

REPLACEMENT

COUNCIL AGENDA: 02-08-11

ITEM: 4.3



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Kim Walesh

**SUBJECT: ECONOMIC STRATEGY
IMPLEMENTATION**

DATE: February 3, 2011

Approved

Date

2/4/11

COUNCIL DISTRICT: City-Wide

REASON FOR REPLACEMENT

The purpose of this replacement memorandum is to provide some new information on the Implementation Workplan Exhibit A that was discussed at the January 25, 2011 CED Committee as well as provide additional clarifying information on revenues to the City and Agency from pipeline projects in Exhibit B.

RECOMMENDATION

Accept the status report on progress implementing the Economic Strategy Workplan for the January 2010 – June 2011 time period.

OUTCOME

This report provides an update on the progress implementing the Economic Strategy Workplan for the January 2010-July 2011 period.

BACKGROUND

On April 4, 2010, City Council adopted the Economic Strategy 2010, which was intended to focus staff and other resources across City departments and the Redevelopment Agency in a common direction to:

1. Aggressively regain jobs and revenue as the national economy recovers (Strategic Goals #1-6), and
2. Create an outstanding business and living environment that can compete with the world's best cities over the long-term (Strategic Goals #7-12).

In addition to adopting the five-year Strategy, Council adopted an 18-month Workplan that identified high-priority action items for the January 2010-June 2011 time period. High-priority action items were defined as those that:

- can achieve a significant milestone or outcome in 18 months, and
- will require significant staff and/or Council time and attention.

Out of the 39 Workplan items, the Mayor and Council identified the “Top 10 for 2010.” Staff committed to provide a progress report on Workplan implementation at the end of 2010.

The Executive Summary of the Economic Strategy and the January 2010-June 2011 Workplan are attached to this memorandum.

ANALYSIS

Implementation of Economic Strategy 2010 is a collaborative effort that involves 11 City departments and the Redevelopment Agency, with leadership by the Office of Economic Development.

Exhibit A lists the Workplan items for each Strategic Goal and the departments involved, and provides a Progress Update. Exhibit B summarizes the new jobs, new City revenue, and new Agency revenue associated with completed and in-process projects assisted by the economic development team since adoption of the Strategy in April 2010, and

Staff will be available at the Committee meeting to answer questions on the various Workplan action items. Bottom-line outcomes are significant:

- Since the Economic Strategy was adopted in January 2010, significant projects assisted by City/Agency staff have generated 1,146 jobs, \$1,355,118 in City revenue, and \$447,818 in Agency revenue.
- Largely as a result of the coordinated “Jobs and Revenue-Generation Committee” effort to advance housing projects in North San Jose, the Building Department in December realized \$4 million in permit revenue—the second time in San Jose history to reach that level.

Staff has worked aggressively to implement the Economic Strategy and produce results with small, declining resources in a troubled economy. (Note: The City currently spends less than 1% its General Fund operating budget on economic development.) With continuing City General Fund deficits and the proposed state discontinuation of Redevelopment agencies, San Jose leaders will need to confront how to sustain a commitment to basic economic development functions that enable jobs for residents and revenue for city services and investment.

Also at the Committee meeting, staff will provide a brief update on recent changes to San Jose’s employment levels and unemployment rate that have occurred since this

information was last provided at the November 18, 2010 City Council Budget Study Session.

EVALUATION AND FOLLOW-UP

Shortly after conclusion of the FY 2011-2012 budget, City staff will recommend a set of Workplan action items for the July 2011-December 2012 time period for consideration by the CED Committee and/or full City Council.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater.
(Required: Website Posting)
- 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.
(Required: E-mail and Website Posting)
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

COORDINATION

The workplan has been coordinated with the Department of Planning, Building, and Code Enforcement; Department of Transportation; Public Works; Airport; Environmental Services Department; Housing Department; and the Redevelopment Agency.

