

# **First 500 Days**

January 2007 – June 2008

*Vision Document and Action Plan  
for Downtown San Jose*

**San Jose Downtown Association**

## **Executive Summary**

“First 500 Days” is both a vision document and action plan for downtown San Jose that provides the new city administration a consensus direction to hit the ground running in January 2007. The “First 500 Days” project also represents a fresh path of collaboration for San Jose by presenting a unified set of priorities as developed and endorsed by a diverse mix of business, resident and non-profit stakeholders with overlapping interests in downtown.

This paper is modeled after 1stAct Silicon Valley’s concept of Big Deals and Small Wonders, defining Big Deals as larger, more complicated issues/projects that can begin planning/budgeting/design, and Small Wonders as short-term tasks that can be fully implemented within 500 days. The First 500 Days project is designed to inspire bold leadership and jumpstart downtown progress initiatives January 2007–June 2008. Understanding the many needs of downtown over the next 500 days and the limitations of resources, the group practiced discipline in selecting just five Big Deals and five Small Wonders. Our hope is that the new administration acts quickly and makes rapid progress on each of these important issues.

Stakeholder groups (listed below) were invited to participate in the First 500 Days project and vote for their most important downtown Big Deals and Small Wonders. Participants were given equal voice in deciding the top issues, and assisted in authoring the position papers that embellish each of the priorities. While consensus was reached on the top issues, other serious needs for downtown did not make the “short” list, yet still merit closer attention from city leadership – issues such as traffic calming measures and creating an icon for downtown.

These papers were written with optimism that new city leadership, and a strong new city manager, will collaborate with downtown stakeholders to enhance and protect the shared public and private investment made in our downtown core and frame neighborhoods.

The “First 500 Days” Ad-Hoc Committee will meet as needed to review progress on the 10 initiatives outlined in this paper. At the one-year mark, a written assessment and progress report will be issued to the Mayor and City Council.

### **Big Deals:**

- BART Grand Central Station - Continue to push for BART in San Jose, but also ensure that the system’s main downtown station is iconic in its architecture and how it fits into the urban core.
- Convention Center expansion - The convention center must be larger and updated to compete for bigger shows and meetings (and possibly coupled with a dramatic new partnership that broadens convention center use).
- Corporate Headquarters incentives - With high-rise housing on its way, concentrate on downtown as an employment center for large and small companies looking to locate their headquarters operations.

- Focus on downtown place-making - Define downtown's districts more clearly, especially the area around the Fountain Alley Historic District, and get the ball rolling to create an international marketplace, possibly in the former Pavilion Shops mall.
- Medical Center/Hospital - A key facet of downtown's long-term quality-of-life yardstick, a medical center must be easily accessible and provide quality services.

**Small Wonders:**

- Downtown streets, sidewalks and public places must not just be clean – they must be beautiful, too.
- Streamline permit costs and reduce the time for small business to get through government red tape.
- Improve Guadalupe River Park by completing the connection to the Los Gatos Creek trail, and ensure proper maintenance and programming of downtown's premier regional park.
- Protect the Downtown Parking Fund and add to the supply and quality of parking spaces.
- Police/Night Culture: Work out proper procedures and enforcement tactics to ensure safety and a suitable and enjoyable experience for visitors, residents and customers.

**First 500 Days Ad-hoc Committee Members**

1stAct Silicon Valley	San Jose Convention & Visitors Bureau
13 <sup>th</sup> Street NAC	San Jose Downtown Association (SJDA)
Campus Community Association	San Jose Silicon Valley Chamber of
Downtown Residents Association	Commerce
Friends of Guadalupe River Park &	Shasta Hanchett Park Neighborhood
Gardens (GRPG)	SNI PAC
Hensley Historic District	St. James Historic District Neighborhood
Hispanic Chamber of Commerce Silicon	Association (SJHDNA)
Valley (HCCSV)	Team San Jose
Japantown Business Association	Tri-County California Apartment
Julian St. James Neighborhood Association	Association
Northside Neighborhood Association	United Neighborhoods of Santa Clara Co.
Notre Dame High School	University Neighborhoods Coalition
Preservation Action Council San Jose	Valley Transportation Authority
Santa Clara County Association of	
Realtors	

