



Distributed on:  
FEB 10 2012  
City Manager's Office

# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Kim Walesh

**SUBJECT:** UPDATE ON PUBLIC  
PRIVATE PARTNERSHIPS

**DATE:** February 9, 2012

Approved

Date

2/9/12

## INFORMATION

This information memorandum presents a summary of city-wide partnerships at early stages of development. This listing is not intended to be exhaustive, but rather representative of an emerging pipeline of partnership opportunities designed with a city-wide focus. Depending on the nature of the initiative, the intended objectives and internal resource capacity, the City Manager's Office may play a lead role in developing and nurturing partnerships or may play a support role with initiatives originating from City Departments or brought forward from outside agencies.

Periodically, we will provide Council with updates on the progress of existing partnerships and possible new partnerships on the horizon. To the extent that recurrent policy, procedural or other impediments are identified during the development and implementation of partnerships, staff will bring forward recommendations to help create a more robust and expedited approach to forming private-public alliances.

## BACKGROUND

San José is home to more than 1 million residents and 60,000 businesses. Moreover, the San José Silicon Valley region is world renown for embracing diversity, growing world caliber talent, leading innovation, and serving as a catalyst for job creation globally across many driving sectors.

Nonetheless, the challenges faced by our community in light of the prolonged economic downturn are unprecedented. More than 154,000 San José residents live at or below 125% of the poverty level. Unemployment for San José still stands at 9.7%, representing 45,200 unemployed individuals. Even more daunting is a recent work2future report indicating that in excess of 20% of our local workforce is unemployed or underemployed.

In response, the City must engage in strategic partnerships to align and leverage its resources in order to sustain and, where possible, enhance services for local residents and businesses. Activating new networks, more effectively using technology platforms and exploring new

financial tools to advance community goals are at the core of this work. A prelude to innovation and ultimately implementation is identifying areas of convergence with parties who bring scalable capacity and aligned institutional focus.

Below is a description of city-wide partnerships with the characteristics described above that are in the early stages of development:

- **Shop San José Campaign:** Large and small social media companies including Yelp, LivingSocial, Bay Area News Group, TravelZoo, Trubates and Dishcrawl are supporting the marketing efforts of the Shop San José Campaign. Recently launched in October 2011 with more than 2500 business owners in attendance, Shop San José operates through alliances with social media companies to support the growth of San José-based small business. This initiative is also supported by BusinessOwnerSpace and its 40 partners who are marketing the campaign and available resources of the social media agencies.
- **Private Community Funder's Collaborative:** This new initiative centers upon the development of a private funder's collaborative with financial institutions, foundations and local businesses. The first step in identifying potential collaboration with these private entities will be an initial gathering in March focusing on small business, youth employment, and neighborhood level investment opportunities in the three communities identified within the recently approved CDBG place-based strategy. Staff is working with the Federal Reserve, the Office of the Comptroller, and the FDIC to promote this dialogue with the financial institutions.
- **Green Vision Implementation Partnerships:** Despite very limited City dollars, staff has been able make great progress on the Green Vision by leveraging grants and partnerships. In 2010, the City Manager's Office solicited partnership proposals that would help advance any of the Green Vision goals. Almost 50 proposals were received, with several partnerships related to renewable energy and waste to energy projects now underway. In addition to this solicitation, the City is frequently approached by companies to enter into demonstration partnerships, which are enabled by the City's Demonstration Partnership policy. One example of such a partnership is an energy efficiency pilot program. The City entered into a one-year Demonstration Partnership with WattzOn in August 2011, in coordination with the Silicon Valley Energy Watch program, to launch Green Energy Match (GEM), a residential energy efficiency pilot program in three distinct San José neighborhoods. The pilot links residential energy savings to economic development via a local rewards program backed by small businesses in the three neighborhoods. With a soft launch in two of the three neighborhoods, over 100 residences and 20 merchants signed up in the pilot's first quarter. WattzOn convened a Validation Team that includes Lawrence Berkeley National Labs and the American Council for an Energy Efficient Economy which will undertake an extensive review of the pilot beginning in mid-February.
- **Returning Veterans Program:** Working with Metropolitan Education District, the County of Santa Clara, the State of California Employment Development Department, and private employers, staff is developing new partnerships to retrain and secure

employment for returning Gulf War veterans. Private employers will provide internships and training funds, with MetroEd providing scholarships for returning veterans. This initiative will launch prior to Spring 2012.

- **Association of International Incubators and Bridge Organizations:** Working in partnership with the World Bank, the European Union, Tech BA and Silicon French, the City is supporting the formation of an association of international incubators and business accelerators. There are approximately 40 such organizations in the Bay Area that support high growth businesses. This association will foster investment leads between the agencies, develop business connections with venture capital, legal, real estate, technical and other resources, disseminate best practices and promote the opportunities and successes of their membership. Staff will provide periodic facilitation, convening and outreach support for the Association. This will benefit San José by accessing business attraction and investment opportunities through the various international incubators and by sourcing new employees of international business from work2future clients. The association will formally launch on April 19<sup>th</sup> at the City Hall Rotunda.

As reflected in the list above, private-public alliances can take many forms, but inevitably must focus on mutually reinforcing priorities to sustain themselves and achieve the desired community and economic impact.

/s/  
KIM WALESH  
Director of Economic Development  
Chief Strategist

For more information please contact Jeff Ruster, Director of Strategic Partnerships, at (408) 535-8176.