-go bodega. Locally owned Con Azucar, a Mexican culture-inspired coffee shop, opened with great fanfare and festivities in the former Starbucks space in February and consistently has lines out the door for their signature Café de Olla. 1Culture opened at 136 E. Santa Clara Street, a retail and art gallery specializing in Chicano art and culture. Their adeptly titled "San José Culture" inaugural exhibit showcases local Southbay artists. Further east along the street, Island Taste Caribbean Grill opened across the street from City Hall, offering delicious Caribbean food for hungry employees, residents and visitors. Island Taste opened in the location that had sat vacant for over three years. Grocery Outlet at Sixth and Santa Clara Streets renewed its 24,000 square foot lease in April.

In FY 2021-22, seven out of 36 Storefronts Assistance Grants were awarded to Downtown businesses, totaling \$75,000: one vacant storefront grant to The Preserve plant store and the

remaining six exterior grants to Dac Phuc Vietnamese restaurant, Fox Tale Fermentation Project, San Jose Candy Kitchen, Holy Cannoli, Institute of Contemporary Art, and The Preserve.

Arts and Entertainment

Under the stewardship of the Office of Cultural Affairs' Public Art Program, Downtown was enhanced by two new permanent art installations over the year – *Sonic Runway* and San José Walls. Additionally, two large restoration projects of the Muwekma Ohlone Tribute on Park Avenue, and *Weaver's Gift* in Arena Green are well underway and expected to be complete in FY 2022-23.

Sonic Runway, the light-art-sound installation that visualizes the speed of sound created by Rob Jensen and Warren Trezevant, returned to City Hall in November. The design has been newly engineered and fabricated to be more robust, ADA compliant, and offer more programming features for performers.

In partnership with the Guadalupe River Park Conservancy and San José Walls, the development of the Bay Area's longest public art corridor along the Guadalupe River Trail is well underway. In 2021, San José Walls and partners created a series of three Artist-in-Residencies to produce art that fosters community resiliency, attracts park users, and sparks inspiration and social healing. Three large-scale murals along the trail resulted from this collaboration. For 2022, ten new mural installations by local artists, at five sites along the Guadalupe River Trail were completed. The end goal of this effort is to create a public art corridor that will encourage long-term trail and park usage which will provide activities that promote health and wellness, both physically and mentally, and protect the river.

Three art installations completed during the past year by the San Jose Downtown Association include a revamp of the Hella Gardens vacant storefronts installations along Market, Santa Clara and Second Streets; the refresh of artwork by local artists on the street closure barriers on San Pedro Street; and a mural installation at the corner of First and San Salvador Streets. All three installations bring new colors and themes to the city center, while also repurposing and reusing legacy materials.

Outdoor special events made a strong comeback in mid-to-late 2021. After COVID-19 restrictions were removed from outdoor events with less than 10,000 attendees in June 2021, the public saw the return of the SoFA Music Festival, Make Music San Jose, CityDance, San José Jazz Summer Fest, Music in the Park, and Viva CalleSJ to name a few. Some sense of normalcy also returned during the holidays with the production of Downtown Ice, Christmas in the Park and Winter Wonderland. Downtown once again hosted the Light the Holiday Nights initiative which featured creative and intricate video projection on St. Joseph's Cathedral and the illumination of buildings along First Street from the SoFA District to Post Street in the Historic District. Data generated by mobility intelligence partner CITYDATA shows four times more cumulative visits Downtown in December 2020 versus December 2021 (704,000 visits versus 2.6 million). Runs/walks, festivals, concerts, markets, parades, and celebrations have finally returned. Last year, over 1.7 million attended 73 events held in the city center.

In 2021, Viva Parks Downtown produced a total of 163 activations in Plaza de Cesar Chavez and St. James Park. Midday activations for both locations consisted of large lawn games, tables and umbrellas, light music, and information on future events. Evening activations on selected Thursday and Friday nights in Plaza de Cesar Chavez consisted of live music, food trucks, large lawn games, local vendors, and a beer garden. On select Wednesdays, it was home to wine & paint nights. In addition to the daily midday activations, St. James Park hosted a Saturday night concert series. Continuing the momentum from last year, Plaza de Cesar Chavez and St. James will host a total of 122 events, including midday activations, live music, art showcases, wine & paint nights, a night market, wellness activities, karaoke, comedy, and various other themed events.

