



Past Present and Future

When the downtown renaissance is looked upon years from now, the events during the week of Oct. 28, 1990 will tell a lasting story.

Three key projects open and reopen that week symbolizing downtown's past, present and future: St. Joseph Cathedral, the Hotel De Anza and the Technology Center of Silicon Valley "Garage."

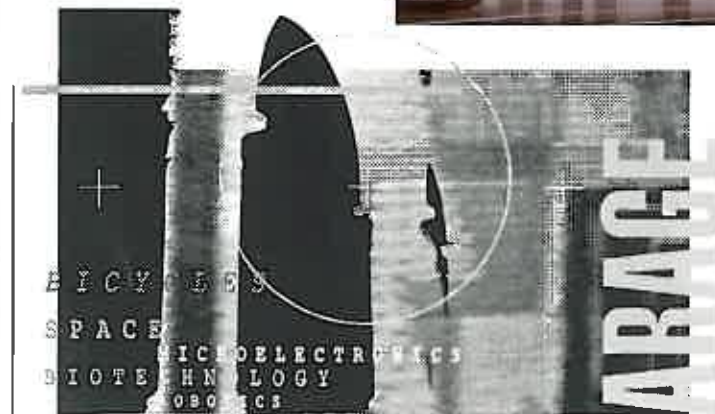
In the span of six days, a restored 113-year old cathedral opens two blocks from a museum of 21st century technologies. In between, on October 31, San Jose's 59-year old Hotel De Anza reopens after an extensive facelift -- and more than a decade of neglect.

The projects illustrate different facets of downtown revitalization: the preservation of two of San Jose's most prominent historic buildings; the modern investment strategies of public-private partnerships; the need for more downtown hotel rooms; and the further positioning of San Jose as the "Capital of Silicon Valley" with interactive technology exhibits and educational programs.

The three projects may link San Jose's past with its future, but downtown business leaders point to the impacts of the present.

"The cathedral draws more people downtown on weekends, the De Anza means more visitors staying overnight and the Tech Center Garage is a unique, national attraction," said Chuck Hammers, Downtown Association President.

St. Joseph Cathedral, the principal church of the Diocese of San Jose, reopens after more than three years and \$17 million of restoration work.



MARKETPLACE

1990

THE

THE TECHNOLOGY CENTER OF SILICON VALLEY



he Cirque du Soleil added just three new cities to its 1990-91 North American tour: Seattle, San Jose and Atlanta. So it was a good sign when the Cirque extended its San Jose run to the scheduled September 30 conclusion. Will the wonderful French-Canadian troupe return to downtown? It's very likely, according to the "on-location grunts" (read: no official word yet from Montreal headquarters). The 110 Cirque crew members and performers loved their stay in San Jose, applauding the area's friendliness, "safe and clean downtown" and enthusiastic audiences. Ticket sales went well -- with lots of walk-up and day-of-show sales. Although five of the 26 San Jose shows drew less than 2000 spectators (the Big Top seats 2500), it was nothing like Phoenix on Cirque's last tour where they performed to some audiences of 400 in a smaller Big Top. (Phoenix isn't a stop on this year's tour.) To its credit, South Bay audiences and downtown ambiance helped make the Cirque's San Jose shows a success. And if the touring staff's comments are any indication, San Jose can expect to host the Cirque on its next tour in 1992. *Tres bien!*

* * *

Hockey ties for sale at downtown clothing stores? Shark-fin soup on the menu at local restaurants? Even though they're not expected to skate into the new downtown arena until Fall of 1993, the San Jose Sharks have already made an impact. The Sharks announcement last month has put San Jose on the mind of hockey fans in National Hockey League cities across the continent. (San Joseans traveling in Canada should brush up on their hockey before entering local taverns). The new NHL standards for expansion team arena capacities required the redesign of the San Jose Arena to 18,000 plus seats -- pushing back the arena opening another year to 1993. The Sharks will play at the Cow Palace, starting next season, until their new San Jose home is ready.

From the President

Equation for success

Business growth = new customers - old customers

The headline above is my mathematical formula for deriving business growth. This equation says all you need for positive business growth is to gain more customers than you lose. Simple, huh?

How do you gain new customers? A recent survey of my restaurant customers found the following: only eight percent of my new customers were brought in by advertising, 34 percent came by word of mouth, and 50 percent just wandered in the front door.



Chuck Hammers

Shocking assessment

This was a shock to me. Even though I advertise a lot, more than four times as many new customers come in from word-of-mouth than from my ads. What this tells me is that I should spend more of my time and money keeping my customers happy and making my store look good. Happy customers are going to refer more new customers than ads will -- and a clean, well merchandised store will also entice more new walk-in customers.

