



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Councilmember
Raul Perez

SUBJECT: DOWNTOWN ZONING CODE UPDATE **DATE:** October 17, 2017

Approved

Date

10/17/17

RECOMMENDATION

Consolidate the following direction in Item #13 on the Priority Setting Nomination List (Downtown Zoning Code Update):

"Also establish requirements for retail, restaurants or other active ground floor uses on streets with sufficient visibility or foot traffic."

With recommendation #3 of the Downtown Active Storefront Initiative that was prioritized on December 8, 2015 and expand it from the Property-Based Improvement District (PBID) boundaries to include all Downtown Core (DC) zoned parcels.

BACKGROUND

I would like to thank Mayor Liccardo for his Response to the Housing Crisis, specifically on recommendations relevant to Downtown. Whether Item #13 on the Priority Setting nomination list is prioritized or not, I do want to bring to the attention of my colleagues that the Council has already directed staff to *"explore new tools and recommendations in the PBID that will require new development to activate ground floor space or storefronts."* It would make sense to not duplicate efforts and rather include the Mayor's nominated direction into this existing priority. Furthermore, I am happy to expand this direction which originally was scoped around the PBID boundaries to include all future developments in the DC zoning.



Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: Councilmember Raul Peralez
SUBJECT: DOWNTOWN ACTIVE STOREFRONTS INITIATIVE
DATE: November 18, 2015

Approved  Date 11-18-15

RECOMMENDATION

I nominate for Council consideration during the City Council Priority Setting session on December 8, 2015 the development of a Downtown Active Storefronts Initiative that includes:

- Penalty fees for storefronts that have been inactive over one year within the Downtown Property-Based Improvement District (PBID).
- Allocation of all collected penalty fees toward an incentive program that assists property owners in activating their storefronts.
- Exploration of new tools and recommendations that will require new development in the PBID to activate ground floor space or storefronts.

ANALYSIS

Downtown San José is experiencing a resurgence of cultural, artistic, and urban vibrancy. Active streets and storefronts that connect major hubs of activity throughout the Downtown area can encourage more walking, limit blight, and deter crime. When pedestrians feel safe and confident in their ability to walk on well-lit, engaging streets between these areas, the whole city benefits.

While there are many properties and businesses that have contributed to activating their ground floors, there are also several others who have long neglected to do so. Negligent property owners draw down limited City resources and prevent them from focusing on other priorities. For example, from May to October 2015, approximately 35% of calls for service for the San José Police Department were associated with properties that have empty storefronts around the Fountain Alley area. Several other cities such as Dallas, Arlington, and San Francisco have adopted similar measures in effort to deter storefront owners from neglecting areas like these. San Francisco, for instance, requires property owners of storefronts left empty for more than 270 days to pay \$765 annually and register with the city.

Of course, this initiative encourages all properties in Downtown to fill up their storefronts with quality businesses. Whereas that process can at times be delayed with intentions of finding the perfect tenant to fill their space, however, pop up art, lighting, and other forms of activation should occur in the meantime. All revenue collected from empty storefront penalties should be allocated toward an incentive program to assist property owners in making this happen. Dallas' Ground Floor Activation Incentive Toolbox is a great example that should be considered in our initiative's development.

To ensure fairness, the initiative should be implemented one year from the date in which it is approved by Council to allow adequate time for outreach and education with local property owners and developers and to prevent penalizing some more than others. Finally, ensuring that future developments in the PBID follow the same standards from inception of their projects serves as a strong sustainability lever. Ultimately, my hope is that those with a shared vision for a strong urban core can work together so that Downtown San José continues to be a lively and energetic place to live, work, and play. This approach can and should be used as a model for other business districts as well.