

Shakin' Shakin' Shakin' All Over

San Jose seeks to protect old buildings from earthquakes -- and bulldozers

Following the Loma Prieta earthquake of October 1989, the state's Unreinforced Masonry (URM) Building Law of 1986 became much clearer to Bay Area cities.

The devastation of downtown Santa Cruz -- where lives, businesses and entire blocks were lost -- brought the message home to San Jose.

Seismic retrofitting was necessary not only for public safety, but for the preservation of the city's older buildings and historic business districts.

On December 11, the City of San Jose passed a law requiring its URM buildings to be strengthened within four years. The new seismic safety standards are three times tougher than San Jose's former law.

Plan assists owners and tenants

The city also approved millions of dollars in grants and subsidies that would assist building owners with the mandatory retrofit work.

The financial incentives are aimed at softening the blow of retrofit costs so that downtown's most historic buildings aren't torn down and tenants aren't confronted with sharp rent increases.

"The incentives are active now," said Kent De-well, Deputy City Manager. "Owner retrofit expenditures will be available for reimbursement once the program is finalized."

A summary of the incentives is on page four.

The retrofit standards, timelines and financial incentives were recommended by a city task force comprised of URM owners and tenants, engineers and members of the business community.

The task force, formed in March, worked late into the evening at several meetings hashing out financial aid measures that would balance public and private sector needs. The breakthrough came in Oc-

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The Downtown-A-Thon evolved into one of the year's most unique marketing efforts. Organized by volunteers, co-sponsored by SJDA and the City Office of Economic Development, and paid for by 12 downtown property owners, the event attracted 420 industrial and R & D real estate brokers into a dozen downtown office buildings November 29. Most of these brokers had never set foot in a downtown high rise before. The Downtown-A-Thon lured them inside the front doors with favorable odds to win free trips to places like Paris, Hong Kong and London. The first part of the promotion worked: brokers toured the buildings and became familiar with the downtown office market. But the ultimate payoff will be when a Silicon Valley company signs a major downtown lease as a result of this well-targeted broker promotion. The payoff may happen sooner than expected. By mid-December, more than 30,000 square feet in prospects had already emerged from Downtown-A-Thon contacts.

* * *

A welcome present for downtown streets has been the addition of a dozen new "green curbs" for 12-minute parking. The Downtown Association had saved your requests for short-term parking spots -- near ATM machines, dry cleaners and PG&E -- and presented them to the city. The new green zones and corresponding signage have appeared just in time for the holidays.

* * *

The windows of the former J.C. Penney building at First and Santa Clara Streets have been decorated with Christmas trees and model trains. The trees were trimmed by children representing 18 community groups that had requested participation in Christmas in the Park. Due to the limited number of trees in Plaza Park, SJDA coordinated the store windows as an alternative site for the community groups. The Toy Train Operators of America set up the electric trains and scenes to create activity and color.

From the President

Business plans aim at moving targets

For the first six months I was in business, I assumed that the majority of my customers were San Jose State students and, accordingly, I used most of my marketing dollars to advertise at the school. Then came June when the students went on summer break, and my customer count barely dropped. This told me that my market assumptions were wrong, and I had better find out who my customer really was. I took some very informal customer surveys and found out that my typical customer was either a downtown employee or a patron of the downtown entertainment venues.



Chuck Hammers

Avoid mistakes

This initial waste of marketing energy can be attributed to a mistake that most first-time entrepreneurs make: not having a business plan. Isn't it amazing how many people will invest their entire life's savings into the opening of a business, and not even have a business plan to guide them? Whenever a sophisticated investor is asked to fund a business, he or she expects to see a well-thought-out business plan or prospectus. Why shouldn't a sole proprietor expect the same of himself? He really has more at risk.

Guide the business

A business plan can consist of just a single page line item budget or be a multiple chapter plan bound like a book. The length and format are variable according to the type of business, and who will be reading the plan, but the primary goal of the plan needs to be the same: to guide the business. A basic format has the following: a description of what the business does; who its principle customers are; how to market to them; and a budget.

