



COUNCIL AGENDA: 4-29-08
ITEM: 9.1(a)

Memorandum

TO: HONORABLE MAYOR, CITY
COUNCIL AND REDEVELOPMENT
AGENCY BOARD

FROM: Debra Figone
Harry S. Mavrogenes

SUBJECT: DOWNTOWN HOSPITALITY
ZONE ASSESSMENT REPORT

DATE: April 15, 2008

Council District: 3

RECOMMENDATIONS

It is recommended that the City Council and Redevelopment Agency Board:

- (a) Accept the attached Downtown Hospitality Zone Assessment (HZA) Report produced by the Responsible Hospitality Institute (RHI); and,
- (b) Approve the creation of a position within the City Manager's Office to focus on Downtown related issues highlighted in the attached Downtown Hospitality Zone Assessment draft work plan and to work closely with a community-based advisory group to facilitate the action items recommended in the HZA report to ensure that new and existing policies are working to make downtown a vibrant, hospitable and safe entertainment center.
- (c) Provide direction on funding options for this position for consideration in the upcoming budget process, including the possibility of fees from entertainment uses offsetting a portion of the costs incurred.

OUTCOME

The approval of the Downtown Hospitality Zone Assessment report and the funding of a position within the City Manager's office to focus on Downtown related issues will result in the implementation of the proposed Downtown HZA work plan.

REPORT IN BRIEF

In July 2007, the San Jose Downtown Association, in partnership with the Redevelopment Agency and the City of San Jose, retained the services of the Responsible Hospitality Institute to develop a Hospitality Zone Assessment of the Downtown. The Downtown HZA examined the current and future trends and issues related to the late night environment by seeking input from four stakeholder groups: hospitality, safety, development, and community. Over 70 people participated in the Downtown HZA process, which included a steering committee of industry leaders, five roundtable focus groups and a leadership summit.

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The report identifies approximately 60 individual action items in six core areas, including: 1) Music and Entertainment; 2) Security, Service and Safety; 3) Community Policing; 4) Multi-Use Sidewalks; 5) Late-Night Transportation Systems; and 6) Quality of Life. In addition to the six core areas, the Downtown HZA participants identified the following priority action items:

1. Diversify Music and Entertainment Options
2. Create Better Pedestrian and Downtown Living Experiences
3. Streamline Permitting and Compliance
4. Shift to Asset Based Documentation of the Nighttime Economy
5. Transition from Night Clubs to Night Life and Develop New Branding Campaign

Staff recommends that the City Council and the Agency Board accept the Downtown HZA report and its recommendations. Additionally, to advance these initiatives, staff recommends the creation of a position within the City Manager's Office to focus on Downtown related issues identified in the draft work plan and work closely with a community-based advisory group to facilitate the action items recommended in the Downtown HZA report to ensure that new and existing policies are working to make the downtown a vibrant, hospitable, and safe entertainment center. Council policy guidance should be given on the concept of seeking funding for a portion of this position by the entertainment industry. The advisory group will meet on a regular basis with the City Manager and assist in the implementation of action items and provide advice on the state of downtown and appropriate legislative, policy, and programmatic options.

BACKGROUND

In June 2006, the City Council established the Downtown Working Group (DWG), a Downtown stakeholders group, to address issues involving curfew, enforcement, cruising, concept of a 24-hour Downtown, event promotions, resource-intensive events and other City strategies. At the June 19, 2007, City Council meeting, a DWG status report was presented with specific recommendations on engaging RHI to assist with the implementation of the Soft Closing Pilot Program and the development of the Downtown HZA to examine current and future trends and issues related to the late night environment by seeking input from key stakeholder groups. The Downtown HZA would include an Action Plan that would provide a strategy for planning, managing and policing hospitality zones and entertainment in Downtown San Jose.

RHI is a non-profit organization established in 1983 to assist businesses and communities in creating safe and vibrant places to socialize. RHI has collected and organized information on trends, issues, gaps and resources relating to the development of dining and entertainment districts. RHI has provided similar services to cities throughout the nation, including:

- Baltimore, MD
- Cleveland, OH
- Philadelphia, PA
- Phoenix, AZ
- San Diego, CA

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- Seattle, WA
- Tallahassee, FL
- Washington, D.C.

In July 2007, the San Jose Downtown Association, in partnership with the City and the Redevelopment Agency, retained the services of the RHI to conduct a Hospitality Zone Assessment for the Downtown area. The Downtown HZA was presented to the DWG at the December 10, 2007 meeting. The DWG accepted the report and made a motion to forward the report to the City Council for acceptance.

ANALYSIS

The Downtown HZA addresses six core elements and provides a current status, defines a vision and proposes an action plan to achieve the vision.

SIX CORE AREAS:

1. Music and Entertainment - Nurturing talent and venues for multi-generational entertainment
2. Community Policing - Adapting regulatory compliance and policing for an active nighttime economy
3. Security, Service and Safety - Internal policies and procedures in dining and entertainment businesses
4. Multi-use Sidewalks - Managing the sidewalks as a venue, creating more activity, entertainment and seating
5. Late-night Integrated Transportation - Assuring coordinated late-night transportation options
6. Quality of Life - Managing sound, trash, traffic and pedestrian impacts

DOWNTOWN HZA WORK PLAN RECOMMENDATIONS:

HZA has approximately 60 individual recommendations for the public and private sector that will improve current conditions of the nighttime environment. To assist with the implementation of these recommendations, staff has developed a draft work plan and a suggested timeline help to align projects, practices, and policies for implementation. The **attached work plan** identifies more than 20 projects or actions currently underway and nearly 50 that could be accomplished in the next 12-18 months. Many of these efforts have been in the planning stage, but can now be prioritized, funded, and tracked as part of the Downtown HZA effort.