I'm not saying that we shouldn't advertise, but it should only be part of our efforts to attract new customers. The bulk of our resources should be used to get our house in order. We should spend more time making sure our employee teams have the same philosophy of business that we have -- do everything possible to satisfy our customers.

Word-of-mouth advertising

This will generate word-of-mouth advertising. If one out of every two new customers just wanders in, then I better make sure that my windows and awning are clean and I have some fresh new displays. As a business owner, it is easy to get complacent and not keep your store fresh and new looking all the time, but without doing it, you can cut off as much as half your potential new customers. That will make it difficult for the equation above to show positive growth.

The second half of the equation subtracts lost customers. How do we lose customers? They can move or die, but these are rarities. I don't think my pizza has killed anyone yet. The only real way to lose customers is to give them less satisfaction than they can get elsewhere.

Merchandising and service

Many times this "satisfaction" is not measurable either. It's only evident in sayings like "I get better service at that store," or "I like the feeling of that store better." They may be buying the same widget at the same price from your competitor and receiving more satisfaction. So, we have to stay on top of things in our stores. Keep our employees trained and responsive, and make sure we stay well merchandised. Only then will we keep from losing our customers and keep the equation positive.

It seems that both halves of the equation contain the same variables: customer service and satisfaction, and store merchandising. It's ironic that as business owners, we often look to outside sources in order to increase our sales, when most of the variables to the business growth equation are right inside our own store.

Incentives considered for seismic work

Financial incentives such as design grants and exemption from city planning and inspection fees are expected to be among the recommendations the Unreinforced Masonry (URM) Committee will make to the City Council later this month.

The committee is also considering other incentives to owners and tenants of buildings required to retrofit their structures to meet new seismic safety laws.

The council plans to adopt a stricter seismic ordinance for San Jose. The URM committee has recommended mandatory building strengthening standards regarded as the best model for ensuring public safety in a major earthquake. The committee has suggested a five year time frame for building owners to comply with the new law and now is considering various methods to assist them with compliance.

The next meeting of the URM Committee is on the anniversary of the Loma Prieta quake, October 17, at 5:30 p.m., 151 Mission St.

San Carlos Street closure discussed

The possible closing of San Carlos Street between Fourth and Tenth Streets is the subject of a meeting of San Jose State officials and downtown business owners on October 19, at 8 a.m., at the San Jose Chamber of Commerce.

To close the street requires a city general plan change.

SJS wants to close the street to unify the campus and create a safer pedestrian environment.

City officials, however, want to see SJS funds in place that would mitigate parking, streetscape and landscape impacts created by the closure.



Special days for POWs and veterans

An Honor Guard posting of colors in Plaza Park was part of the local observance of National POW/MIA Day on September 21. One of the largest celebrations of Veteran's Day in the U.S. will be held in downtown November 11, including the annual parade of marching units and military equipment.

Council extends parking validation program and promotions funding

The downtown free parking validation program was extended another year by the San Jose City Council at its August 21 meeting.

The council also approved \$40,000 in new funding for parking promotions and advertising.

The validation program, first approved by the city in 1986, provides downtown retail merchants with books of 100 half-hour stamps. The merchants can validate their customers parking for up to two hours.

The validations are accepted at four city parking facilities and two private facilities.

The cost of the stamp books was raised: \$5 for each of first six books; \$7.50 for the seventh through eleventh books; and \$10 for each book over the eleventh.

Merchants demonstrating sufficient need are eligible to receive more than 12 books a month.

Validation books are sold at the Ampco Parking Office at 45 N. Market St.

The August 21 modifications to the validation program were unanimously recommended by the Parking Advisory Commission (PAC).

"The validation program is an important downtown marketing tool," said PAC Chairman Dan Pulcrano.

The new \$40,000 parking promotions money will be augmented by \$10,000 from the Downtown Association.

The PAC emphasized that the new parking promotions fund is in addition to funds budgeted for the downtown signage program.

Hotel, cathedral and tech center 'Garage' open

(continued from page 1)

The cathedral will be inaugurated with a day of spiritual and special events October 28, including afternoon public festivities with dancers, food and music on Market Street.

The Hotel De Anza reopens on Halloween, adding 101 rooms to a downtown market sorely in need of additional accommodations to serve its new convention center.

Woodmark Hotels, Inc. will manage the restored hotel, which will feature behind its original art deco facade: a restaurant, lounge, fitness center and soundproofed guest rooms and suites.