After being closed by public health orders for over 15 months, the San José McEnery Convention Center and Team San Jose-managed theaters welcomed events and patrons back in FY 2022-2023. The theaters welcomed productions ranging from local performing arts institutions like Symphony San José, Opera San José, and Children's Musical Theater to touring Broadway productions like *Hamilton*, *Dear Evan Hansen*, and *Come From Away* to diverse touring acts like Wilco, RL Grime, Chelsea Handler, Bill Maher, Caifanes, and Atif Aslam. The Delta and Omicron variant waves still brought a lot of uncertainty and cancellations to conventions, but the San José McEnery Convention Center hosted successful and safe professional conferences like CLEO, Society for Information Display, and Advanced Lithography, and welcomed back large public events like SiliCon with Adam Savage and Fanime. Overall, the convention and cultural facilities brought over \$30 million in direct visitor spending to Downtown businesses – a significant first step back in the long road to recovery. The other four City-owned Downtown cultural facilities have all reopened, welcoming visitors back to the Children's Discovery Museum, Hammer Theatre, San José Museum of Art, and the Tech Interactive.

Public Realm

Downtown Property-Based Business Improvement District services through Groundwerx have had a significant positive impact on cleanliness and safety in the core since service delivery began in 2008. The Groundwerx clean team has received an approval rating of 90 percent or more the last eight years. Crews provided the following services on average each month from July 2021 to May 2022:

- 1,110 pan and broom hours
- 636 power washing hours
- 773 ambassador hours
- 1,994 bags of debris/litter collected
- 2,216 stickers, handbills, or tags removed
- 661 hot spots (biohazards or other immediate cleaning needs) addressed
- 200 hours of enhanced security through SJPD Secondary Employment Officers/month

The Downtown PBID was renewed again for ten years on June 14, 2022, with property owners representing 88.7% of the assessed value of the district voting to assess themselves for enhanced services. Renewal of the district includes expansion into Downtown West, along East Santa Clara Street, and into Downtown's North San Pedro area, increased Groundwerx service-delivery capacity, and the creation of a Social Impact Team that will focus on building trust with Downtown's unsheltered population while connecting them to vital services.

One of the resources Downtown residents and businesses can access for support with issues related to homelessness is People Assisting the Homeless (PATH), the City's Downtown outreach services provider. Despite the challenges brought on by COVID-19, PATH's team of essential workers continued their field-based work, meeting with unsheltered people to provide supportive services geared towards obtaining housing. PATH outreach workers served 493 individuals experiencing homelessness over the past twelve months and offered 4,080 unique sessions of mobile case management (an increase from 2,085 in FY 2020-21). PATH helped 119 people move from the street into temporary shelter settings and 56 people move from the street into permanent homes. In 2022, the City expanded its agreement with PATH, enabling them to incorporate additional specialists (housing, employment, and rapid resolution specialists) to enhance their service delivery. This expansion will enable PATH to have outreach providers in the community seven days a week with a hotline number activated from 7:00 a.m. – 7:00 p.m. (Monday-Friday) and 12:30 p.m. – 7:00 p.m. (Saturday-Sunday) and supplementing existing case management services with a dispatch team of clinical outreach providers for individuals requiring more immediate crisis/mental health support.

Staff from the Departments of Parks, Recreation and Neighborhood Services; Housing, and Economic Development and Cultural Affairs continue to work with nonprofit Opening Doors 2020 to manage an alternative feeding program across the street from St. James Park. The site has proved to be a strong location for this program with more than 20,000 meals distributed since the program's inception. Eleven groups, including five key groups formerly serving at St. James Park for 10 to 15 years, have transitioned their community service to the Opening Doors program. Since last year's update, 7,714 meals have been distributed to those in need, and 146 program volunteers recruited through April.