CEQA

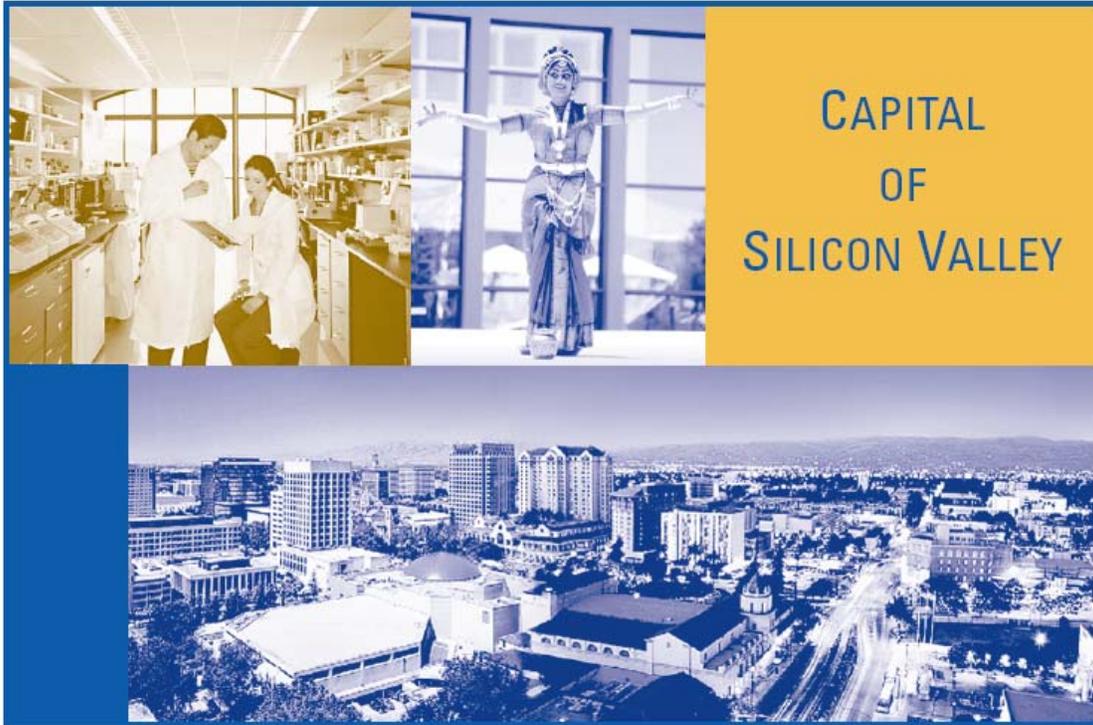
CEQA: Not a Project, File No. PP10-066 (a), Staff Report.

/s/
KIM WALES
Chief Strategist/Acting Director of
Economic Development

For questions please contact John Lang, Development Officer, at 408-535-8178.

Attachments

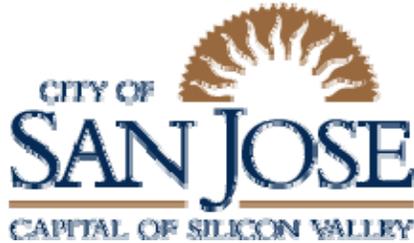
San Jose



CAPITAL
OF
SILICON VALLEY

Economic Strategy 2010

Executive Summary



Prepared by

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Special thanks to the more than 130 people who provided suggestions for this strategy through focus groups and interviews.

Download the Executive Strategy report and supporting research materials at:

www.sjeconomy.com/publications/strategy.asp

Please direct inquiries or comments to:

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Time to Update 2003 Strategy

In November of 2003, the San Jose City Council adopted the city's first comprehensive Economic Development Strategy, which provided a framework to set priorities, align resources, and guide day-to-day work citywide. Since then, significant progress has been made in advancing each of that Strategy's 15 Strategic Goals.

After struggling to recover jobs from the dot-com bust of 2001-2002, San Jose is now reeling from a global economic recession that is far deeper and more pervasive. Economists anticipate that the recession effects will last well into 2011 and that job growth in the recovery period will be weak. There is concern about the ability of economy to regenerate and catch a next wave of innovation, and about the human and community cost of a sustained downturn.

City leaders know that, ultimately, a vital economy is essential for ensuring a quality community for the people and employers of San Jose. In San Jose, we want three basic outcomes from our economy: a growing economy, prosperity and opportunity for residents, and revenue growth to fund City services. The first outcome is a prerequisite to achieving the other two outcomes.

This document summarizes the 2010 Update to the original 2003 Economic Development Strategy. By setting thoughtful priorities for the next five years, San Jose can help maximize potential for sustained income and job growth after the recession and can also strengthen the community's position for sustained, long-term success.



Looking Forward: Key Findings and Forces of Change

Research and outreach for this Strategy point to several fundamental conclusions.

San Jose is a city with very strong forward momentum. In focus groups and interviews conducted for this Strategy update, residents, employers and economic experts noted the significant progress made the last five years in a variety of important areas. Continued population growth made San Jose the 10th largest U.S. city in 2008, and strong long-term growth is projected. And the San Jose/Silicon Valley region has retained its ranking as the world's #1 location for innovation and entrepreneurship (Milken Institute, 2009).

At this point in time, San Jose faces two major needs: the urgent need to regain jobs for its growing population and revenue for the City, and the fundamental need to fashion an outstanding business and living environment that can compete with the world's best cities over the longer term.

As the nation comes out of recession, the economic environment facing San Jose will be characterized by uncertainty, volatility, heightened competition, and slower growth. To succeed, San Jose must be aggressive, focused, flexible, and opportunistic. The city must differentiate itself in an increasingly noisy marketplace of competing communities. The city must also recognize that many state, national, and international factors will affect the context for economic recovery and are out of San Jose's direct control.



In addition, over the next five years San Jose will begin to confront a set of fundamental forces of long-term change—economic as well as demographic—that will begin to play themselves out. These shaping forces will alter the environment in which our city and its economy succeed or falter over the next 25 years. If San Jose can anticipate, understand, and work with these forces of change, the community can harness change to its advantage.

Forces of Change Affecting the San Jose Economy

The following 10 significant long-term shifts underway today are most relevant to cities like San Jose. Most represent a marked departure from the last 25 years. These forces of change both create opportunity and expose weakness or vulnerability.

