

ECONOMIC DEVELOPMENT AND CULTURAL AFFAIRS

The mission of the Office of Economic Development and Cultural Affairs is to catalyze job creation, private investment, revenue generation, talent development and attraction, and a diverse range of arts, cultural and entertainment offerings.

ECONOMIC DEVELOPMENT AND CULTURAL AFFAIRS

The Office of Economic Development and Cultural Affairs (OEDCA) leads the City's economic strategy, provides assistance for businesses, manages the City's real estate assets, helps connect employers with trained workers, and supports art and cultural amenities in the community. OEDCA's economic strategy workplan seeks to expand economic opportunity and mobility through business support, attraction and facilitation; talent development; business outreach; and encouraging downtown development.

OEDCA manages several incentive programs for businesses, among them the Foreign Trade Zone and the Storefronts Grants Program, which helps small businesses enhance or enliven their ground-floor storefronts.

OEDCA also oversees agreements with the non-profit operator of the City's [Convention](#) & [Cultural Facilities](#) (Team San Jose) and agreements for other City-owned cultural facilities.

In 2020-21, OEDCA's operating expenditures totaled \$12.1 million. This includes personal and non-personal expenditures. The department was responsible for \$14.5 million in Citywide expenses. Citywide expenses included \$1.6 million in property leases where the City is the tenant, a \$1.3 million subsidy to the Tech Museum, and \$0.9 million to the SJ Works: Youth Jobs Initiative. The City also supported the Convention & Cultural Facilities with over \$7.6 million from hotel tax revenues.

KEY FACTS (2020-21)

Unemployment Rate	Pre-COVID*	2.6%
	As of July 2021	5.5%
Median Household Income**		\$ 115,893

* Average of monthly unemployment rates from July 2019 to February 2020.

** Median Household Income as of 2019. San José level data from the American Community Survey, U.S. Census Bureau was not available for 2020.

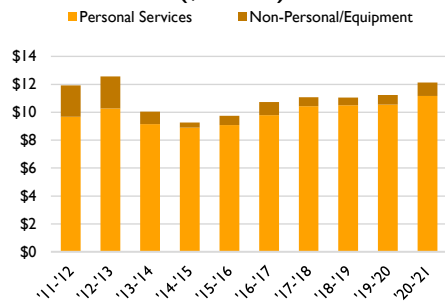
Sources: Bureau of Labor Statistics and 2019 [American Community Survey](#)

COVID-19 RESPONSE

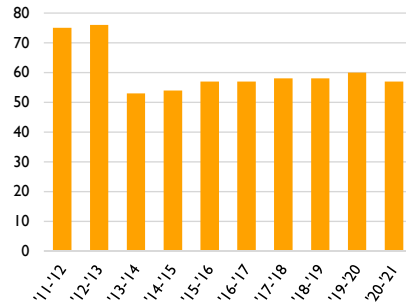
In March 2020, OEDCA was activated into the City's Emergency Operations Center to assist in business communications, resource referrals, CARES Act funding disbursement, and layoff support. In August 2020, OEDCA resumed regular operations while continuing to support the City's COVID-19 recovery efforts. This included connecting and assisting companies applying for federal and state relief programs, advocating for the temporary loosening of outdoor operations and commercial eviction moratorium, and assisting small businesses in the city's underserved communities. Since October 2020, OEDCA reports it has helped the City distribute over \$6 million in grants to 499 small businesses in underserved communities.

Source: Office of Economic Development

OEDCA Operating Expenditures (\$millions)

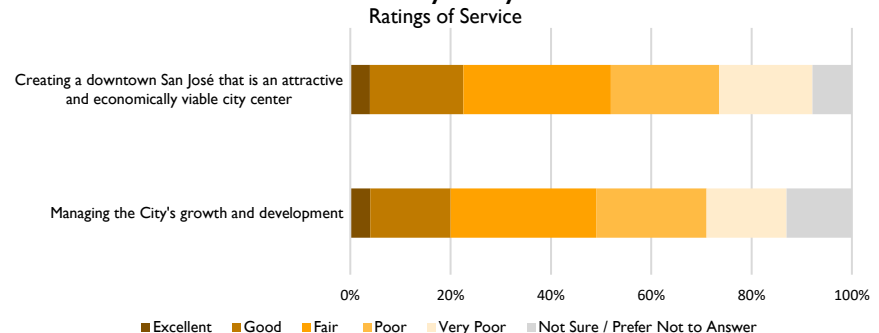


OEDCA Authorized Positions



Note: In '13-'14, the transition of work2future client services to the work2future Foundation eliminated 24 positions.

Community Survey 2021



ECONOMIC DEVELOPMENT AND CULTURAL AFFAIRS

BUSINESS DEVELOPMENT AND JOBS

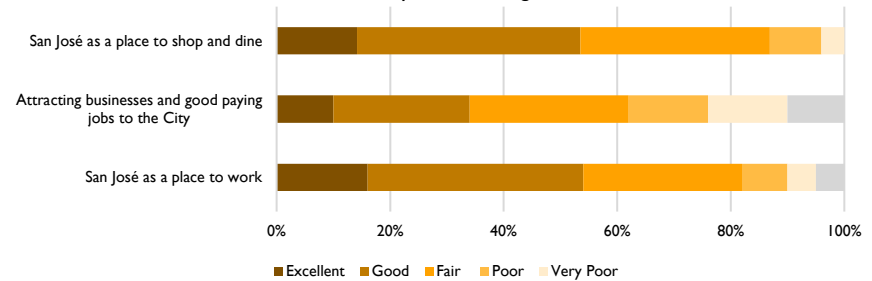
OEDCA promotes business in San José by providing assistance, information, access to services, and facilitation of the development permit process, and continues to support the city in its recovery and response to the COVID-19 emergency by providing assistance to small businesses in the City's underserved communities (also see Development Services in the Planning, Building and Code Enforcement section). In 2020-21, OEDCA provided development facilitation services to 76 businesses. It also coordinated the Business Owner Space network, through which clients receive information, technical and human resources support. Partner organizations, like SCORE, a mentoring and training provider to small businesses, provide other services. (See www.businessownerspace.com.)