Despite significant ongoing investment by both the public and private sectors to address Downtown homeless and mental health issues, challenges persist. The production of more permanent supportive housing will help to address these challenges. First Community Housing's Iamesi Village in the North San Pedro area was completed in FY 2021-22 with 135 units that came online in the fall. On the horizon, PATH and developer Westbank are working together to create a partnership at the Pacific Motor Inn on South First Street to bring both affordable and market-rate housing to the city center with a vision of serving a broad range of income levels within the project.

Staff from the Department of Parks, Recreation and Neighborhood Services continues its capital design and implementation work to ensure Downtown parks are a significant contributor to public life in the city center. The Pellier Park project is nearing completion and should be open

for public use in fall 2022. Design on the two other public parks in the North San Pedro area is underway and construction should commence in early 2023. The St. James Park redesign is progressing after a one-year delay to resolve legal challenges. The consultant will complete 65% design plans in early 2023 and staff will provide updated cost opinions and potential phasing plans at that time. The team continues to work with the Friends of Levitt San José to execute a contract that will facilitate fundraising by this important non-profit partner. An evaluation of expanding Parque de Pobladores to enhance street life in the SoFA district is underway. The initiative would close First Street from Reed Street to William Street and expand the footprint of the park. Public outreach was started in 2022 and will continue into the fall.

The Guadalupe River Park Conservancy continues to be a trusted partner for the operation and management of the Guadalupe River Park. Their partnership with Valley Water, Downtown Streets Team, and San Jose Conservation Corps, and City's Resilience Corp program, provided 5,700 additional park service hours and removed an additional 90 tons of trash and debris. They replanted over 100 new fruit trees in the Historic Orchard and hundreds of roses in the Heritage Rose Garden in partnership with the UC Master Gardeners of Santa Clara County, local firms, and volunteers. More than 6,000 park users and guests returned to Pumpkins in the Park in 2021 and 80,000 visitors enjoyed the Rotary PlayGarden in this timeframe. The Conservancy hosted over 125 volunteer events, engaging 2,000+ volunteers over the past year, and provided free environmental education programs to over 1,000 students from Title One schools through a mix of virtual and in-person offerings. They have been immersed in upcoming City park development projects over the past year including the expansion of the Rotary PlayGarden and the reconstruction of Columbus Park.

After two years of work on the Downtown Transportation Plan, a community-based, long-range transportation plan for the Greater Downtown San José area, staff will bring forward the plan for Council consideration in fall 2022. The plan will propose a prioritized list of transportation projects, programs, and policies designed to improve getting around Downtown on foot and by bike, transit, or car. Included in the list are transforming Santa Clara Street, closing streets to vehicles, converting one-way streets to two-way, and establishing a Downtown-wide transportation management association.

Lastly, since early 2020, the City has been designing the San Fernando Better Bikeways project – a grant-funded project to make permanent, raised two-way cycle tracks along the south side of San Fernando Street between Almaden Boulevard and 11th Street. The project calls for bicycle signals, new curb, parklets, protected intersections, and other improvements to enhance safety, visibility, and calm vehicle speeds along the corridor. As part of this work, staff is studying the feasibility of full two-way cycle tracks around San José State University. Design plans and environmental clearance are expected to be complete by spring 2023.

PUBLIC OUTREACH

This memorandum will be posted on the City's website for the June 27, 2022, Community and

June 17, 2022

Subject: Downtown Progress Report

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Economic Development Committee meeting.

COORDINATION

This memorandum has been coordinated with the Department of Parks, Recreation and Neighborhood Services, Department of Transportation, Team San José, PATH, San José State University, and the San José Downtown Association.

/s/

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For questions, please contact Blage Zelalich at (408) 535-8172 or blage.zelalich@sanjoseca.gov.

Attachments:

Exhibit A – Downtown Growth Area Map

Exhibit A – Downtown Growth Area Map