Economic Forces

- More Moderate Job Growth, New Economic Engines
- Steady Pressure on Manufacturing and Other Middle-Income Jobs
- Transition to Low-Carbon Economy
- Changing Funding Models for Business Start Up and Growth
- Asia Becomes New Center of Gravity
- Competing on “Right Brain” Creativity and Design
- Growing Disconnect Between Economic Growth, City Tax Base, and State Investment

Demographic Forces

- Substantial Population Growth in Young Adults and Seniors
- Locally Educated Children of Immigrants Will Drive Workforce Growth
- Growing Demand for College-Educated Workers; Shortages Predicted

Economic Vision for San Jose

Having a clear, compelling economic vision—a distinctive identity for our community—is important at this stage of San Jose’s development.

- An attractive and visible identity is critical for attracting and retaining innovative people and companies in a highly competitive environment.
- An inspiring, shared vision is important for mobilizing people to work collaboratively and proactively to create San Jose’s future.

San Jose can be an exciting, economically successful city by realizing and communicating a set of six unique attributes that define San Jose as the Capital of Silicon Valley. Each element of the vision builds on current assets and characteristics, but stretches us to develop and express them more fully—transforming emerging signs of who we are today into a powerful vision of how we will find success tomorrow.

This economic vision reflects the aspirations of residents and businesses, and is grounded in a hard-nosed assessment of where San Jose can truly differentiate itself from other cities—local to global.

Economic Vision for San Jose

As the **Capital of Silicon Valley**, and largest city in the world’s leading region for innovation, San Jose is...

- **A Global Gateway**, a cosmopolitan, international city for leading businesses and talent from around the world
- **A Creative Community** that pioneers innovation within and across technology and business, culture and society
- **An Entrepreneurial Environment** where people from all walks of life start and grow companies, and achieve their dreams
- **A Place of Opportunity**, where residents find a range of rewarding employment opportunities and support to participate in the economy
- **The World’s Most Livable Big City**, with diverse and distinctive qualities of life
- **A Valued Contributor** to addressing the world’s pressing public challenges—environmental, economic, urban

Recommended Strategic Goals: 2010-2015

Over the next five years, San Jose should approach its economic development challenge at two levels.

- At the most basic level, as the national economy recovers San Jose's most urgent need is to regain jobs for its growing population and revenue for City services and infrastructure investment.
- At the same time, the City must create the strong, distinctive community success factors required to stay competitive and attractive over the longer term.

The Economic Strategy Update identifies 12 Strategic Goals that San Jose should pursue with its economic development partners over the next five years. Advancing these Goals will help San Jose achieve its three desired outcomes—growing economy, increasing prosperity and opportunity, and revenue growth for the City—and fulfill its distinctive role as the Capital of Silicon Valley.

Strategic Goals 2010-2015

Regain Jobs and Revenue

- #1 Encourage Companies and Sectors that Can Drive the San Jose/Silicon Valley Economy and Generate Revenue for City Services and Infrastructure
- #2 Develop Retail to Full Potential, Maximizing Revenue Impact and Neighborhood Vitality
- #3 Preserve and Strengthen Manufacturing-Related Activity and Jobs
- #4 Nurture the Success of Local Small Businesses
- #5 Increase San Jose's Influence in Regional, State, and National Forums in Order to Advance City Goals and Secure Resources
- #6 Improve the Speed, Consistency, and Predictability of the Development Review Process, and Reduce Costs of Operating a Business in San Jose

Invest for Future Success

- #7 Prepare Residents to Participate in the Economy Through Training, Education, and Career Support
- #8 Advance the Diridon Station Area as Key Transportation Center for Northern California
- #9 Keep Developing a Competitive, World Class Airport, and Attract New Air Service
- #10 Continue to Position Downtown as Silicon Valley's City Center
- #11 Create More Walkable, Vibrant, Mixed-Use Environments to Spur Interaction and Attract Talent
- #12 Develop a Distinctive Set of Sports, Arts, and Entertainment Offerings, Aligned With San Jose's Diverse, Growing Population

In the complete Strategy document, each Strategic Goal identifies specific actions that city government should pursue, both existing efforts that should be continued and new initiatives, policy changes, and investments that should be considered over the coming five years.

Implementation of the Strategy should have four main tracks:

Successful implementation of this Strategy will require the active involvement of City government, including elected officials, Administration leaders, and employees from many Departments. Partners from business, education, labor, and the community have equally important roles to play.

- *Set Priorities for First Two Years*—The City Council and Administration should identify the highest-priority Strategic Goals, and the highest-priority Actions within each of the 12 Strategic Goals, that should be pursued in 2010 and 2011.
- *“Connect the Dots” Across the City Organization*—The Economic Strategy should be communicated throughout the City organization, so that every Department and staff member can understand their contribution and align their work to support the Strategy.
- *Build Implementation Partnerships with the Community*—City elected leaders and staff should take this Strategy out into the business community and neighborhoods. They should engage key economic development partners and clarify how to move forward together on the Strategic Goals.
- *Track Performance and Progress*—On a regular basis (every 12-18 months) the City Council should conduct a review of the Strategy. The City should track three kinds of measures related to implementation of the Strategy: performance on desired economic outcomes, performance on community success factors, and milestones and results of implementing the Economic Strategy.