Plan for changes

The real value of writing a business plan is that it forces you to sit down and think about your business. By writing down what your business does in detail, you will inevitably come up with ways to change, grow, or just focus your business. In five years, I've gone from a pizza store to a pizza by the slice, pizza delivery and pizza catering store. These changes don't just happen, they take planning, and the best way is to write them down.

The next important part of the plan describes your patrons and how best to market to them. The easiest and cheapest way to do this is just to ask your customers in what zip codes they live and work. By asking about 100 patrons, a pattern will appear, and targeting your advertising will be more effective.

Don't forget the budget

A business plan is never complete without a budget. The budget is what guides you financially and also gives you fiscal updates on the progress of your plan. I've also found it to be an excellent tool to get rid of those pesky advertising reps by saying, "Sorry I've already used up my entire advertising budget for the quarter. Call me again in a couple months."

With this in mind, I set forth to write a plan for 1991. I've enjoyed being your president this past year and I wish you all a happy and prosperous new year.

Public parking reorganization proposed

The long awaited integration of San Jose's downtown parking program between the city and the Redevelopment Agency is expected early next year.

A main feature of the plan is to operate public parking facilities as a service rather than an income source for the city's general fund.

Development of new parking facilities is a priority under the proposed program with a joint city/agency parking garage planned for the "Third Street Area" near Fountain Alley.

Another aspect of the program is free parking downtown at all public lots in the evenings and on weekends. The plan would also continue the existing merchant validation program where customers receive stamps good for two hours free parking during the week at selected lots.

Details of the new parking program are expected to be outlined at the January 15 meeting of the Parking Advisory Commission.

San Carlos Street 'downgraded'

The City Council deleted San Carlos Street between Fourth and Tenth Streets as a "major traffic collector" at its December 11 meeting, the first step towards San Jose State University's request to close the street completely.

The council approved SJSU's request for an amendment to the city's general plan but asked for a more detailed environmental impact report and that a task force of university, city, neighborhood and business members study the issue before the street is recommended for permanent closure.

The task force will be appointed by incoming District Three Councilmember David Pandori.



Street level advertising

Bus boards and light rail placards were added to the downtown holiday advertising campaign this season. The program was coordinated with County Transit and recommended by transit mall merchants who say many of their customers use the buses and trolleys regularly.

Restricted turns eyed by Board of Control

Ever wonder why auto traffic is restricted from making a right turn at Santa Clara Street from First Street? Or why autos can't drive on Second Street through St. James Park?

A group of top city and county officials is wondering too, and they've asked their staffs to look into what it will take to eliminate the restricted traffic movements.

The Transit Mall Board of Control met December 13, the first meeting of the group in more than two years, to discuss downtown mall issues. In addition to the traffic concerns, the board addressed a proposal from the city to build public restrooms in the Fountain Alley area.

City and county staffs will study the restroom proposal, including ongoing maintenance issues, and report back at the next meeting of the board in February.

A joint city/county committee, the five-person board includes

Mayor-elect Susan Hammer and Councilmember Shirley Lewis, Supervisors Zoe Lofgren and Rod Diridon, and Chamber of Commerce President Steve Tedesco.

Retail strategy gains conceptual approval

The restoration of two historic buildings in Paseo de San Antonio, a 12-screen movie theater complex and the re-positioning of the Pavilion Shops with entertainment uses were part of a retail strategy concept approved by the City Council sitting as the Redevelopment Agency Board December 12.

The Agency Board authorized negotiations with AMC for a 3000-seat multiplex cinema just south of the Pavilion.

The board emphasized that any negotiations will seek to "preserve and protect" the existing downtown movie theaters, including the Camera Cinemas.

Tough new seismic law passed

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tober when a targeted rent stabilization plan was introduced that provided assistance to URM tenants as well as building owners.

"The rent subsidy program is a key element," said task force member Dan Pulcrano, editor of Metro. "It has the potential to help some businesses that cannot afford higher rents or the disruption caused by construction."

Retrofit work must be completed in four years. A one year extension may be granted at the discretion of the city to those building owners who, through no fault of their own, need additional time to complete their project.

