

Office of Economic Development + Cultural Affairs
**Business Development Division
Activities Report**

Community and Economic Development
Committee

April 22, 2024

Item (d)1

Blage Zelalich, Deputy Director
Victor Farlie, Small Business Team Lead
Nathan Donato-Weinstein, Downtown Manager

Business Development Division



*Helping Small Businesses Thrive: Tools to Grow Your
Online Presence & Manage Your Finances – May 2023*

Who We Are & What We Do

- ❖ OEDCA's Business Development Division strengthens San José's economy through outreach, collaboration, development facilitation, economic analysis, and communications.
- ❖ New structure to serve multiple segments of the City's business community effectively and improve San José's position as an attractive place to invest and do business.

10 permanent, 5 time-limited staff focused on:

- ❖ Small Business and Neighborhood Commercial Corridors
- ❖ Downtown
- ❖ Corporate Outreach/Development Facilitation

Business Ecosystem Vital Signs



~60,000

Businesses with
1+ employee and
registered with
the City

-13.5%

Change in
job postings
for San José
metro,
April 2023-
March 2024



4.5%

Citywide
unemployment
Rate

427,000

Total jobs based
in San José,
June 2023



2,897

WARN layoff
notices in past
12 months



Real Estate Indicators



23%

Citywide
office
vacancy rate



2.4%

Citywide
industrial
vacancy rate



13.5%

Citywide
R&D
vacancy rate



5%*

Citywide
retail
vacancy rate



+2.4%

Bay Area
CPI, Feb.
2024



+6.8%

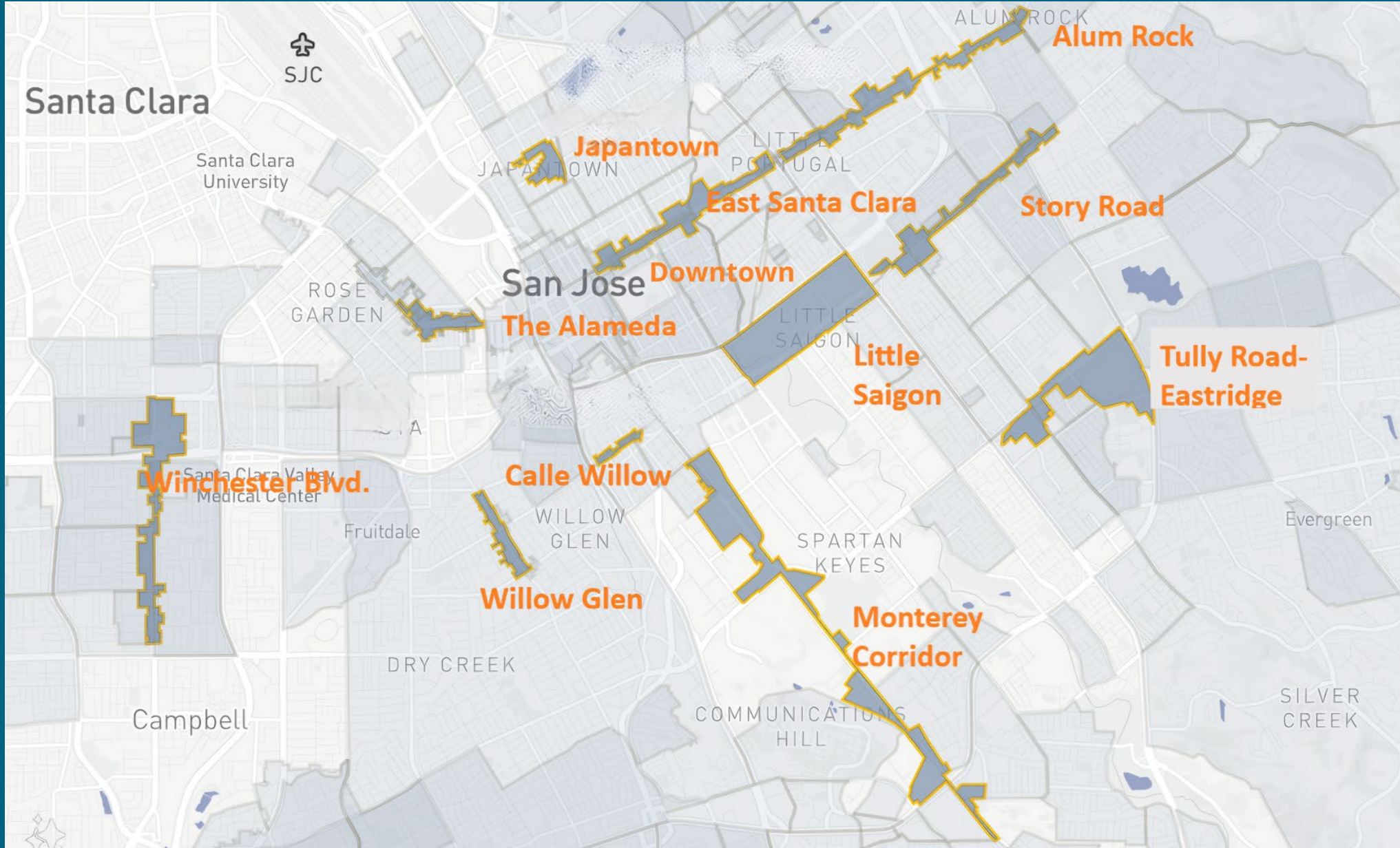
Consumer
spending,
compared to
January
2020, Santa
Clara
County