As we implement this Strategy over the next five years, we need to be aware that our environment will continue to change. The Strategy was developed at a time of significant economic flux and uncertainty. Even as we focus on implementing initial priorities, we will need to be opportunistic as new possibilities and problems emerge over time. We must continue learning from each other locally and from our increasingly interconnected world. San Jose can pioneer a kind of civic adaptability that can make change as healthy and constructive as possible for our residents, organizations, and community.

Implementation Principles

City leaders and employees should consider how their work affects the San Jose’s economic development success and identify how they can contribute to implementing this Strategy. On a day-to-day basis, the following principles are important:

- Economic development is a **citywide business**
- Economic development and quality of life are **interdependent priorities**
- **Employers are customers**, just like residents
- Each City staff member is an **Ambassador** for the entire City of San Jose
- Be **responsive, adaptable, speedy, and aggressive**
- **Be in communication** with San Jose employers for ongoing learning
- Look out for **new opportunities that emerge** aligned with San Jose’s Economic Vision

Implementation Workplan (January 2010-June 2011)

“Top 10 Actions for 2010” are highlighted

“Four Highest-Priority Strategic Goals for 2010” identified with an asterisk (*)

Action	Team
#1 Encourage Companies and Sectors that Can Drive the San Jose/Silicon Valley Economy and Generate Revenue for City Services and Infrastructure *	
1.a – Retain local incentive funds and develop new financial tools to improve San Jose’s competitiveness at attracting driving industry companies.	OED/Agency/Budget Office
1.b – Develop the Clean Tech Demonstration Center (at the new San Jose Environmental Innovation Center) to provide a setting, equipment, and support for new environmental technologies, from pilot to demonstration to commercialization.	OED/ESD
1.c – Undertake targeted efforts to attract foreign companies planning to establish operations in the United States, especially in cleantech, life sciences, and information technology/services.	OED
#2 Develop Retail to Full Potential, Maximizing Revenue Impact and Neighborhood Vitality	
2.a – Expediently advance current retail projects on existing sites through the planning stage, including Evergreen, Arcadia, Almaden/85, and Hitachi Cottle Road.	OED/PBCE
2.b – Develop new tools like sales-tax sharing agreements to fund necessary predevelopment and transportation improvements to move current and future retail projects forward.	OED/Budget Office
2.c – Work to retain car sales companies and car sales sites for sales-tax generating use.	OED/PBCE
#3 Preserve and Strengthen Manufacturing-Related Activity and Jobs *	
3.a – Preserve industrial lands by aligning land use decisions with the Preservation of Employment Lands Framework and incorporate appropriate protections in the Envision 2040 Plan.	PBCE/OED
3.b – Protect and improve trucking and freight transportation access to the City’s key employment areas; develop a longer-term access plan that could be pursued in collaboration with the State when funding is available (incorporate into General Plan Update)	OED/PBCE
#4 Nurture the Success of Local Small Businesses *	
4.a – Integrate oversight of citywide small business strategy, services, and evaluation into the responsibilities of the work2future board, which oversees BOS and work2future small business outreach and services.	OED
4.b – Actively recognize and promote BOS as the core element of San Jose’s small business support strategy.	OED/Agency
4.c – Develop a new on-line forum to connect businesses to resource	OED

providers in real time, new on-line job and procurement fairs, and a new on-line “how green is your business” self assessment tool.	
4.d – Develop a new master permit program for small retail leases in large shopping complexes.	OED/PBCE
#5 Increase San Jose’s Influence in Regional, State and National Forums in Order to Advance City Goals and Secure Resources	
5.a - Secure a seat on the Metropolitan Transportation Commission, the Bay Area’s federally designated metropolitan planning organization.	DOT/OED/Regional Influence Team
5.b – Secure staff voting rights on ABAG in the Mayor’s absence, similar to the provision made for San Francisco.	PBCE/Regional Influence Team
#6 Improve the Speed, Consistency, and Predictability of the Development Review Process, and Reduce Costs of Operating a Business in San Jose *	
6.a - Retain and improve the Special Tenant Improvement Program and the Industrial Tools Installation Program to expedite permit review for expanding companies, and continue to reorganize and streamline the development review process.	PBCE/OED
6.b – Complete and adopt enhanced development plan check submittal process to provide customers with clear guidance about how to obtain the necessary Public Works permit.	Public Works
6.c - Continue aggressive promotion of the Enterprise Zone Tax Credits as a tool to reduce business operations costs, and pursue other state and federal assistance programs to support new development and business attraction and expansion.	Agency/OED
#7 Prepare Residents to Participate in the Economy Through Training, Education, and Career Support	
7.a - Through <i>San Jose 2020</i> , convene education, business, and nonprofit leaders to develop a plan to better align existing resources around shared goals to increase the rate of high school graduation in San Jose, the share of high school graduates prepared for college, and the share of graduates that enter and complete post-secondary education.	Mayor’s Office/OED work2future
7.b - Create partnerships between K-12, community colleges, pre-apprenticeship and apprenticeship programs, and institutions of higher learning. Examples include a system that can steer low-income people towards careers in the green economy.	work2future
7.c - Through work2future, provide occupational assessment and counseling services to people that advance to middle-income jobs through identification of both career ladders (sequential positions) and career lattices (transferable skills).	work2future
7.d - Help reform the Workforce Investment Act to a) provide more opportunity to serve at-risk youth and reduce federal barriers, and b) support summer work experience programs.	work2future
#8 Advance the Diridon Station Area as Key Transportation Center for Northern California	
8.a - Complete the Diridon Station Area Plan to identify the most effective strategies for expansion of Diridon Station and for development of station area.	OED/Agency/DOT/PBCE/ Housing
8.b - Continue working with Diridon Area Good Neighbor Committee to sensitively integrate Diridon Station area development with HP Pavilion and surrounding neighborhoods.	OED/Agency