The hotel will have a "soft opening" October 31 and operate for a couple of months before celebrating with a big splash in January.

Inside McCabe Hall, across from the San Jose Convention Center, one-of-a-kind exhibits on space, biotechnology, high tech bicycles, robotics, materials and microelectronics are about to inspire a new generation of scientists.

The Technology Center of Silicon Valley "Garage" is the \$5 million prototype of the larger museum ultimately to be built at the corner of San Carlos Street and Woz Way.

The Garage's fun, interactive exhibits help the public understand science and technology -- and help the Tech Center demonstrate its vision and raise funds for its permanent facility.

The Garage opens to the public November 3 and 4 with a weekend of free tours, exhibits, food and music.

For more information about the opening schedules, call 279-1775 or attend the Business Promotions meeting October 17, at the YWCA, 375 S. Third St., at 5:30 p.m.

Banner and lighting program

New decorations add holiday spirit

The holiday spirit in downtown San Jose grows brighter with new twinkling lights and colorful banners for the upcoming season.

The decoration program is a major effort with 300 new banners planned to wave from streetlight poles throughout the central business district in early December. The holiday banners are the first of four seasonal designs projected for annual rotation above downtown streets for 1991.

Stars for SOFA district

New holiday lighting decorations -- star designs outlined with white lights -- are planned for light poles on South First Street between San Carlos and Reed Streets.

The holiday lighting decorations are part of a larger streetscape overhaul for the South First Area (SOFA) that includes new sidewalks, electrical circuits and trees. Most of the SOFA streetscape work is scheduled for 1991.

Decoration designs

Redevelopment Agency officials, sponsors of the downtown banner and lighting program, presented sketches of the holiday decorations at the Downtown Association's August 15 Downtown Operations meeting.

The 30 lighted stars planned for this year are temporary, low-wattage fixtures. When the SOFA project is completed, the electrical capacity on the street will be increased to accommodate brighter holiday lighting.

The new seasonal banners, each measuring two and a half by eight feet, will be installed on Santa Clara Street, Market Street, Park Avenue, South First Street, Woz Way and San Carlos Street.

Transit mall lights and banners

Along the Transit Mall, the Downtown Association has coordinated an extensive lighting program since 1988 with the City of San Jose and Santa Clara County Transportation Agency. Almost 300 trees along First and Second Streets between San Carlos and Devine Streets are strung with white lights. The 15 transit shelters on the mall are also decorated with lights.

Due to public response towards the festive appearance and added brightness of the transit mall during the holiday lighting, trees on the non-track side of First and Second Street remain lit year-round. For the holidays, the lighting is expanded to both sides of the streets and the transit shelters.

The colorful banners that once decorated the mall's light rail poles may also return in time for the holidays. The children's designed banners, seen briefly on the streets last January, will go back up as soon as proper installation brackets can be added to the poles.

New Paseo Plaza condo project breaks ground

The 210-unit Paseo Plaza condominium project between Third and Fourth Streets celebrated its ground breaking September 19.

One-bedroom condos will list at \$150,000 and up. Two and three

bedroom units up to 2275 square feet are also available.

Construction of the project will begin as soon as soil clean-up on the site is completed. Occupancy is slated for mid-1992.

1990 Downtown Holiday Sales Kit

Free gift for retailers! Get an early start on the holiday season with our package of information and ideas that could make this your best season yet.

Kit Includes:

- ★ Order form for shopping bags and lights
- ★ Holiday mixers and meetings schedule
- ★ 20 tips for boosting holiday sales
- ★ Holiday calendar of events
- ★ Retail sales planning form
- ★ Free parking information
- ★ Volunteer opportunities
- ★ Window display hints
- ★ Advertising Programs
- ★ Holiday logos

Information On:

- ★ Nutcracker and other special events
- ★ Odyssey II New Year's Eve gala
- ★ Free Historic Trolley Rides
- ★ Extended shopping hours
- ★ Downtown tree lighting
- ★ Christmas in the Park
- ★ Las Posadas pageant
- ★ Holiday Crafts Faire
- ★ Shopper's Shuttle
- ★ and more



Call the San Jose Downtown Association at 279-1775 to order your free kit.

Christmas in the Park expands displays

The downtown holiday favorite, Christmas in the Park, adds new displays along the Paseo between First and Second Streets beginning November 23.

The main displays for the popular winter wonderland in Plaza Park will open December 8, following the annual Christmas parade starting at 5:30 p.m.

Downtown newspaper to debut in November

The premiere issue of City Times, a bimonthly tabloid newspaper targeted for the downtown community, is planned for distribution in mid-November.