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## **Big Deal: BART “Grand Central Station”**

The importance of bringing BART to the South Bay cannot be underestimated. The linking of San Jose to the East Bay and San Francisco through the BART system will vastly affect our city and region. The one station on the proposed BART extension that will see the most public use (by far) is the main downtown station around Santa Clara and First streets. A project of this importance and magnitude requires a “Grand Central Station,” the signature station along the entire line.

While we recognize the city’s limited role in the VTA/BART process to design a station in downtown San Jose, we feel it is critical that the city take a strong leadership role in insisting that the downtown subway station be one that provides a dramatic sense of arrival.

Passengers will arrive in the heart of San Jose’s Historic District, an area that serves as a testament to San Jose’s spirit of entrepreneurialism and innovation. One of the portals under consideration for the main downtown subway station is at the former location of San Jose’s iconic light tower – may the light tower inspire greatness in the station design and architecture!

Another of the main entrances under study is through the magnificent lobby of the Bank of America tower, arguably San Jose’s most notable historic building. Because of its status as a historic landmark, it will take tremendous political courage, leadership and funding to make this site work for the BART station. Exceptional sensitivity will be needed for potential interior alterations and seismic retrofitting, however, think of the possibilities from restoring this wonderful building: the mix of public uses and sense of place that could be created on the corner of First and Santa Clara streets.

Investing in brilliant urban design is an investment in our community’s long-term economic and cultural health. The main downtown BART station should make it clear that you have arrived at the center of Silicon Valley – that you’ve arrived at one of the most creative, dynamic and innovative places on Earth. San Jose should not compromise on place, design and architecture for the largest public works project in its history, and potentially the busiest and most public corner in the entire region.

## **Big Deal: San Jose Convention Center expansion**

The renovation and expansion of the San Jose McEnery Convention Center is important to our community and local economy. The city has outgrown the current center and over time its competitive position has diminished significantly. As the center has aged, competing destinations have upgraded and expanded their facilities.

Originally constructed in 1989, a renovation of the existing center to a competitive Class-A quality level, as well as expansion, will help reposition the city as a convention destination. San Jose is a central location of the region and an economic engine recognized internationally. With its walkability and strong downtown, an expanded and renovated center will help make San Jose a more desirable meeting place. Not only would the renovation and expansion support the Convention & Visitors Bureau market diversification strategy, it would allow various types of tradeshow groups and associations to hold their meetings and conventions in San Jose, attracting millions of visitors and driving millions of dollars in economic impact to the city and downtown.

San Jose's hospitality industry is coming back from the post 9/11 and dotcom bust years, and improving our convention center will generate new demand for our hotels and activity in downtown for restaurants and businesses. A key benefit to expansion is increasing revenue that will in turn support the city's general fund, particularly by providing supplemental funding for the arts. Jobs in construction and service-related sectors (waiters, housekeepers, drivers, travel agents, etc.) would also increase as well as additional convention bookings, attendance, hotel room nights and visitor business travel spending.

With expanded convention facilities, companies will have another reason to keep their offices in San Jose, attracting even more start ups to Silicon Valley's Creative Urban Center. City leadership must act quickly to evaluate convention center expansion options, such as leveraged financing through Mello Roos and/or visitor tax scenarios; and bold partnership concepts that exemplify the vision, spirit and entrepreneurial qualities of the region (like the City/San Jose State partnership to jointly develop the Dr. Martin Luther King, Jr. Library).

## **Big Deal: Corporate Headquarters incentives**

The housing accommodation for increased employment downtown is in the fast lane, but expansion of jobs downtown needs a renewed emphasis. Creative financial incentives should be utilized to recruit small and large corporate headquarters to downtown.