8.c - Support California High Speed Rail Authority to secure approvals and funding to complete the San Jose to San Francisco segment by 2016, and the San Jose to Los Angeles/Anaheim segment by 2020.	DOT
8.d - Support Valley Transportation Authority (VTA) to extend BART service to Downtown San Jose and Diridon Station by 2020.	DOT
#9 Keep Developing a Competitive, World Class Airport, and Attract New Air Service	
9.a – Maintain a cost-conscious, competitive operating environment to successfully compete with the other major airports in the Bay Area and across the nation in retaining and attracting air service.	Airport
9.b - Explore issuing an RFP to develop the property on the west side of the airport to support general aviation demand by Silicon Valley companies.	Airport
9.c - Engage Silicon Valley community and corporate leadership to assist the airport and its partners to secure additional air service.	Airport
#10 Continue to Position Downtown as Silicon Valley's City Center	
10.a - Expand and upgrade the Convention Center to increase its capabilities as a modern meeting venue.	Agency/OED
10.b - Complete the San Pedro Square Urban Market project, integrating historic resources and new shopping experiences into a cohesive, unique destination.	Agency/OED
10.c - With partners, promote Downtown San Jose to major office users to lease existing space and develop interest in new properties.	Agency/OED
10.d - Retain capacity to coordinate and support special events Downtown.	OED
10.e – Proactively coordinate Downtown policy, operational issues, and stakeholder communication, including efforts to achieve a stronger mix of evening entertainment and live music offering aimed at broader audiences.	OED/PD/CAO/Agency
#11 Create More Walkable, Vibrant, Mixed-Use Environments to Spur Interaction and Attract Talent	
11.a - Complete the General Plan Update, locating new employment and housing in pedestrian and bicycle friendly, mixed use transit corridors and villages supported by parks and other amenities.	PBCE
11.b - Foster implementation of the North San Jose Vision, encouraging the development of new housing and recreation within an intensified job center.	Agency/OED/PBCE/PRN S/DOT/Housing
#12 Develop a Distinctive Set of Sports, Arts, and Entertainment, Offerings Aligned With San Jose's Diverse, Growing Population	
12.a - Enable construction of the San Jose Earthquakes/Major League Soccer Stadium on the Airport West property.	OED
12.b - Continue planning for Major League Baseball facility in the Diridon station area, working toward a 2010 successful public ballot.	Agency/OED
12.c – Encourage ongoing production of national/international events and performances in San Jose, including Rock N Roll Half Marathon, NCAA, national and Olympic championship events, Cirque Du Soleil, Broadway Touring Shows, and national concert tours in partnership with the San Jose Sports Authority, Team San Jose, and other appropriate private and non-profit sponsors.	OED

Strategic Initiative #1:
Encourage Companies and Sectors that Can Drive the San Jose/Silicon Valley Economy and Generate Revenue for City Services and Infrastructure *

	Implementation Actions	Team	Progress Update
1.a	<i>Retain local incentive funds and develop new financial tools to improve San Jose's competitiveness at attracting driving industry companies.</i>	OED/Agency Budget Office	On 6/15/10, the Redevelopment Agency provided \$600k to Solfocus and on 6/22/10 \$400k to Intermolecular for the acquisition of capital equipment. The Agency and City brought forward and Council approved capital equipment acquisition agreements for Maxim Integrated Products and Sunpower on January 25,2011. The City provided assistance to SunPower in securing a \$30 million Recovery Zone Facility Bond. In March 2010, Council adopted two financial tools to assist local businesses including: the suspension of business tax for small businesses, and offering free parking to downtown tenants that sign new leases. Agreements for Maxim and Sunpower have two new types of sales and utility tax sharing agreements as part of an incentive package (refer to item. 2.b)
1.b	Develop the Clean Tech Demonstration Center (at the new San Jose Environmental Innovation Center-EIC) to provide a setting, equipment, and support for new environmental technologies, from pilot to demonstration to commercialization.	OED/ESD	Update. Mayor's Office received letter in November notifying City's application for a \$4 million Economic Development Administration grant was moved to Washington D.C. for further review. Application submitted to Global Climate Change Mitigation Incentive Fund in December for \$3.5 million. Council approved the selection of New Market Tax Credit financial consultant in December to pursue \$5 million for EIC construction hard and soft costs. The bid documents for the EIC were approved by Public Works and released on January January 11, 2011.
1.c	Undertake targeted efforts to attract foreign companies planning to establish operations in the United States, especially in cleantech, life sciences, and information technology/services.	OED	Through a collaboration with OCO Global, OED has targeted 10 companies which has resulted in 5 leads of companies looking to locate to San Jose. Successful efforts include a new office location for Certicon software company from Prague Czechoslovakia. In addition the City collaborated with the City of Osaka to produce a Clean Tech Innovation Partnership seminar in October 2010.