+17%

Increase in
sales tax
above pre-
COVID
levels (Q4)



Neighborhood Commercial Corridors



Small Business & Neighborhood Commercial Corridors



Annual Business Association Partners Retreat, March 2024



Eastridge Mall

Investment in Underserved Business Districts

Enhanced Business Association Coordination

- ❖ Annual Operating Plan
- ❖ Regular cycle of meetings
- ❖ Consultant assistance

Strategically Launching New Business Associations

- ❖ Expanded from 4 to 9 neighborhoods; working in a total of 12 business districts.
- ❖ New Improvement Districts on Monterey Road, Tully Road & The Alameda for City Council consideration in late 2024.

Small Business & Neighborhood Commercial Corridors



Explore Japantown this holiday season.

SJEconomy.com/ShopLocalSJ

Strengthening the Small Business Ecosystem

Small Business Advisory Committee

- ❖ Access to capital
- ❖ Neighborhood business corridors
- ❖ Business advice
- ❖ Permitting

Resource and Networking Events

- ❖ **May 2023:** Tools to Grow Your Online Presence and Manage Your Finances
- ❖ **November 2023:** Exploring Entrepreneurship
- ❖ **January 2024:** Emprendéte 2024

“Holiday San José” Campaign

- ❖ 300+ unique places to shop, dine, and explore featured.
- ❖ 13,500 page visits, a 460% increase over last year.

Small Business & Neighborhood Commercial Corridors



Improving Services to Business Owners

Expanding Technical Assistance

- ❖ New contracts with the Enterprise Foundation, Latino Business Foundation and Prosperity Lab delivering a variety of assistance to over 500 businesses.

New Legal Services

- ❖ Service with Elevate Community launches in May.

Enhancing the BusinessOwnersSpace network

- ❖ Revamp of the website and digital tools to focus on new services and enhanced collaboration.

Enhanced Communication

- ❖ Leveraged 5K+ email subscribers and social media to connect people to free business trainings.

Small Business & Neighborhood Commercial Corridors



Targeted Investment Where It's Most Needed

Business Grants

- ❖ 416 grants totaling over \$2.7M
- ❖ 111 Storefront grants, 248 Rent Relief grants and 57 District 8 Recovery grants.
- ❖ Current Storefronts waitlist up to \$350,000.

Cannabis Equity Program

- ❖ 100% participant completion of Business Academy.
- ❖ \$1M State grant secured for next phase of program.
- ❖ New partnership with Meriwest CDFI planned for June.

Business Development Activity

19,600

Business clients assisted through BusinessOwnerSpace collaborative



32

BizWalks in SJ commercial corridors/centers

96%

Of businesses who received Storefronts Activation grant in last 7 years who remain open.



\$1.3M

Amount disbursed to San José businesses via rent relief grants



1,650

Business owners assisted by the City's Small Business Ally (June 2023-Feb. 2024)



Created by Sunardi from Noun Project

3x Higher engagement

with OEDCA social media content than industry average

11

Neighborhood business districts promoted through Holiday San José campaign



Created by Fajar Studio from Noun Project

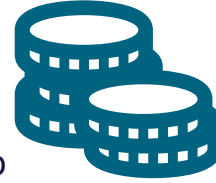
Business Development Activity

~500



Business meetings per year

Ratio of revenue to spend, OED Business Development Outreach



\$2.90:\$1

90



Businesses assisted through development facilitation officer



~4,200

Jobs retained/attracted per year



11 / \$6.2B

Participants in Foreign Trade Zone #18

Value of exports by participating FTZ companies

| Corporate Outreach



Helping Medium and Large-Sized Companies Succeed in San José

Active Engagement

- ❖ 200 corporate/investor representative meetings
- ❖ Bridge to additional resources
- ❖ Facilitating CHIPS Act investment
- ❖ Foreign Trade Zone expansion

Nurturing the Manufacturing Sector

- ❖ National Manufacturing Week activities
- ❖ Corporate Roundtables
- ❖ Expansion of FlexFactor curriculum
- ❖ Youth internships

Office, Industrial, R&D Leasing and Move-Ins



Development Facilitation



Adobe Founder's Tower

Ongoing Support Through Policy Work and Facilitation

Policy Initiatives

- ❖ Cost of Development
- ❖ Downtown Highrise Incentive
- ❖ Fiscalization of Land Use

Entitlement and Permit Facilitation

- ❖ IBM
- ❖ Renesas
- ❖ Urban Catalyst
- ❖ Westbank
- ❖ Jay Paul Company
- ❖ Westfield
- ❖ IBM
- ❖ Supermicro
- ❖ Infinera
- ❖ Adobe
- ❖ Tesla
- ❖ Lucid
- ❖ Del Grande Group
- ❖ Pacific Companies
- ❖ Affirmed Housing
- ❖ County Housing Authority
- ❖ Community Development Partners
- ❖ Charities Housing
- ❖ CORE Companies
- ❖ Eden Housing
- ❖ Milestone Housing



Fountain Alley – Historic District

Downtown Vibrancy

- ❖ Pop-Up Retail Program: Five storefronts secured; three to open in May
- ❖ Downtown Resource Guide - Developed, designed and began deploying
- ❖ Continuing Partnership with San José State to boost downtown presence
- ❖ Coordination and beautification efforts for NVIDIA GTC.