POSITION TO FOCUS ON DOWNTOWN HZA WORK PLAN:

One of the key recommendations in the report is to add a staff position to serve as a liaison for the city to the downtown community and insure that new and existing policies are working to make the downtown a safe and vibrant entertainment center. This new person will be charged to advance many of the strategies and actions referenced in the Downtown HZA. Additionally, this

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liaison will work with a City Manager's advisory group consisting of Downtown stakeholders to advance the RHI recommendations and organize regular training for safety agencies and business owners and work on key initiatives to sustain a more positive night life experience for patrons and venues.

Staff recommends the creation of a position in the City Manager's Office to focus on the work plan. This position is crucial to facilitate conversations and advance strategies with many public and private stakeholder groups.

PRIORITY ACTION ITEMS:

The Downtown HZA participants identified the following five priority action items that were identified for immediate implementation. Below is a status report and staff's recommendation for implementation of these key action items.

1. Diversify Music and Entertainment Options, Transitioning from Night Clubs to Night Life

San Jose has successfully established itself as a destination for multigenerational public space events in the daytime, early evening and on weekends. There is an opportunity to apply the same resource coordination to the development of a more active and diverse nighttime economy centered on live music, entertainment oriented to a variety of visitor segments, and street performances.

Action items associated with this priority include the centralization of communication and coordination of resources and the improvement of the entertainment permitting process to acknowledge and encourage a wider variety of entertainment options.

2. Create Better Pedestrian and Downtown Living Experiences

Comparisons with other popular destinations such as Santana Row, Los Gatos, and even shopping malls, recognize the value of a welcoming, pedestrian-friendly environment. This will become even more important for the new downtown residents who would prefer to walk rather than drive to dining and entertainment venues.

Action items associated with this priority include surveying primary hospitality zones to identify areas that inhibit increased evening and late-night pedestrian traffic and making recommendations to appropriate organizations, including the Department of Transportation, the San Jose Downtown Association and 1stACT Silicon Valley.

3. Streamline Permitting and Compliance

Transitioning to a nighttime mixed-use economy requires improvements in communication and coordination among development and safety organizations. Recommendations for adjustments to policing tactics came from each of the focus groups. More efficient access

to information about permits, licensing and timelines was a priority to these groups. The new proposed position would assist by centralizing information and facilitating needed coordination.

Action items associated with this priority include:

- 1) Establishing a position in the City Manager's office to focus on Downtown issues.
- 2) Creating a community-based group to address hospitality & entertainment issues.
- 3) Convening the safety and risk management organizations to compile information and develop a resource directory.
- 4) Convening permitting and licensing agencies and private sector organizations to recommend code and procedural modifications.

4. Shift to Asset-Based Documentation of the Nighttime Economy

The image of the Downtown entertainment environment can improve by the way information is conveyed. Shifting to an asset-based documentation of the nighttime economy could create incentives for investment in positive change. It would be beneficial to organize and highlight the accomplishments and benefits of this new nighttime economy. Organizations can improve how they report information and can document successes, as well as communicate areas for improvement.

Action items associated with this priority include collecting and organizing information about the net economic contribution of nighttime businesses and using comparison data to highlight aspects of nighttime economy.

5. Develop New Branding Campaign

Recognizing the potential impact from new residents in the high-rise housing units, there was general agreement that it is necessary to proactively promote Downtown as diverse and inclusive retail, dining, cultural and entertainment district and cultural district. Action items associated with this priority include:

- 1) Utilize Downtown web portal and messaging to continuously improve perceptions.
- 2) Convene representation from various stakeholder groups to determine long-term branding campaign and secure funding.
- 3) Conduct a brand audit questionnaire.
- 4) Compile a market positioning statement.
- 5) Establish a unified marketing campaign.
- 6) Improve and market nighttime transportation options.

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ONGOING COORDINATION REQUIREMENTS:

Achieving Downtown's potential requires the engagement of the Redevelopment Agency, the City Attorney's Office and many City Departments, including Police, Fire, Transportation, Public Works, Cultural Affairs and the Office of Economic Development. Coordination within the City Manager's Office is crucial. It is essential that staff collaboration be fostered to create balanced approaches for Downtown.

EVALUATION AND FOLLOW-UP

Staff recommends that progress on implementation of the Downtown HZA Work Plan be placed on an agenda of the Community and Economic Development Committee three times a year.

PUBLIC OUTREACH/INTEREST

Over 70 people participated in the Downtown HZA, including members from the San Jose Downtown Association, the Downtown Working Group, the Chamber of Commerce, Downtown high rise developers, residents, business owners and non-profit organizations. As the work plan is implemented, specific outreach efforts will be tailored to individual elements of the work plan.

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater.
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City.
- Criterion 3:** Consideration of proposed changes to service delivery, programs, or staffing that may have impacts to community services and have been identified by staff, the Board or Council, or a community group that requires special outreach.

COORDINATION

This memo has been coordinated with the Office of Economic Development, the City Attorney's Office and the Agency's General Counsel.

COST IMPLICATIONS

This proposed position is contemplated to be in the City Manager's Office. Funding for this position will be proposed to the City Council in the City's proposed operating budget for FY 2008-09.

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CEQA

Not a Project.



DEBRA FIGONE
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Attachments