Strategic Initiative #2:
Develop Retail to Full Potential, Maximizing Revenue Impact and Neighborhood Vitality

	Implementation Actions	Team	Progress Update
2.a	Expediently advance current retail projects on existing sites through the planning stage, including Evergreen, Arcadia, Almaden/85, and Hitachi Cottle Road.	OED/PBCE	Successful retail openings include: Target@First, Whole Foods@Blossom Hill, Fresh 'N Easy@Bird and Big Lots@Parkmoor. In addition, plans have been submitted for Acradia at Evergreen which includes 300,000 sq ft of retail. Site Development plans for Almaden Ranch are anticipated to be submitted in March 2011 which will include 350,000 sq ft of retail. Westfield Oakridge Mall added an additional 20,000 sq ft of additional retail capacity.
2.b	Develop new tools like sales-tax sharing agreements to fund necessary predevelopment and transportation improvements to move current and future retail projects forward.	OED/Budget Office	On January 25, 2011 Council approved sales and utility tax sharing agreements for Maxim Integrated Products and Sunpower to be able to fund predevelopment costs as part of an incentive package to attract and retain their Corporate Headquarters, respectively.

Updated-Exhibit A
2010 Strategy Workplan Update

2.c	Work to retain car sales companies and car sales sites for sales-tax generating use.	OED/PBCE	Recent Expansions and relocations by Capitol Honda, Capital Mazda and Capital Subaru have lowered commercial vacancy rates along Capitol Auto Row. Tesla auto recently added a showroom to Santana Row.
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Strategic Initiative #3:			
Preserve and Strengthen Manufacturing-Related Activity and Jobs *			
	Implementation Actions	Team	Progress Update
3.a	<i>Preserve industrial lands by aligning land use decisions with the Preservation of Employment Lands Framework and incorporate appropriate protections in the Envision 2040 Plan.</i>	PBCE/OED	<i>Draft Envision 2040 General Plan contains goals and policies to protect employment land. Until the Update is approved, Council's decisions are guided by the Framework for the Preservation of Employment Lands.</i>
3.b	Protect and improve trucking and freight transportation access to the City's key employment areas; develop a longer-term access plan that could be pursued in collaboration with the State when funding is available (incorporate into General Plan Update)	OED/PBCE	Draft Envision 2040 General Plan contains goals and policies to protect strategic trucking and freight transportation.

Strategic Initiative #4:			
Nurture the Success of Local Small Businesses *			
	Implementation Actions	Team	Progress Update
4.a	<i>Integrate oversight of citywide small business strategy, services, and evaluation into the responsibilities of the work2future board, which oversees BOS and work2future small business outreach and services.</i>	OED	<i>OED/work2future staff currently provide support to the small business commission. In addition a joint small business study and strategy is being conducted by work2future and NOVA workforce board and will be completed in February 2011.</i>
4.b	Actively recognize and promote BOS as the core element of San Jose's small business support strategy.	OED/Agency	BOS' website and general information was promoted to the Neighborhood Business Districts and the Neighborhood Business Clusters as a resource for their members.
4.c	Develop a new on-line forum to connect businesses to resource providers in real time, new on-line job and procurement fairs, and a new on-line "how green is your business" self assessment tool.	OED	An RFP was issued and a consultant was selected to develop the self assessment tool. The web based tool is expected to be completed in February 2011.
4.d	Develop a new master permit program for small retail leases in large shopping complexes.	OED/PBCE	Streamlined tenant improvement processing is being implemented.

Strategic Initiative #5:			
Increase San Jose's Influence in Regional, State and National Forums in Order to Advance City Goals and Secure Resources			
	Implementation Actions	Team	Progress Update
5.a	Secure a seat on the Metropolitan Transportation Commission, the Bay Area's federally designated metropolitan planning organization.	DOT/OED/Regional Influence Team	In January 2011, Councilmember Sam Liccardo was selected for appointment to MTC by the Santa Clara County Cities Association. The appointment is for a four-year term effective February 2011. Additionally, on January 26th, the MTC Board approved initiation of State legislation to create new MTC seats dedicated to San Jose and Oakland. Assemblymember Jim Beall has agreed to author the legislation.
5.b	Secure staff voting rights on ABAG in the Mayor's absence, similar to the provision made for San Francisco.	PBCE/Regional Influence Team	Conversation underway to verify that San Jose already has the same voting provisions as San Francisco.