Of the 173 URMs in San Jose, 106 are located in the downtown core area. These buildings total about 974,940 square feet. Of these, 66 URMs are in redevelopment project areas.

What they say about URMs in the downtown

Incentives for retrofit work

The city has identified 173 unreinforced masonry (URM) buildings in San Jose. Of the total, 129 are considered historically important, 106 are located in the downtown and 72 are 5000 square feet or less in size. Retrofit costs vary greatly depending on the size and type of building but are estimated at \$30-a-square-foot. The City Council approved the following financial assistance:

- ** Exemption from building permit and plan check fees usually paid on remodeling projects.
- ** Exemption from all required planning department fees.
- ** Design grants for retrofit projects. Up to \$2 million is proposed to help owners pay design costs. Grant amounts are correlated to the size of the building and capped for the largest buildings.
- ** Rent stabilization and relocation assistance grants for URM tenants and owner-occupants. Rent stabilization grants will be available over a five-year period with grant awards gradually reducing after the first two years. Grants will not be available to every URM tenant/owner. Priority will be given to historically significant buildings and businesses that most contribute to the city's retail strategy. Funding sources for the grant program have not been determined. Additionally, the grant amounts, qualifications, and application process must be developed along with the relocation program.
- ** Pursuit of any state or federal money available for retrofit projects.
- ** Assistance such as using city housing funds for those URMs providing existing low income housing; property tax exemptions; and relaxation of zoning restrictions on building use, parking, etc.

"The rent stabilization program is a great idea because it goes to the tenants. If I know I have tenants, I can get financing to help pay for the improvements. The (URM) rehabilitation had to be done sooner or later. It's going to save lives, historical buildings and tenants. There will be a few hard years during the construction work, but we now have some solutions for retrofitting so the work doesn't take as long."

-- Barry Swenson, owner Barry Swenson Builder, URM building owner

"The URM Task Force was successful in getting the city to focus on the older buildings in the downtown as well as the tenants in them. With both the city and the Redevelopment Agency working together on this project, I am sure that the results will be something to be proud of."

-- Judy Stabile, City Councilmember, Chairperson URM Task Force

"The incentive package buffers owners and tenants from the financial stress of having to meet mandatory building requirements. The task force recommendations address the public safety issues without, hopefully, creating an impossible economic burden for the building and business owners."

-- Robert Thompson, business consultant, URM Task Force member

"We're an old town and we're going to pay the price. I'm afraid it's going to be too expensive for many of the tenants to stay downtown. We just can't pay that kind of higher rent for downtown retail."

-- Paul Etheridge, owner San Jose Office Supply, URM tenant

Turn 1990 lessons into 1991 sales

As we close out 1990, the tendency is to look forward to the new year, with barely a glance backward. But, wait a minute! What did you learn from doing business downtown this year?

1. It's the customer's opinion that counts. Ask your customers how you're doing as a retailer. You'll gain valuable information on product lines, customer service, store layout, conveniences and much more.

Gather additional data from checks and driver's licenses such as gender, age, zip code and average purchase amount. Track this information over a period of weeks, but consider this an ongoing process if you want to stay on top of the marketplace. Look for gaps or voids in your customer base. These are *opportunities*.

2. Create a plan of action. Based on the research you've accumulated, start formulating a plan.

Target Markets -- Are you getting your fair share of target markets such as downtown office workers, area residents, students, specific age or ethnic groups? Prioritize these, keeping in mind the most *productive* consumers.

Chart Your Sales Patterns -- By month, determine your business sales history. Recall specific events or activities which influenced sales growth or decline.

Sales Promotions -- Plan in-store promotions which appeal to

specific target markets. Gift with purchase, two-for-one and discounts of 20% or more can be sales generators. Think like a consumer when you plan promotions.

Advertising -- Unless you plan your advertising dollars, you'll wind up at the end of another year wondering where the money went and what you got for it. Analyze the most efficient advertising mediums, not the cheapest.

Budgeting -- No matter how simple the ideas in your plan, they're not going to be free. Even if you've got limited resources, it's better to plan a couple of strong promotions than to under fund a lot of little failures.