A city's downtown traditionally serves as a major center for employment, which in turn helps support commercial and retail development, arts, entertainment, dining and cultural activities. The infrastructure of downtown San Jose is mostly in place – access to major university, library, convention, meeting and hotel facilities; and mobility through freeway connections and adjacent mass transit (bus, light and hard rail and air).

Downtown has the capacity under the current General Plan and EIR to provide another 10 million square feet of office development, which would more than double the size of the downtown core office market and its approximately 21,000 jobs. Presently, less than 6 percent of San Jose jobs are situated in the downtown. Through 2020, the city expects to capture another 140,000 jobs. A new goal of the city leadership should be to place 15 percent of this overall employment growth in downtown.

The tiny company of today could grow into San Jose's next eBay. The city and redevelopment agency should open its toolbox of existing incentives. Over the recent years, the city has smartly used its resources to welcome small companies – subsidizing several incubator programs, forming partnerships with San Jose State University, providing low-interest loans and reducing parking rates in public facilities. For future larger deals, zoning bonuses are a valuable option, and add a line item to the budget that keeps recruiting funds available.

The city's investment in business is reciprocal. Corporate headquarters often result in a deeper community commitment by a company's leadership who live and work in the area. These headquarters also inspire more community participation in non-profits, increased business travel/events for the local hospitality industry, and spur the formation/growth of other small businesses providing support services.

## **Big Deal: In-fill place-making: Fountain Alley and the Pavilion**

San Jose's current effort to preserve and revitalize its distinctive neighborhoods is something that must continue as a top priority of the new administration.

San Jose's high quality of life is largely attributed to its diverse and unique neighborhoods that vary in age, size, character and composition. This city values its neighborhoods and desires to preserve and enhance them. San Jose has created numerous means of revitalizing neighborhoods, most notably through the Redevelopment Agency and, more recently, the Strong Neighborhoods Initiative (SNI).

Downtown San Jose was the city's first strong neighborhood project long before the SNI was even formed in the late 1990s. And similar to how the current SNI program supports different neighborhoods around the city, downtown embraces several unique districts within its core and frame boundaries.

As downtown continues to grow with high-density housing, these inner city district neighborhoods (such as Fountain Alley, SoFA, San Pedro Square and St. James Park) become incredible assets. The original characteristics of these districts must be maintained, celebrated and enhanced. Through architecture, landscape, business characteristics, identification and branding, the natural definition of these neighborhood districts emerge and evolve.

Two central areas of focus for this vital urban in-fill approach are Fountain Alley and the structure formerly known as the Pavilion Shops.

The Fountain Alley historic district has the potential to become a real centerpiece of downtown revitalization. With its proximity to prominent architecture like the old Bank of America building and its pedestrian pathways between historic buildings, the addition of sensitive high-density projects, integrated with planned retail, public-gathering spaces and parking, makes this location an ideal canvas to blend downtown's past with its future. The timing, design and architecture of this landmark site will require a quality of urban design not yet seen in San Jose's recent redevelopment era.

As recommended by 1<sup>st</sup>Act Silicon Valley, "The Pavilion Shops" is ripe for another re-use. With its location relative to Fountain Alley, the Fairmont Hotel, Plaza de Cesar Chavez, and the SoFA district, the site is well positioned to be an economically viable destination place. Proposing its use as an international marketplace with ethnic shops, fresh food vendors and artist's crafts further differentiates the downtown retail experience while celebrating the economic and cultural diversity of the region. Plus, it would return the Pavilion to its original use as an open-air market. An International Market Pavilion would become a vital link between existing entertainment districts and venues; stimulate downtown retail strategies; and create another prime "point of interest" destination; thereby boosting the economy for locals and visitors alike.

## **Big Deal: Downtown Medical Center/Acute Care Hospital**

Providing a wide range of medical services, including an acute-care hospital, is essential to the future economic and physical health of a growing, vibrant San Jose.