**Strategic Initiative #6:
Improve the Speed, Consistency, and Predictability of the Development Review Process, and Reduce Costs of Operating a Business in San Jose ***

	Implementation Actions	Team	Progress Update
6.a	<i>Retain and improve the Special Tenant Improvement Program and the Industrial Tools Installation Program to expedite permit review for expanding companies, and continue to reorganize and streamline the development review process.</i>	<i>PBCE/OED</i>	<i>Council through the adoption of the FY 10-11 budget retained staffing for the Special Tenant Improvement Program and the Industrial Tools Installation Program to continue to expedite permit review for expanding companies, and continue to reorganize and streamline the development review process. In addition, Council established funding to implement the Development Services Project Manager Pilot program.</i>
6.b	Complete and adopt enhanced development plan check submittal process to provide customers with clear guidance about how to obtain the necessary Public Works permit.	Public Works	Public works has completed the enhanced plan check submittal process which outlines clearly how to obtain Public Works permits.
6.c	Continue aggressive promotion of the Enterprise Zone Tax Credits as a tool to reduce business operations costs, and pursue other state and federal assistance programs to support new development and business attraction and expansion.	Agency/OED	The Redevelopment agency reached out to 262 businesses in the Enterprise Zone and issued 1,674 hiring tax credit vouchers to companies that hired Enterprise Zone eligible employees. Staff participated in four workshops to promote the Enterprise Zone program.

**Strategic Initiative #7:
Prepare Residents to Participate in the Economy Through Training, Education, and Career Support**

	Implementation Actions	Team	Progress Update
7.a	Through San Jose 2020, convene education, business, and nonprofit leaders to develop a plan to better align existing resources around shared goals to increase the rate of high school graduation in San Jose, the share of high school graduates prepared for college, and the share of graduates that enter and complete post-secondary education.	Mayor's Office/OED work2future	The Office of the Mayor and the Santa Clara County Office of Education (SCCOE) have developed committees and advisory councils to address the achievement gap in San Jose. The collaborative has hosted community forums, recruited additional educational institutions and community organizations to assist in the initiative. The collaborative has been working on a resource mapping effort to highlight mismatches between the supply and demand for support programs. Additional efforts include the creation of a baseline report card and greater collaboration with STRIVE and Living Cities.
7.b	Create partnerships between K-12, community colleges, pre-apprenticeship and apprenticeship programs, and institutions of higher learning. Examples include a system that can steer low-income people towards careers in the green economy.	work2future	work2future has established a Green Cadre program that works with low-income, at risk youth to expose them to careers in the Green Economy. In addition, work2future has established a pre-apprenticeship training program with Evergreen Community College and the South Bay Labor Council to prepared youth and adults for careers in the constructions and trades.
7.c	Through work2future, provide occupational assessment and counseling services to people that advance to middle-income jobs through identification of both career ladders (sequential positions) and career lattices (transferable skills).	work2future	work2future was part of a pilot program called the Statewide Integration Initiative. As a key component of the initiative every client that now enrolls with work2future will as a matter of course receive occupational assessments and job coaching. A key focus of these assessment and coaching is to provide work2future job seeking clients with insights into their transferable skills and identify for them in the process career ladders and lattices.
7.d	Help reform the Workforce Investment Act to a) provide more opportunity to serve at-risk youth and reduce federal barriers, and b) support summer work experience programs.	work2future	work2future is working closely with the City lobbyist and through the California Workforce Investment Board, California Workforce Association and other regional, state and national bodies to provide more opportunity to serve at-risk youth and reduce federal barriers.

<i>Strategic Initiative #8:</i>			
Advance the Diridon Station Area as Key Transportation Center for Northern California			
	Implementation Actions	Team	Progress Update
8.a	Complete the Diridon Station Area Plan to identify the most effective strategies for expansion of Diridon Station and for development of station area.	DOT/Agency/OED/ PBCE/Housing	Preferred alternative along with Framework for Implementation (Item 8.b) was presented to Council on January 25, 2011.
8.b	Continue working with Diridon Area Good Neighbor Committee to sensitively integrate Diridon Station area development with HP Pavilion and surrounding neighborhoods.	OED/Agency	Good Neighbor Committee unanimously adopted the Diridon Station Area Framework for Implementation The Framework for Implementation was subsequently approved by City Council on January , 25, 2011.
8.c	Support California High Speed Rail Authority to secure approvals and funding to complete the San Jose to San Francisco segment by 2016, and the San Jose to Los Angeles/Anaheim segment by 2020.	DOT	City Council directed staff to negotiate a Cooperative Agreement between the City of San Jose and the California High Speed Rail Authority to address the visual, urban design and aesthetic elements of the High Speed Rail project through the City. A community meeting was held on November 4th to discuss the agreement and other High Speed Rail issues with interested community members.
8.d	Support Valley Transportation Authority (VTA) to extend BART service to Downtown San Jose and Diridon Station by 2020.	DOT	VTA's planning and design of the BART extension to Berryessa is progressing on schedule. VTA and City staff are currently engaged in development of cooperative agreements outlining jointly acceptable design and construction procedures for key infrastructure development. In addition, staff is working with VTA to develop and release the Request for Qualifications (RFQ) for the Design Build selection by early 2011.