Deputy Director
Blage Zelalich

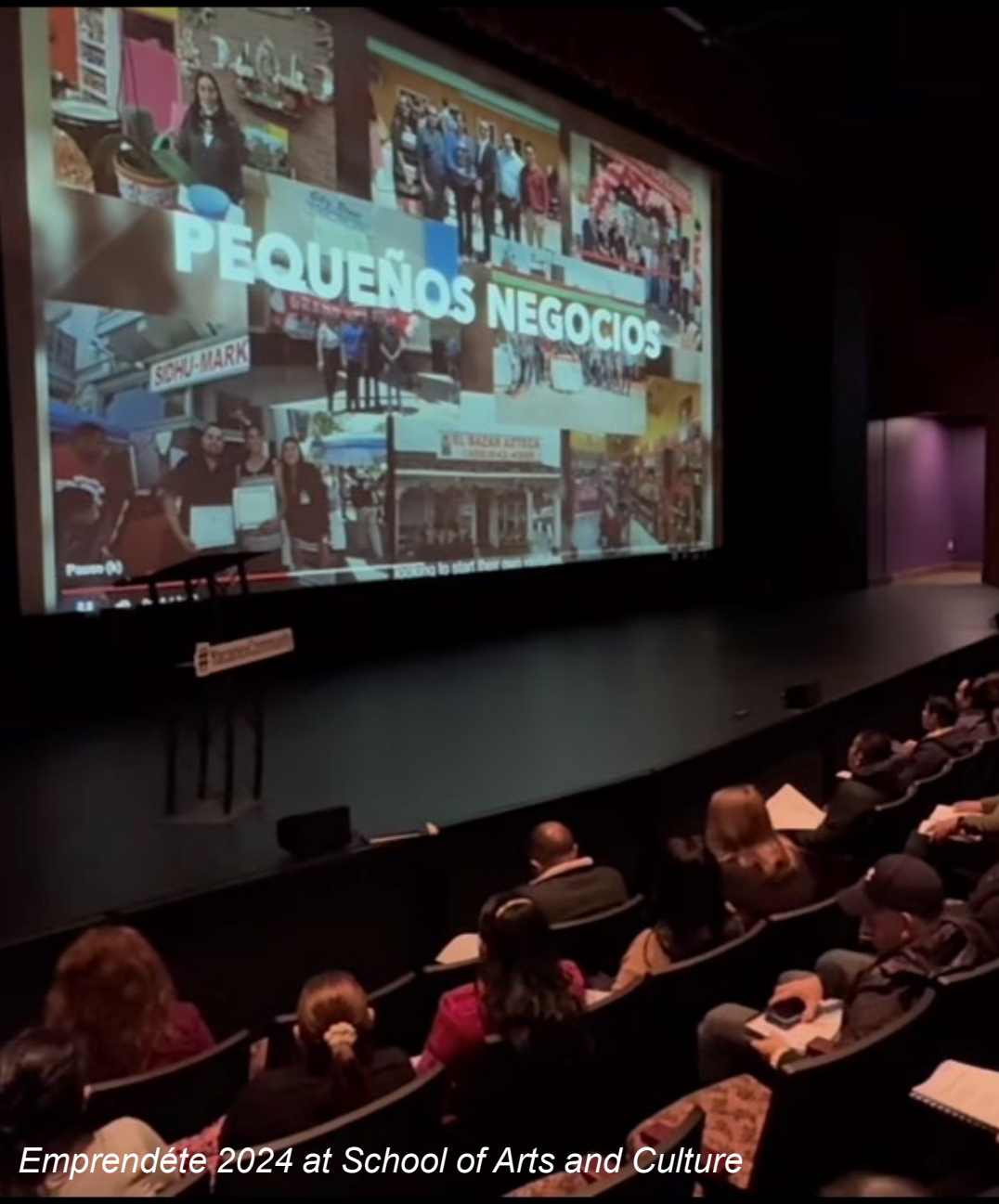
Downtown
Nathan Donato-Weinstein - Manager
Chris Arkley

**Small Business & Neighborhood
Commercial Corridors**
Vic Farlie - Lead
Karina Dominguez
Salvador Alvarez
Jiawei Tang

Jessica Munoz
Adolfo Ruelas

Corporate Outreach/Development Facilitation
Joe Hedges
Joe Sordi

Economic Analysis and Communications
Bige Yilmaz
Carlos Velazquez



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