The San Jose Medical Center, first opened in 1923, provided both acute care and ambulatory medical services to residents and those in downtown traveling for business and pleasure, until the end of 2004. Scores of ancillary businesses relied on the hospital as their anchor – pharmacies, medical supply companies, laboratories, florists – all of which catered to the hospital and its related businesses. Many professionally licensed service providers (physicians, physical therapists, etc.) also had offices near the medical facility. The closure of San Jose Medical Center caused the loss of many of these established businesses and the jobs they provided.

Every major city requires an acute care full-service hospital as a part of their downtown.

San Jose's downtown serves more than six million visitors a year, has more than 20,000 business employees and more than 85,000 residents. These numbers will continue to grow as thousands of new residents move downtown. With the high-rise housing developments planned for the core, the medical needs of the downtown area will continue to increase. When companies consider moving into our downtown area, a modern medical center will generate confidence in San Jose's ability to serve their businesses, employees and customers and the city will be better positioned to draw biotech and other medically related start-up and research organizations to the downtown area.

A national survey indicates that San Jose has fewer than half the hospital beds per 1000 residents compared to the rest of the country. The closure of the San Jose Medical Center included the loss of 348 licensed hospital beds, an emergency room, helicopter pad and one of the county's three trauma centers (the one handling the most life-threatening ambulance cases). Downtown also needs the medical resources to adequately respond to major emergencies, such as earthquakes.

The City of San Jose alone cannot re-create downtown health care and hospital services, but the city is an important strategic partner in the process. The former San Jose Medical Center property is a key strategic asset and the city must take an innovative approach to bringing all the required partners to the table to address the larger community needs for future downtown hospital services. Healthcare is not just another commodity but a necessity in the lives of those who live, work and visit here – as well as a vital element in the future economic success of downtown.

## **Small Wonder: Clean and green city scene**

By San Jose's own admission, the duty and ability to keep public spaces and sidewalks of the center city clean, appealing and inviting has diminished over the past five years. Despite a resurgence since City Hall opened to clean more often, surveys continue to result in low marks for downtown cleanliness – which harms the overall sense of civic pride. By all means, we must guard against the “broken windows” theory and the public perception that litter-filled, stinky public thoroughfares are unsafe and not maintained. As greater numbers of residents, tourists, workers and visitors are invited – and expected – into the core, the fundamental premise must be that a clean downtown is the foundation upon which everything else is built. It is essential to upgrade and maintain the look, feel and aroma of downtown.

The problems that dirty streets and sidewalks create can be mitigated in 500 days and their long-term negative effects reversed by ensuring that power-washing, steam-cleaning, and litter pickup happens seven days a week; partnering with downtown stakeholders to obtain consistent results; and working on new models of collaboration that leverage limited budgets.

Intensive daily cleaning of downtown and beautifying districts, paseos and boulevards with flowers costs money. The city's current budget should be augmented with private funds to clean downtown at a much higher, more acceptable and more efficient level. A Property Business Improvement District (PBID) is a successful model used in other cities that pools assessments on commercial, residential and public property to provide specific services that government cannot. Most important, PBID members are the “proprietors” of the district and become the responsible – and accountable – group to keep downtown clean and green.

## **Small Wonder: Increase supply and quality of parking**

In the future, as downtown San Jose begins to reap its potential with multiple residential towers, a vibrant daytime office community, abundant shopping, dining, nightlife and entertainment options, and a full-fledged convention and visitors' destination, one common thread will be woven throughout all the different projects and activities: parking.

Every big city urban center in the world faces the same issue of how to provide adequate parking supply to meet increasing demand.

Resolution of the current parking debate has centered on whether downtown San Jose is ready to act like other "big cities" that charge people to park in lots and garages 24 hours a day, seven days a week. Said another way: does downtown currently offer enough value to attract people from throughout the region who can otherwise park for free?

For the past several years, city lots and garages in the core have reached a compromise: pay during weekdays and park for free nights and weekends. That system has worked – but now these facilities often fill up early Thursday-Saturday nights and during big conventions, and also most of the peak holiday season, forcing the need to reexamine parking management plans.