<i>Strategic Initiative #9:</i>			
Keep Developing a Competitive, World Class Airport, and Attract New Air Service			
	Implementation Actions	Team	Progress Update
9.a	<i>Maintain a cost-conscious, competitive operating environment to successfully compete with the other major airports in the Bay Area and across the nation in retaining and attracting air service.</i>	<i>Airport</i>	<i>Council approved Airport Competitiveness Strategy in May 2010 that provides a comprehensive framework to keep Airport operating costs to airlines at levels that are competitive with airports in the region and across the nation. The Airport has achieved significant cost reductions including aggressive expenditure control, outsourcing custodial services, and relocating administrative offices into the airport to eliminate rent costs. Additional measures for contracting out public safety services will be brought to the City Council in 2011.</i>
9.b	Explore issuing an RFP to develop the property on the west side of the airport to support general aviation demand by Silicon Valley companies.	Airport	Amendment to the Airport Master Plan was approved by Council in June 2010 that allows potential development of the west side of the airport for General Aviation uses. Preparation of an RFP is under way, and it is scheduled to be released in 2011.
9.c	Engage Silicon Valley community and corporate leadership to assist the airport and its partners to secure additional air service.	Airport/OED	During 2009 a series of "business in-reach" meetings were held at the airport during construction to introduce more than 700 business, community, and travel industry leaders to the air service opportunities at the airport. Outreach to airline executives and Silicon Valley corporate community to recruit air service in collaboration with the Mayor's Office, Office of Economic Development, Airport, and Silicon Valley business organizations. The Mayor has established an ad hoc Council Committee to address air service and competitiveness issues that will support ongoing business engagement activities and air service opportunities in 2011 and beyond.

Strategic Initiative #10:			
Continue to Position Downtown as Silicon Valley's City Center			
	Implementation Actions	Team	Progress Update
10.a	Expand and upgrade the Convention Center to increase its capabilities as a modern meeting venue.	DPW/OED/Agency	Contractor procurement completed December 14, 2010. Financing scheduled to yield proceeds in early March 2011. Gap financing to Council on February 18, 2011.
10.b	Complete the San Pedro Square Urban Market project, integrating historic resources and new shopping experiences into a cohesive, unique destination.	Agency/OED	Grading permits have been issued as well as several building permits. Developers are currently marketing site to potential tenants
10.c	With partners, promote Downtown San Jose to major office users to lease existing space and develop interest in new properties.	Agency/OED	November 2010, PricewaterhouseCoopers signed a lease relocating 1,200 jobs to occupy 209,000 sq ft in the former Sobrato Building located on Almaden Avenue. Agency/OED/Mayor's Office collaborated to create a new web portal – www.ChooseSanJose.com – that highlights the competitive advantages of doing business in San Jose. A soft launch has been initiated with the official launch and promotional campaign to take place in January 2011.
10.d	Retain capacity to coordinate and support special events Downtown.	OED	With the adoption of the FY2010-2011 Budget Council retained minimum special events staff as well as funding for the San Jose Sports Authority. Transition of Christmas in the Park underway.
10.e	Proactively coordinate Downtown policy, operational issues, and stakeholder communication, including efforts to achieve a stronger mix of evening entertainment and live music offering aimed at broader audiences.	OED/PD/CAO/Agency	2010 accomplishments include passage of Entertainment Zone Policy Model, Downtown Zoning Overlay and City Manager's Downtown Advisory Committee

Strategic Initiative #11			
Create More Walkable, Vibrant, Mixed-Use Environments to Spur Interaction and Attract Talent			
	Implementation Actions	Team	Progress Update
11.a	Complete the General Plan Update, locating new employment and housing in pedestrian and bicycle friendly, mixed use transit corridors and villages supported by parks and other amenities.	PBCE	Draft Envision San Jose 2040 is circulating for public comment with these and other provisions.
11.b	Foster implementation of the North San Jose Vision, encouraging the development of new housing and recreation within an intensified job center.	Agency/OED/PBCE/PRNS/DOT/Housing	The Irvine Company and Fairfax Residential have signed their Satisfaction Agreements providing them certainty that they comply with the City's suspension of Inclusionary Housing requirements in Redevelopment Areas for rental housing.

Strategic Initiative #12			
Develop a Distinctive Set of Sports, Arts, and Entertainment, Offerings Aligned With San Jose's Diverse, Growing Population			
	Implementation Actions	Team	Progress Update
12.a	Enable construction of the San Jose Earthquakes/Major League Soccer Stadium on the Airport West property.	OED	Council approved revised business terms for the Developer in December 2010. The revised business terms allow additional time for the developer to identify potential tenants and secure the necessary private financing to build the stadium in light of economic downturn.
12.b	Continue planning for Major League Baseball facility in the Diridon station area, working toward a 2010 successful public ballot.	Agency/OED	Project is currently awaiting a response from the Commissioner's Office for Major League Baseball.

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12.c	Encourage ongoing production of national/international events and performances in San Jose, including Rock N Roll Half Marathon, NCAA, national and Olympic championship events, Cirque Du Soleil, Broadway Touring Shows, and national concert tours in partnership with the San Jose Sports Authority, Team San Jose, and other appropriate private and non-profit sponsors.	OED	Thus far in FY 2010-2011 over 13,000 runners participated in the 2010 Rock N Roll Half Marathon and efforts are underway for the 2011 Tour of California in May 2011. Staff has been working to insure the successful production of the Rock N Roll Half Marathon and Cirque Du Soleil in 2012.
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