



Memorandum

TO: DRIVING A STRONG
ECONOMY COMMITTEE

FROM: Paul Krutko

SUBJECT: SEE BELOW

DATE: March 8, 2004

Approved

Date

**SUBJECT: STATUS OF THE TOP FOUR ECONOMIC DEVELOPMENT
STRATEGY INITIATIVES**

This memo presents an update on the four Strategic Initiatives from the Economic Development Strategy identified by the City Council as high-priority for 2004. They are:

- #3 - Develop Strategic Partnerships with San Jose State and Other Universities to Drive Innovation and Economic Impact
- #4 - Evolve and Position Downtown San Jose as A Unique Creative and Cultural Center for Silicon Valley
- #5 - Support Start-Up and Growth of Local Business, Small and Large, in Tech as well as in Non-tech Fields
- #8 - Diversify San Jose's Economy and Create/Preserve Middle-Income Jobs

Attached are the relevant pages from the "One List" of GFB2W Economic Strategy projects that provide status information for each project. Highlights are summarized below.

Initiative #3: Develop Strategic Partnerships with San Jose State and Other Universities to Drive Innovation and Economic Impact

Since adoption of the Economic Strategy, the City (through SVWIN) has launched a new collaboration with SJSU's School of Hospitality to understand and support the hiring plans, training needs, and career path opportunities in the local hospitality industry. Talks continue with SJSU to explore opportunities for a first-rate collegiate/amateur sports facility on the University's South Campus. On March 19, the vice presidents of SJSU and the senior professional leadership of the City will meet in retreat to identify priority areas for collaboration

in FY 2004-05. The recommendations will be brought back to Mayor, Council, and the University President for review.

Initiative #4: Evolve and Position Downtown San Jose as A Unique Creative and Cultural Center for Silicon Valley

There are several strategic efforts underway to position Downtown San Jose as the creative center of Silicon Valley - the place where arts, entertainment, technology entrepreneurship, dining, shopping, and education/learning uniquely come together.

- *Art and Technology.* Plans are underway to create an International Center of Art and Technology - a new visitor destination affiliated with the San Jose Museum of Art. Plans are also underway to host an international-caliber Art and Technology Festival in August 2005, building on San Jose's successful bid to host the International Symposium on Electronic Arts.
- *Free Downtown WiFi.* On March 11, San Jose will become one of the first large metropolitan areas in the United States to offer free WiFi service in the Downtown core. This service will help energize outdoor public spaces such as Cesar Chavez, Circle of Palms, San Pedro Square and gain San Jose recognition as the tech-savvy Capital of Silicon Valley.
- *Entrepreneurship/Venture Outreach.* Staff is developing a communications plan to highlight Downtown as an entrepreneurial hotspot and the current concentration of start-up companies. There are 100 tech companies in Downtown San Jose that have a combined employment similar to Adobe. On March 30, the Mayor will take this message to Sand Hill Road in his meeting with venture capitalists.
- *Access San Jose.* Through the One Voice Initiative, a business plan and policy recommendations are being developed to encourage use of venues throughout Downtown San Jose as a virtual convention center.
- *Recent Announcements.* Other project announcements from December through February include the expansion of the Quilt Museum, the release of the Dimensions' site RFP, unreinforced masonry incentives, and the lease execution with Lee's Sandwiches, Flames, and Bijan Bakery.

Initiative #5: Support Start-Up and Growth of Local Business, Small and Large, in Tech as well we Non-tech Fields

The Business Appreciation Initiative is a core activity of this Strategy #5. The Business Appreciation Initiative will ensure that the City of San Jose has an executive-level, personal

relationship with the 100 companies most important to the San Jose economy. This will help solve and prevent problems that impede job retention/growth, and will encourage City-business collaboration. At the same time, the City will continue its support of small and new businesses.

Recent actions include liberalization of the underwriting criteria for City loan funds. OED and Agency Staff have also been working with the local SBA staff, which has selected San Jose State's College of Business to operate their Small Business Development Center (SBDC). A City contribution of \$100,000 will be brought forward for Council and Board approval in early April. Staff will also be forwarding to Council a recommended Local Preference Policy, and program for providing tax relief to small businesses.

Initiative #8: Diversify San Jose's Economy and Create/Preserve Middle-Income Jobs

A centerpiece of Strategy #8 is the creation of the Bioscience Incubator and Innovation Center in Edenvale. Construction is progressing on schedule for a June 2004 opening. Support has been engaged to attract bioscience firms to the incubator, including participation in the international BIO conference in San Francisco in June. The Council approved a contract amendment with Jim Robbins to assist staff in developing the Operations Plan for the incubator including assistance in hiring a manager for the new facility. Staff has also engaged a marketing firm experienced in biotechnology work to assist in identifying possible users of the facility. The recommendations of the "Towards the Future" (or, "Fiscal Impact") report will help preserve key middle-income jobs in San Jose's business-support industries. SVWIN has launched focused efforts to encourage training and career path development in key growth industries: health care, bioscience, software, hospitality, and retail.

COORDINATION

This report has been coordinated with the Redevelopment Agency.

PAUL KRUTKO
Director, Office of Economic Development