



COUNCIL AGENDA: 10/01/2024

FILE: 24-197293

ITEM: 8.2

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Mayor Mahan, Councilmember
Torres, Councilmember Davis &
Councilmember Jimenez

SUBJECT:SEE BELOW

DATE: 9/27/24

Approved

Date: 9/27/24

SUBJECT: DOWNTOWN SAN JOSE OFFICE INCENTIVES

RECOMMENDATION

Accept staff recommendation with the following modification:

Direct staff to return to the Community and Economic Development Committee at least three months before the program expires with a report on the program's effectiveness. Based on the health of the downtown office market, the report should analyze extending the program.

DISCUSSION

We thank City staff for bringing the Downtown Office Incentive Program forward. The program attracts new office tenants to downtown by offering incentives like free parking and waived business taxes, driving increased foot traffic, supporting jobs, and boosting tax revenue.

While Downtown San José has seen increased activity on evenings and weekends, weekday foot traffic remains below pre-pandemic levels; largely due to fewer workers returning to the office. Due to remote work, local businesses remain negatively impacted by the lack of daytime foot traffic. Many restaurants struggle to maintain consistent lunch service. On Mondays, numerous eateries are closed altogether.

The program makes downtown more competitive with other cities that offer a high-quality experience. Success of the program depends on how much we reduce the downtown vacancy rate. As we offer incentives, we can retain downtown employers by making downtown safer, cleaner, and more vibrant. If this endeavor is successful, the downtown ecosystem will thrive.

The signers of this memorandum have not had, and will not have, any private conversation with any other member of the City Council, or that member's staff, concerning any action discussed in the memorandum, and that each signer's staff members have not had, and have been instructed not to have, any such conversation with any other member of the City Council or that member's staff.