The newspaper will print 10,000 copies and be distributed to downtown business owners, employees and direct mailed to selected downtown residents.



Music in the Park encore

Photo by Bill Cox

An encore performance of the popular Music in the Park series was added September 26 to welcome the Radio and Television News Directors Association Conference to downtown. The local motown band, Lights Out, played.

Sales reports help business

How is downtown retail really doing? What is working and what needs improvement?

To get some factual answers, SJDA and the accounting firm of KPMG Peat Marwick have developed a "user-friendly" survey to compile sales information reported by downtown retailers.

This voluntary, confidential program requires the participation of at least 60 merchants. If you're contacted, please consider:

1. It helps your business.

It's common practice for retailers to ask one another "How is business?" And it makes sense that you want to compare notes. But only sales figures will give an accurate gauge of business. As a participant in the survey, you will receive the summary report.

2. It helps our recruitment efforts.

Retailers who are investigating downtown ask "What kind of sales volumes are being generated by similar businesses?" This is important not only during market analysis but also in negotiating the lease.

3. It gives direction to marketing, promotion and advertising.

From the sales report, we will be able to determine the impact of special events and advertising programs on business. This will be especially helpful while planning SJDA budgets and activities.

4. It's confidential.

With the exception of Peat Marwick's staff accountant, no one else sees the reporting form. After the first report, your business is assigned a number so that the form does not list a store name.

5. It's easy.

The reporting form and a pre-addressed, postage-paid return envelope are sent to each participating business quarterly.

6. It will show cumulative and categorized sales performance.

The summary report will show: 1) Total sales per square foot; 2) Sales per square foot by retail category; and 3) Monthly and year-to-date changes.

7. It will show which retail areas may need additional promotion.

An individual business may not be doing well for any number of reasons, but if an entire retail category is doing poorly, special attention may be warranted.

The retail sales report is an important part of downtown's marketing plan and our efforts to stimulate retail growth. To participate in the retail sales survey, or for more information, please contact me at 279-1775.



Gayle Randazzo

Downtown Association meeting planner

Parking, October 3 & November 7, San Jose Metropolitan Chamber of Commerce, 180 S. Market Street, 2nd floor, 8 a.m.

PAC (Parking Advisory Commission), October 9 & November 13, Traffic Operations, 4 N. Second Street, #1000, 8 a.m.

"Nightclub Policy" -- San Jose Planning Commission Entertainment Subcommittee, October 10, City Hall, Room 400, 1 p.m.

Board of Directors, October 12 & November 9, San Jose Metropolitan Chamber of Commerce, 180 S. Market Street, 8 a.m.

Events Committee, October 16, Federico's, 325 S. First Street, 12:30 p.m. & November 6, D.B. Cooper's, 163 W. Santa Clara Street, 12:30 p.m.

Promotions Committee, October 17, SJDA Offices, 28 N. First Street, #201, 3 p.m. & November 14, Casa Castillo, 200 S. First Street, 3 p.m.

Business Promotions, October 17, YWCA, 375 S. Third Street, 5:30 p.m. & November 15, Hotel De Anza, 233 W. Santa Clara Street, 5:30 p.m.

"San Carlos Street Closure", October 19, San Jose Metropolitan Chamber of Commerce, 180 S. Market Street, 2nd floor, 8 a.m.

Downtown Operations, November 14, Eulipia, 374 S. First Street, 8 a.m.

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

San Jose Downtown Association 1990

Officers and Directors

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President
Pizza a go go

Marcelino Castillo
VicePresident
Casa Castillo

Jack Warren
VicePresident
The Last Laugh - Pavilion

Olga Enciso Smith
Secretary
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Pacific Rim Financial Corp.

Elizabeth Zientek
Cilicorp Savings

Scott Knles
Executive Director

Louise Carter
Executive Assistant

Meribeth Hayes
Promotions Coordinator

Gayle Randazzo
Retail Marketing Director

Annual meeting reviews 'State of Association'

The Fourth Annual Members Meeting of the San Jose Downtown Association was held on September 20.

"I can't believe we're already doing this a fourth time," said President Chuck Hammers, as he reviewed 1989-90 goals, accomplishments and the organization's balance sheet.

More than promotions

Although the association concentrated its work on promotions and marketing, Hammers said the key achievements of 1989-90 were the organization's role in establishing the retail retention and recruitment program and its advocacy on city parking issues.

He also acknowledged the importance of the association's input on such diverse issues as earthquake safety compliance, transit mall maintenance and the downtown plan.

Throughout the year, progress was made in expanding the participation and quality of SJDA's extensive marketing and promotions program.