3. Market your business from the inside out. Display the windows so your customers can see the merchandise inside the store. Get the windows washed, the carpets cleaned, organize your inventory for the shopper's ease and put on your best attitude. Appreciate every customer who walks through the door and they're likely to be back.

4. Start doing business with business. You might be surprised at how productive "networking" can be -- and find out *in advance* about upcoming events and how you can tie in with them. A good place to start this effort is at the monthly SJDA Business Promotions meetings. Who better to talk about your business than you?

-- Gayle Randazzo

Downtown Association meeting planner

PAC (Parking Advisory Commission), January 15 & February 12, Traffic Operations, 4 N. Second St. #1000, 8 a.m.

Board of Directors, January 11, San Jose Metropolitan Chamber of Commerce, 180 Market Street, 2nd floor, 8 a.m.

Promotions Committee, January 10, Bank of America, Conference Room, 101 Park Center Plaza, 3 p.m.

Alive After 5, January 15, Paolo's, 520 E. Santa Clara Street, 3 p.m.

Business Promotions, January 17, Phoenix Cafe, 17 N. San Pedro Street, 5:15 p.m.

Events Committee, February 5, Last Laugh Pavilion, 150 S. First St. #260, 1 p.m.

Parking Committee, February 6, San Jose Metropolitan Chamber of Commerce, 180 S. Market Street, 8 a.m.

Downtown Operations, February 13, Eulipia, 374 S. First St., 8 a.m.

All meeting dates subject to change.
Call 279-1775 to confirm date and location.

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Gayle Randazzo
Retail Marketing Director

New president wants to focus marketing efforts

Georgie Huff, a downtown resident and business owner active in residential real estate, will assume the Downtown Association presidency January 1.

Huff succeeds Chuck Hammers as the non-profit organization's fourth president.

As a founding member of the Board of Directors in 1986 and chairperson of the Government Affairs Committee, Huff has been active with SJDA since its beginning. She views the upcoming year as an important period in downtown's growth.

"We need to redefine our focus for the 1990s and be in touch with our strengths and weaknesses as a downtown," Huff said.

Community ownership

A key area for SJDA in 1991 will be to develop marketing programs that reach out to the greater San Jose area.

"It still amazes me how many people haven't been downtown," Huff said. "We need to do a better job communicating that this is *their* downtown."

A San Jose State graduate, Huff moved her residence and business

downtown in 1983. As owner of Capital Properties, she has acted as a marketing consultant on various downtown housing projects and is an enthusiastic pro-

ponent of downtown living.

"People are excited and interested about moving downtown," she added. "However, we need to increase our retail and services."

SJDA festival proposal selected by city

The City Council directed city staff to negotiate a contract with SJDA to produce a regional multi-cultural arts festival in 1992.

The December 11 council action follows a request for quote process by the city that asked local non-profit organizations for bids to produce the festival.

SJDA's festival proposal was unanimously chosen by the city's selection committee.

"This is just the first step," said Chuck Hammers, SJDA President. "A contract to produce the festival must still be agreed to and approved by the City Council and Downtown Association Board of Directors."

The SJDA plan calls for an 11-day festival with mostly free-admission, independently produced events held at various downtown venues.

The city asked for festival pro-

posals after paying additional funds to cover the 1990 San Jose New World Festival deficit.

1991 Downtown Directories coming

They're back.

With more pages, information and features on downtown.

The 1991 edition of The Downtown Directory is an all new guide to the center city, with listings of each downtown business again provided free by the Downtown Association.

The new directory will have 24 more pages than last year's edition and features four-colors on each page. The guides will remain a handy pocket-size with distribution of 100,000 copies.

Delivery of the directories is due in February, according to publisher K.B. Action, Inc.

