

June 14, 2022

The Honorable Mayor Sam Liccardo and City Council
City of San José
200 East Santa Clara Street
San José, CA 95113

RE: [Mayor's June Budget Message for FY 22/23](#), item 3.3

Dear Mayor Liccardo and City Councilmembers,

The San Jose Downtown Association (SJDA) has represented downtown for 36 years and together with more than 2000 current businesses and property owner members we strive to increase the vitality and livability of downtown San Jose. As we are still in the midst of the covid era and we expect a long recovery that will demand new approaches from the public, private and third sectors, we want to call attention to items in the FY22-23 budget that recognize these challenging new conditions.

We support the Mayor's budget recommendations in addition to the [Mayor's supplemental memo](#) recommending a budget be allocated for Al Fresco, specifically for the design of permanent closure of San Pedro Street and costs associated with the closure of Post Street. Moreover, we support Councilmembers Peralez, Carrasco, Davis, and Arenas [memo item 1.a.](#) to expand the Post Street pilot to a full year.

With Transient Occupancy Tax (TOT) program funds for art, culture, and hospitality dollars dwindled, we also support the memorandum from Councilmembers Peralez, Carrasco, Davis, and Arenas, specifically [item 2.](#), calling for the reallocation of our TOT into our art, culture, and hospitality industries as the General Fund has rebounded to a healthy and balanced budget with an [expected surplus of \\$30.1M](#) FY 22-23. The low travel and visitor turnout since covid has led to a lackluster tax-base for TOT and this has resulted in subpar fiscal aid for our arts and hospitality community which in turn has had a detrimental impact on our local economy. Thus we support the recommendation to reappropriate the General Fund TOT equally across the OCA Arts Grants Program, the Convention & Visitors Bureau, and the Convention and Cultural Facilities Fund in addition to providing a long-term budgetary strategy for a sustainable financial future.

We also have appreciated the extensive dialogue of how to allocate limited funds and the continued support for the center city - [specifically in these areas](#):

- **2. Public Safety - Police Walking Patrol:** The "implementation of a five-day/week model of Downtown walking patrol" starting in June of 2023 is severely needed as the current foot patrol shifts are voluntary overtime shifts for officers and therefore difficult to fill consistently. A stable and sustainable program dedicated to improving safety in downtown San Jose is a long term investment strategy for our city.
- **3. Eradicating Blight - Downtown Streets Team:** The gateways to our downtown have been an issue in which the freeway underpasses need substantial aid. Expansion of the program is needed and transitional employment is also a plus.
- **7. Community-Building, Place Making, and the Arts -**
 - Downtown Ice/holiday activations: Public space activation is important and continues to be where our community can come together, especially during the holiday season. We

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believe this is a critical time as we look at enhancing the experience of residents, employees, and visitors.

- *Paseo de San Antonio Update*: Paseos play a crucial role in place-making opportunities and this supports ground floor activation and safety connecting SJSU to Downtown West.
- *Children's Discovery Museum*: Replacing equipment is vital to the maintenance of this facility and continuing the programming for our community.
- *3Below Theater Up on the Roof and SubZERO Festival*: We have supported these programs in the past and each of these events add to the authentic San Jose experience.

We thank the City Council for their leadership.

Cordially,

A handwritten signature in blue ink that reads 'Knies'.

Scott Knies
CEO