Coordinator Meribeth Hayes, hired in September 1989, orga-

nizes monthly Business Promotions meetings that have increased street-level accountability, Hammers added.

Major new efforts included

creation of The Downtown Directory and Visitor's Directory publications, Music in the Park, Downtown for the Holidays and direct mail coupon books.

New Board members elected

John Pagliaro, co-owner of the fifth largest advertising agency in Santa Clara County, and Norman David Thomas, a partner in the law firm Berliner, Cohen & Biagini, joined the SJDA Board of Directors in August.

Pagliaro has more than 17 years experience marketing and advertising everything from computer chips to tortilla chips. He established Pagliaro/Kuhlman, Inc. in downtown with partner Peter Kuhlman in 1988. Their agency is the holder of the largest single account, NCR Corporation, of any county based ad firm.

Thomas' law specialty is transactional real estate. He was raised in San Jose and has represented clients owning and developing property in downtown for the past seven years.

Nominations for the SJDA Board of Directors are accepted

year round. Interested parties should submit a resume and letter of application to the SJDA office.

Knies joins IDA Board

Scott Knies, Executive Director of SJDA, was elected to the Board of Directors of the International Downtown Association (IDA) on September 12 at the IDA Annual Meeting in Edmonton, Alberta.

The Washington, D.C. based IDA organization, established in 1954, is a center of information and strategies for revitalizing downtowns.

Knies is a frequent speaker at IDA conferences and was active in IDA assistance efforts in downtown Santa Cruz following the earthquake last October. He joins the 409 member association as IDA's only California board representative.

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

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

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

Film festival and Halloween event premieres

Cinequest, the new San Jose Film Festival, premieres October 11-14 with four days of films and receptions showcasing 32 renowned filmmakers.

All films, including several South Bay premieres, will be shown at Camera III, corner of Second and San Carlos Streets.

A festival pass includes admission to all films and receptions at various downtown restaurants. For tickets and more information call (408) 739-6238.

Halloween fun comes to downtown early with the Masquerade Mardi Gras, Saturday, October 27, at the Pavilion Shops.

Costumes, fortune tellers, psychics, DJ dancing and live music combine for an evening of fun beginning at 8 p.m. Admission is \$10 for this San Jose Jazz Society benefit. For tickets and more information call (408) 295-6099.

Galleries & Museums

San Jose Museum of Art
110 S. Market Street
"Claim Your Color" and "Laurie Simmons"
both exhibits through December 30
More information 294-2787

Katia Lacoste Gallery
227 N. First Street
Giovanni Castiglia: "Earth, Spirit & Soul"
October 4 through November 16
More information 295-5706

d.p. Fong Galleries
383 S. First Street
"California Cut" by Manfred Hebenstreit
through October 20
More information 298-4141

San Jose Institute of Contemporary Art
2 N. Second Street
"Present Operation" by Hitoshi Ushijima
through October 27
More information 998-4310

Allegra Gallery
374 S. First Street
Works by Darrell Phelps & Russell Nystrom
through November 30
More information 292-1234

San Jose Art League Downtown Gallery
14 S. First Street
"We All Have the Same Color Blood"
October 6 through November 3
More information 287-8435

Bingham Gallery
54 W. Santa Clara Street
"An Original Vision of a Noble Animal"
October 11 through November 10
More information 993-1066

Events

Lunchtime Walking Tours
of Historic Downtown San Jose
San Jose Historical Museum
Thursdays -- through October
More information 277-4017

Friends of SJ Public Library Book Sale
180 W. San Carlos Street
October 31, November 1, 2, 3
More information 277-5700

San Jose Chamber Music Society
First Unitarian Church Rotunda
160 N. Third Street
"Schubertiad" October 28, 7 p.m.
More information 286-5111

Preservation Action Council of San Jose
St. James Square Open House
Historic architectural tours, November 10
More information 293-5852

Veterans Day Parade
Seventh & Santa Clara Streets
to Plaza Park, November 11
More information 279-9999

Los Lupenos: "Tradiciones Mexicanas"
Center for the Performing Arts
Almaden Boulevard & Park Avenue
November 18
More information 292-0443

Big Lil's Cabaret
157 W. San Fernando Street
"Last Call for Purgatory"
through December 1
More information 295-7469

"FYI" 24-hour information on downtown events. Call 295-2265 Ext. 483

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

ADDRESS CORRECTION REQUESTED



SAN JOSE DOWNTOWN
ASSOCIATION

New parking funds p. 3

Holiday Sales Kit p. 5

Business growth formula p. 2

Retail sales reporting p. 6

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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*