

Economic Strategy Work Plan Annual Report

Community and Economic Development Committee

April 27, 2026

Item (d)4



Jen Baker, Director
Office of Economic Development and Cultural Affairs

BACKGROUND

City Manager's Office of Economic Development and Cultural Affairs Economic Strategy Work Plan for FY 2025-2027, approved in June 2025 as part of FY 2025-2026 Budget process.

Focuses staff resources on 5 activities that:



Support
business attraction
and retention



Strengthen the
small business
ecosystem



Accelerate
Downtown
experience



Expand
the experience
economy



Connect residents
to economic
opportunity

Five objectives and 22 goals in the Work Plan – Year 1 nearing completion

Year 1 Work Plan Status

- Eight goals completed
- 12 are on track to be completed within the Work Plan period
- Two goals are at risk of not being completed on time

OEDCA 2025-2026 Workplan Status

Retain/grow jobs and revenue and promote innovation from large and medium-sized businesses

Add (attraction, expansion or retention) a total of 10,000 jobs.*

Increase the City's sales, property, and utility tax revenue by \$10 million.*

Increase business retention visits year-over-year by 25%.

Generate/facilitate the permitting of three data centers (or large energy developments).

Foster small business resilience and create thriving business districts.

Establish two new business assessment districts.

Generate combined revenue of \$550,000 annually from two new assessment districts.

Streamline at least one city policy to simplify and accelerate the permitting for small businesses.*

Award 100% of City-wide allocated Storefronts Grant funding each year

Accelerate a thriving Downtown.

Generate 10 commercial lease renewal commitments of 5,000 square feet or more.*

Facilitate 10 new commercial business attractions.*

10% year-over-year increase in Downtown daytime foot traffic.

10% increase year-over-year increase in positive sentiment

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

Secure San José Sharks in San José for 25 years.

Secure San José Giants in San José for 25 years.

Complete the policy work related to: Supergraphics, Special Events Zone, and Entertainment Zones including pilot implementation.

8 cultural outdoor special events specific to 2026 activities, and 6 public artworks.

485 city-wide outdoor special event, drive over two million attendees.

Conceptual plan for a sports and entertainment district

Increase Downtown nighttime visitors 10% year-over-year.

Prepare residents to participate in the local economy through training, education, and career support.

Serve 1,400 youth and adult clients and place 80% of those securing employment in high-wage, high-growth jobs.

Provide 325 San José Works internships in high-wage, high-growth sectors

Secure unsubsidized employment for 475 youth (ages 16-29)

STATUS

- On Track or Complete
- At-Risk
- Off Track/Critical Intervention Needed

* These goals span FY 2025-26 through FY 2026-27. Status is based on progress toward the annual benchmark, which is 50% of the two-year target by the end of Year 1.

A Few Highlights...

| RETAIN AND GROW JOBS

3,573 jobs added or retained to date

\$9M year-over-year increase in sales tax

Ribbon-cuttings and groundbreakings for Rose Batteries, Netgear, Lucid Motors, and IONNA's first EV recharging station in San José



| FACILITATE LARGE ENERGY DEVELOPMENT

Equinix SV12 and SV18 data centers energized under a milestone agreement with PG&E

\$800K utility tax revenue expected for FY26-27, growing cumulatively to ~\$4M annually within five years



| FOSTER SMALL BUSINESS RESILIENCY

Over 800 applications for new Business Start-Up Grant

- 20 awardees selected by lottery.

Five new assessment districts established or in process, for **over \$760K in annual reinvestment** into neighborhood business corridors

- The Alameda (2)
- Story Road
- Alum Rock
- East Village



ACCELERATE A THRIVING DOWNTOWN



Positive resident sentiment about experience and perception of downtown **remained consistently at 51%** through December

Achieved **9.3% and 6.6% year-over year increase in Downtown daytime foot traffic** in Q1 and Q2

Super Bowl LX activations, Nvidia GTC, and NCAA March Madness exceed goal of **10% year-over-year**

| SPORTS, ARTS AND ENTERTAINMENT HUB

Staff facilitated **535 citywide outdoor special event** days through March 2026. These events welcomed **1.85M attendees**.

Super Bowl LX activations generated **over 450K visitors** to Downtown, including:

- Kehlani and DJ Dom Dolla concerts at City Hall Plaza
- Weekend-long Entertainment Zone activation at San Pedro Square
- Drone shows at Discovery Meadow



Looking Ahead...

Repositioning for Growth, Competitiveness, and Economic Vitality

Advancing a more proactive, market-informed, and partnership-driven economic development strategy

Support Business Attraction and Retention

- Build out 3- to 5-year Business Development Strategy
- Capture near-term opportunity in industrial and R&D markets, especially power-ready sites
- Target business-to-business services firms to support office recovery
- Align City attraction efforts with CA State GO-Biz to amplify competitive advantages
- Support SJC's engagement with business associations, as the airport assesses current and future demand

Strengthen the Small Business Ecosystem

- Strengthen the full economic ecosystem through small business, traded sector, and BID capacity building
- Encourage more local spending while reinforcing San José's position as a global center of innovation
- Define competitive elements of an Eastside Revitalization Framework

Expand the Experience Economy

- Build on SJ26 momentum to expand civic engagement, public-private collaboration, and visitor activity
- Coordinate and deliver 250th Anniversary and 70th Anniversary of Sister City strategy
- Facilitate Convention Center optimization

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