MEMBERSHIP APPLICATION

Annual association membership dues

- Basic BID (Voting) member** (no charge)
Businesses inside Business Improvement District (BID)
- Contributing (Voting) member** \$40
Businesses inside BID includes membership benefits
- Sustaining (Voting) member** \$100
Businesses inside BID includes membership benefits plus recognition at Vision Award Dinner
- Associate (Non-Voting) member** \$50
Businesses outside BID includes membership benefits

New _____ Renewal _____

Name of Business _____

Address _____

Phone _____

Contact Name _____

Type of Business _____



SAN JOSE DOWNTOWN ASSOCIATION

Make checks payable to:
San Jose Downtown Association
28 N. First St., #201
San Jose, CA 95113
(408) 279-1775

BID boundaries: I-280, Highway 87, Fourth and Julian

Galleries, Museums & Events

Bingham Gallery
54 W. Santa Clara Street
"Works of Robert Henri" and
selected California artists
January 1 - February 15
More information 993-1066

Big Lil's Cabaret
157 W. San Fernando Street
"The Zada Queen Gang
Train Robbery of 1864" or
"I've Been Working in a Train Gang"
through March 4
More information 295-7469

Katia Lacoste Gallery
227 N. First Street
"Eric Hoffman: Paintings on Canvas"
"John Stewart: Collages"
January 10 - March 8
More information 295-5706

Tapestry in Talent
Now accepting applications for
July 6 & 7, 1991 event
Deadline January 28
More information 293-9727

San Jose Museum of Art
110 S. Market Street
"John Duff" and "Franz Gertsch:
Large-Scale Woodcuts"
January 13 through March 31
"Noon Hour Lecture Series"
January 23, 30 & February 6, 13
More information 294-2787

San Jose Art Tours
Downtown Museums & Galleries
200 S. Market St. #908
More information 295-5368

Memorabilia of San Jose
250 W. St. John Street
Paintings, photographs, books of
San Jose & Santa Clara Valley
More information 298-5711

San Jose Repertory Theatre
Montgomery Theater
"The Glass Menagerie"
January 11 - February 13
More information 291-2266

San Jose Art League Downtown Gallery
14 S. First Street
"Gifted Spirits"
Developmentally disabled artists
January 11 - February 9
More information 287-8435

d.p. Fong Galleries
383 S. First Street
"Vessels and Surfaces, Part II"
through January 19
More information 298-4141

San Jose Civic Light Opera
Center for the Performing Arts
"Me and My Girl"
January 12 - 25
More information 971-1212

San Jose Chamber Music Society
First Unitarian Church Rotunda
160 N. Third Street
"Peasant Cantata" - January 13
"Sukay Plays Andean Music" - February 3
More information 286-5111

"Mayor's Unity Breakfast"
Convention Center
January 23
More information 277-4237

San Jose Stage Company
490 S. First Street
"Roses Don't Grow Here"
January 22 through February 17
More information 984-2320

San Jose Symphony
Events Center Arena - SJSU
"Super Pops - Burt Bacharach"
January 25
More information 287-7383

San Jose Institute of Contemporary Art
2 N. Second Street
"Chocolate Tasting Extravaganza"
February 1
"Exhibition and Silent Auction"
February 9
More information 998-4310

San Jose Community Concert Association
Center for the Performing Arts
"Community Concerts"
February 3
More information (415) 656-7274

Machu Picchu "Gallery of the Americas"
El Paseo Court, 42D S. First Street
Folk art of Mexico, Central & S. America
Permanent Collection of pre-Columbian
art & ancient textiles
More information 280-1860

Allegra Gallery
374 S. First Street
"Artists of the Gallery Collection"
by appointment only
More information 287-8435

"For Your Information"
Current information on special activities
Call 295-2265 Ext. 483

San Jose Downtown Association
28 N. First St., #201
San Jose, CA 95113

ADDRESS CORRECTION REQUESTED



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ASSOCIATION

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DOWNTOWN DIMENSION is the bimonthly newsletter of the SAN JOSE DOWNTOWN ASSOCIATION. SJDA is a membership organization devoted to creating a healthy business economy in downtown San Jose.

Membership, which includes a subscription to DOWNTOWN DIMENSION, is open to individuals and businesses. See the membership form in this newsletter.

Correspondence should be sent to the above address. Call (408) 279-1775 for information.

Scott Knies, *Editor*
Glenn Randle, *Design*
Louise Carter, *Datebook Editor*