The Downtown Association has provided the following input to the Downtown Parking Board and city staff as it looks to revise parking policies in early 2007:

- A first step to increasing supply and providing future parking spaces is acquiring/controlling key sites that could be future mixed-use developments and/or "parking plus" garages – such as the Greyhound station;
- Protect the city's downtown parking fund through policies that restrict its use for parking purposes only, especially for the acquisition of land/construction of new parking downtown;
- Continue "parking plus" on key downtown parcels where the city invests with private developers to add extra public parking to their projects;
- Improve the lighting, cleaning and security in downtown public parking facilities;
- As a last resort, charge nominal fees (up to \$3 per car) on weeknights and implement an effective validation program with participating businesses that reduces or eliminates those customer fees altogether;
- Issue warning citations instead of parking tickets; and/or allow customers to pay their tickets at city hall for \$1 within first hour of receiving the ticket.

## **Small Wonder: Night culture and policing reforms**

Downtown San Jose possesses many inherent advantages to its distinctive night culture scene: a pleasant, year-round climate; a compact and walkable core; a high concentration of arts and cultural venues; and many historically significant buildings. All of these factors are integral to the development of an urban center that is safe, vibrant, and inviting. However, to capitalize on these advantages, several changes to downtown's current night culture – in strategy, tactics and business mix – must be implemented.

Change begins with committed leadership from elected and appointed officials as well as increased communication and collaboration between the public and private sectors. While the formation of the city's Downtown Working Group (comprised of business owners, police, residents, non-profit representatives and city staffers) is a step in the right direction, more critical is establishing a structure for continuous and meaningful improvement in downtown's night culture. Specific tactics include:

- The city must continue to provide police with the necessary resources to increase curfew enforcement in the core. Creative partnerships with local youth organizations and school districts, along with Santa Clara County, should be explored.
- The maturation of the San Jose Police Department's Secondary Employment program now provides an opportunity for the private sector to hire off-duty police officers to monitor bar and nightclub activity during the evening and at closing time. This would eliminate (or significantly reduce) the current expense of overtime officers assigned to this duty. All officers would be scheduled, supervised and paid through SJPD's Secondary Employment program.
- A modest adjustment in bar and nightclub operating hours, allowing patrons to exit establishments until 3 a.m., will create a more customer-friendly environment and will mitigate existing security strains. Currently, on most weekend evenings, about 10,000 patrons empty into downtown streets at the same time. A pilot "after hours" program was formally proposed to the city by the Downtown Association in May 2006 and could be implemented on a trial basis in less than 500 days.
- Lastly, the city must encourage a wider variety of late-night uses, including entertainment venues, dining establishments and activities. Included in this "change the mix" is providing expanded social gathering opportunities for 18 to 20- year olds beyond the current offerings. This encouragement could be in the form of city-supported incentives for creative building and zoning proposals; a simplified and streamlined permit process for late-night entertainment uses; and utilization of best practices from comparable cities to assist with business development.

## **Small Wonder: Completion and connections for Guadalupe River Park**

Guadalupe River Park is San Jose's premier regional park, and a key amenity in the success of a revitalized downtown. Developed over several decades and many millions of dollars, the park is a unique example of a flood protection project designed to serve the open space and recreational needs of a community. It offers meadows for festivals, quiet spots for reflection along the river, children's play elements, public art, distinctive interpretive signage, and over three miles of trail. The park was designed and built, in cooperation with other local and federal governmental agencies, to a high standard of quality. It must now be maintained and improved at a similar level to protect taxpayers' financial investment, ensure it meets the public's need for safety and recreation, and the city's need for a signature central park.

