

“State of the Downtown” speech by Scott Knies

October 14, 2022

San Jose Downtown Association Annual Meeting

Title: Leaving unfinished business in good hands

Good morning. After two consecutive Annual Meetings on Zoom, it feels right to be back in person in this beautiful theater. The comradery and energy are exponentially greater when we gather together, but of course, in this new world order, we are live streaming, too, and still many more will just wait for the recorded meeting to post on YouTube and watch whenever they like. However you are receiving our Annual Meeting, welcome and thank you for your personal engagement in downtown San Jose.

This is my final State of the Downtown; my last speech representing this organization I have led for 34 and a-half years. I’ve been asked many times lately how does it feel on the cusp of stepping away, and I readily admit mixed feelings. I’ve stayed here all this time because I’ve always been invigorated by what’s next in city building for San Jose and now that the torch is being passed, I’m acutely aware of how much still remains undone. I have been grappling with my list of unfinished downtown business, knowing full well this will always be the case for any big city. We

never plant a flag and declare “we’re done!” A city is always evolving. The changes are constant and you see it in San Joseans. The people in this theater and listening online understand that growth and progress for our city are not guaranteed; you have to work and fight for it every day. From the mundane to the magnificent – there is plenty left to do. Please find what invigorates you and just get started doing it. The effort will be rewarded in the change it brings. With this in mind I offer eight things I didn’t get over the finish line and thus leave in your capable hands.

**Number one, utility boxes.** I did mention “mundane.” You can’t help but notice these large, ugly, metal boxes on prominent sidewalks and street corners throughout the downtown. These are for traffic control and utility equipment and they block views and obstruct the pedestrian environment. Even though we try and dress them up, they are unsightly graffiti magnets that have no business sprouting on our sidewalks in this day and age when we claim walkability as a community value. I have been complaining about them for years, writing about them in our design review letters but the City of San Jose keeps allowing these boxes to be built. Stop it now! Put them in adjacent buildings, parking garages, underground – anywhere but our sidewalks. And while you’re at it, how about synchronizing all the traffic signals downtown, too.

**Number two, the Dr. Eu and Church of Christ Scientist buildings.**

These two structures have been in a state of deterioration for my entire SJDA career. They are prime examples of the Broken Windows theory with their constant decrepitude impacting their surrounding neighborhoods. The Dr. Eu building at the NW corner of Second and Santa Clara streets and named after its owner has been in suspended animation for 30 years. All of its doors and ground floor windows are covered in cheap plywood – which we recently painted, by the way, with PBID street life funds to make the corner semi-presentable, although we accept it's just lipstick on the pig. And the Church of Christ Scientist on the northside of St. James Park is even more decrepit. Partially covered in a crappy tattered and shredded tarp it is a symbol of overt neglect that continues to go unpunished. Other cities have figured out a way to aggressively fine owners of longstanding blighted buildings that are not maintained properly. Sure it will take some time to create such an ordinance in San Jose, but if we had large escalating fines for buildings left in disrepair think of how much these two buildings alone would have generated over the decades – the city could've funded multiple positions in Code Enforcement by now. If owners don't want to fix or market their buildings, the accumulation of steep fines might be just the incentive they need to let someone else try.

**Number three, DTSJ construction czar.** With dozens of plans for high rise developments, historic building rehabs and transportation projects, the city needs a high-level construction mitigation position devoted to downtown. The street level compliance required when multiple projects are under construction at the same time is complicated and necessitates excellent coordination. Developers, contractors and subcontractors – especially the utility companies – need to be held accountable for their impacts and follow their approved plans. If only half the entitled building proposed for the 250-acre Diridon Area comes to fruition at the same time the BART subway construction is underway, the city better be prepared for inevitable disruptions that will surface during this growth surge. Access to streets, sidewalks, parking, storefronts, offices, theaters, museums, conventions, SAP Center all have to be factored and communicated with. Make the construction czar accountable.

**Number four, speaking of BART,** there needs to be a subway portal on the South side of Santa Clara street for the downtown station. Over the last several months there has been a huge breakthrough with BART. The Valley Transportation Agency's tunneling contractor proposed a series of innovations to the single bore design that has unlocked the potential for better station access. The previous design restricted subway portals to the

north side of the stations only, forcing everyone approaching from the south to cross Santa Clara street to ride BART. Not good. Think about the downtown generators on the south side of Clara: San Jose State University; San Jose McEnery Convention Center; City Hall; the MLK library; all of our museums; most of our major tech offices like Adobe, Zoom and Cohesity and where Urban Community, Jay Paul, Westbank and Urban Catalyst have proposed most of their new projects. Mayor Liccardo and Councilman Peralez understand all this and have been great champions on the VTA Board. For BART's ultimate success downtown, VTA must ensure southside access is operational on day one, even if that means a supplemental EIR to clear the new station portal in a location between First and Third streets. Get this done.

**Number five, Downtown Plan.** A truly comprehensive Downtown Plan was last completed 20 years ago in the go-go years of Redevelopment. Since then, our modest downtown planning efforts have been piecemeal, except for the Downtown West plan which benefited greatly from Google's involvement. But how is Downtown West going to be connected to the core? What about Diridon Station – should the State of California come in and take over this grand project that is still nothing more than a concept with our local agencies? Why does St. James Park possess an incredible master

plan yet languishes in limbo? How will the city address residential conversions for Class B office buildings and hotels? How can a spectacular Park Paseo project that connects SJSU with Guadalupe River Park come to fruition? And since downtown is the most accepting and tolerant district in San Jose, will homeless services here be overly concentrated here? These are some of the big questions a Downtown Plan could wrestle to the ground.

Now there's usually a window of opportunity to do some future setting when a new mayor lands – especially since the mayor we will elect next month has the potential to be in office for 10 years. Establishing their vision for downtown with a full decade for carrying it out is top shelf big city mayor stuff. However, a Downtown Plan may be a tough sell as we move our mayoral elections to the presidential cycle and the first term is just two years. This means the mayor is running for re-election from the start and may be more interested in quick wins than planning efforts that bear fruit later. I am hopeful both can be achieved. A Downtown Plan created in collaboration with the city, private sector investors and community partners could be what helps unleash San Jose's pandemic delayed Roarin' 20s. For the benefit of the center city it will take political courage in 2023 for the new mayor to play both the short and long games simultaneously.

**Number six – our disorder issues** attributed to our unhoused street population – this could take up the rest of the meeting, and then some. There are massive efforts by the County of Santa Clara, the city, non-profits, philanthropists to fund housing and we all agree this is the top issue and those that want shelter should receive it. But housing is not the only issue. What about the population living on our street suffering from mental illnesses, meth and other addictions that are unwilling or incapable of accepting our help? We applaud the county’s approval of Assisted Outpatient Treatment (Laura’s Law), however, since this service was implemented earlier this year, all the referrals have been voluntary. Let’s get real: the half-naked guy smeared in feces screaming uncontrollably on the corner is not going to volunteer for services. Isn’t it more humane to institutionalize this individual before he perishes on the street or hurts himself or another? He of course is a tragic victim, but so too is the surrounding community he disrupts. The county must begin using all available tools, including involuntary treatment and conservatorships.

Twenty years ago, I never thought our organizations would get into the human services space (just like I hadn’t imagined we’d get into janitorial and security services either). These persistent disorder challenges have escalated in recent years in direct proportion to our increasing homeless

counts. Our members trust us to tackle the toughest problems. Thanks to downtown property owners who approved a 10-year renewal of the PBID in June, we will be adding social impact staff to our team with the objective of connecting our most difficult and vulnerable unsheltered individuals with care. This means dealing with the 10-15 individuals downtown causing 90 percent of the fear.