The trail within the Guadalupe River Park, which is part of the city-wide trail network, is an important transportation corridor and provides opportunities for exercise and healthy living. Studies show that trails positively impact property values, encourage nearby retail activity, and support public safety. Connecting the existing Guadalupe River Park trail to the popular Los Gatos Creek trail will provide safe and easy pedestrian and cycling access to downtown from the Willow Glen area of San Jose, Campbell and Los Gatos, and greatly increase use of the park. Individuals and families from throughout Santa Clara County will be able to use the trails to bicycle downtown for events and to visit museums, restaurants and other attractions. Extending the Guadalupe River Park Trail to Alviso will provide an off-street transportation route for workers bicycling from high-density housing downtown to jobs on North First Street, the airport, and the Golden Triangle area. Combined with the existing trail within the park, this nine-mile stretch of continuous trail will be a premier destination for workers, residents and visitors looking for Silicon Valley's best urban jogging, walking and/or rollerblading venue.

We recognize that trail projects require significant inter-agency cooperation, and acknowledge that the City has already accomplished much work in this area. That being said, the City of San Jose needs to make trail development a priority by focusing its efforts, forming a team to address the complex funding and project management issues, and defining a management strategy to maintain these important facilities. All the trails may not be paved, or in their final configuration because of the need (in some cases) to acquire private properties, but they can be developed to the point where they are functional. We call upon the administration to complete the trail to Alviso and make sure the funding package is in place to develop construction drawings and build the Los Gatos Creek Trail connections within 500 days.

Similarly, as the newest and most visible downtown public space, the Guadalupe River Park should set the standard for how the city maintains all of its regional and neighborhood parks. We look for leadership from the Mayor and City Council to set optimum staffing levels for park management and maintenance, see that already-funded positions are filled in a timely way, and direct a staff/community working group to identify new and reliable sources of funding to enhance ongoing parks maintenance.

## **Small wonder: Streamline permit process and costs for small businesses**

The permitting process needs to be streamlined. Also, a change in culture at City Hall – one that appreciates tax-paying, permit-paying entrepreneurs as one of the city’s most valued customers, and leaves small business owners with an impression of cooperation, collaboration and business-friendliness is warranted.

The previous administration set the groundwork by hosting business at a series of Getting Families Back to Work meetings and initiating the One-Stop Center and Small Business Ambassador programs. All were noble efforts and progress has been made, but the city still has not gone far enough in meeting the needs of small businesses.

Also, the following pages are all on the city’s website:

[www.sanjoseca.gov/planning/development/smallbusinesspermitoverview.asp#7](http://www.sanjoseca.gov/planning/development/smallbusinesspermitoverview.asp#7)

[www.sanjoseca.gov/business.html](http://www.sanjoseca.gov/business.html)

[www2.csjfinance.org/giball.asp](http://www2.csjfinance.org/giball.asp)

[www.sjeconomy.com/businessassistance](http://www.sjeconomy.com/businessassistance)

[www.sanjoseca.gov/development/smallbusiness](http://www.sanjoseca.gov/development/smallbusiness)

Each page offers varying degrees of information for small businesses, but none of them are easy, and many of them are confusing.

Since small businesses represent the bulk of business in the city, San Jose’s economic development priorities should emphasize attracting and retaining small business. A symbolic place to start is by reducing the bureaucracy to one city webpage that both serves the community and fits the needs of City Hall staff.

The Downtown Association and various Chambers of Commerce have plenty of horror stories from their members to share, and this has been done at past city council study sessions. The point here is not to recap them, but to implore the new administration to lead the day in creating an efficient process and new attitude, so that:

- It takes only weeks, not months (and in some cases, years) for a business or non-profit organization to post a sign;
- Businesses can evaluate and adjust with some flexibility to the competitive landscape without government interference, for example, by extending business hours. One local restaurant fought for 7 years to open past midnight to 3 a.m.;
- A local entrepreneur can rent space, obtain permits, receive inspections, trust that city departments communicate with each other, and open for business in a reasonably consistent timeframe;
- Permit costs for small businesses in San Jose are not the highest in the state, nor unrelated to services required of the city to permit a small business to open in the city limits;
- Business owners leave City Hall feeling like city staff views him or her as a friend, not foe, and their business investment in the city is welcome.