Speaking of the PBID, our beloved Groundwerx services are spending more and more resources cleaning up messes left by our unhoused population. This is not just a downtown challenge – we see it everywhere across the state. The amount of trash is staggering and for obvious health and safety reasons we have to clean it up. And it costs money to clean it up. Because of this pervasive need, the County of Santa Clara and City of San Jose should establish a Clean Community Fee that sets aside 10 percent of every homeless contract they fund. I made this proposal last year, too. When budgets get tight a consistent local funding source will be crucial for maintaining clean communities.

**Number seven – recovering from the Covid hangover** will require more patience, perseverance and pluck. The pandemic shock to the economy is deep and more lasting than we expected. It appears that Thursday is the new Friday and the return to office is being recalibrated with



a shortened in-person week. Remote work is here to stay but it's also reinforced how valuable working together is for social engagement, career advancement, teamwork and mental health. The office is not going away, but reinventing how, when – and where we work.

Downtown is well positioned to provide the *where* in our recovery but that goal is imperative on creating districts and workplaces that residents and employees find worthy. The power of place is downtown's magic ingredient. No other location in the South Bay is as urban or possesses the combination of arts, culture, university, visitor amenities and history. Our balance of uses certainly includes some grit and needs more retail, but our diverse business mix of art galleries, coffee, personal services, bars, clubs, cafes, bistros and restaurants are a unique strength to build upon. Let us retain that part of the pandemic spirit that invited us to try new things and take risks, like closing San Pedro street. Downtown must turn its creativity up and create more vivid public spaces, reimagined paseos, excellence in our parks and special events. To become the place where people want to be, it also means strengthening core districts – San Pedro Square, SoFA, Little Italy, Historic District – and regenerating the spaces between them.

Of course, none of this happens if we don't take care of the fundamentals: keeping downtown clean, safe, beautiful and fun. While the

pandemic highlighted our disorder issues it also accelerated our commitment to solving them. It will take all of us on the same page to make these quality of life issues a top priority and allow the recovery to blossom.

**Finally, Number eight – SJDA’s role** is more vital than ever but our sure-footedness is not assured. We must keep aligned with our North Star of representing street level businesses, communicating clearly (and often), and constantly iterating. SJDA is downtown’s Department of Implementation for a reason: we get s\*\*t done. We never can rest on our laurels. There are always new owners, new businesses, new ideas requiring a continual building of new relationships and seeking of fresh perspectives, something SJDA, the PBID, the Foundation and our board members bring to their various tables in abundance.

An organization like ours is a force multiplier. Can you imagine what downtown would look, feel and smell like if SJDA didn’t come to work every day? We leverage assessment district fees, public sector contract funds, grants and earned income to be an advocate for downtown and also a producer, janitor, partner, investor and a reliable source of information. We are the glass half full people; we invite inspiration and help bring change – but our positivity is also pragmatic. We understand the privilege and responsibility we have as a leader in the downtown’s continuous evolution.

I have loved my job for all the many days spent building these organizations and serving the downtown community. We do this work together. As I prepare to leave this incredible position, I can't express enough gratitude to all the staff, partners, collaborators, designers and volunteers involved, so I will just say: Thank you, my heart is full.

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We are very fortunate that Alex Stettinski is the new CEO of San Jose Downtown Association. He is a veteran of our industry, with 25 years of economic development experience in several different cities and specific experience with assessment district funded organizations like ours.

Alex is professionally ambidextrous and understands the marketing-promotions work we do as well as the policy-advocacy work, and of course our bread-and-butter responsibilities to a clean, safe and vibrant downtown.

This is just his second week at SJDA. He is also a new downtown San Jose resident, so he is immersed in our community already, and eager to meet downtowners, have discussions, and learn from you about our center city and his new home. As you get to know Alex, you will see his energy and enthusiasm for San Jose and know, as I do, we have found the right person for this important job.

Please join me in welcoming the CEO of SJDA, Alex Stettinski.