OEDCA estimated companies that received its assistance generated \$2.6 million in tax revenues (business and sales taxes). In 2020-21, this included the attraction of Costco Business Center and Top Golf. About \$2.54 in tax revenue was generated for every \$1 of OEDCA expenditure on business development.

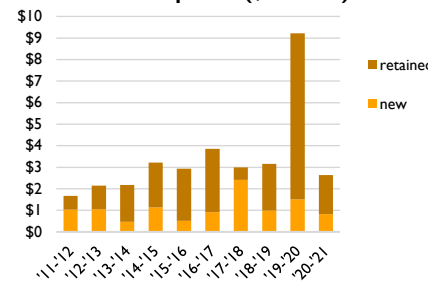
One of OEDCA's main goals is to catalyze job creation. Companies and businesses that received OEDCA assistance created about 1,800 jobs and retained about 3,100 jobs in 2020-21. With about 447,000 jobs located within the city in 2019, San José had less than one job per employed resident. Palo Alto, by contrast, had more than 3 jobs per employed resident. San José is the only large U.S. city where more residents commute to work outside city limits, rather than into the city. (See the CSA Dashboard chapter for additional information.)

Community Survey 2021

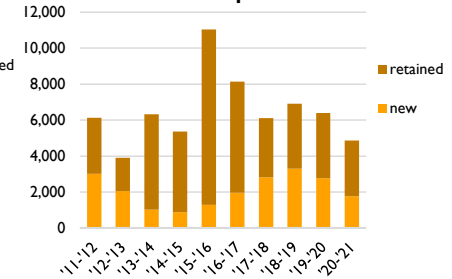
Quality of Life Ratings



Estimated Tax Revenue Generated by OED-assisted Companies (\$millions)



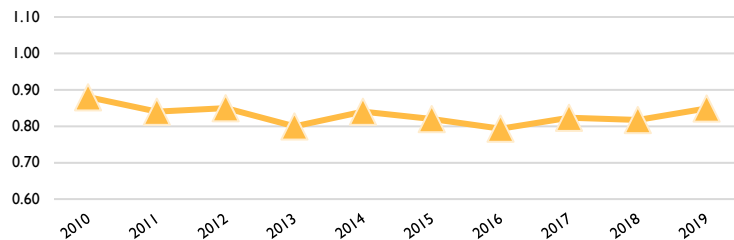
Estimated Jobs Created or Retained by OED-assisted Companies



Note: The growth in '19-'20 was primarily driven by a revenue-sharing agreement with eBay.

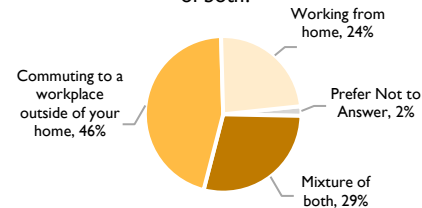
Jobs Per Employed Residents in San José

Balance at 1.0 job per resident
Envision 2040 target: 1.1 jobs per resident

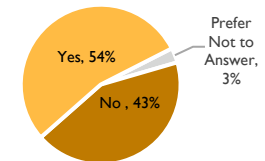


Sources: American Community Survey 5-Year Estimates (2010 through 2018) and 1-Year Estimate for 2019.
Note: San José level data from the American Community Survey, U.S. Census Bureau was not available for 2020.

Community Survey 2021
Are you currently working from home, commuting to a workplace outside of your home, or a mixture of both?



Community Survey 2021
When commuting to a workplace outside of your home, is that place within the City of San José?



ECONOMIC DEVELOPMENT AND CULTURAL AFFAIRS

WORKFORCE DEVELOPMENT

The City’s workforce development program is managed by [work2future](#). Work2future is a federally funded, state mandated program that provides services to adults, dislocated (laid-off) workers, and youth. It provides job search assistance, occupational training, and skills enhancement workshops to San José residents as well as those of surrounding cities.

Work2future continued to provide services during the COVID-19 emergency, via a hybrid model of in person and online services. Over 900 job seekers took advantage of skill upgrades and training programs in 2020-21. Nearly 600 business clients received services, including recruitment, lay-off aversion, and business assistance.

Work2future also oversees San José Works, a youth jobs initiative focused on strengthening City partnerships, such as those with the Mayor’s Gang Prevention Task Force, to identify, recruit, train, and place at-risk youth in jobs. In 2020-21, San José Works provided over 500 youth with subsidized and unsubsidized employment opportunities.

CULTURAL AFFAIRS

OEDCA also promotes San José’s artistic and cultural vibrancy and supports opportunities for cultural participation and cultural literacy for residents, workers, and visitors. In 2020-21, OEDCA awarded 114 grants totaling \$3.6 million to organizations that are located in San José or host events in San José. Contributing to San José’s placemaking and design goals, the public art program reported that it had 414 works throughout San José, four of which are privately owned.

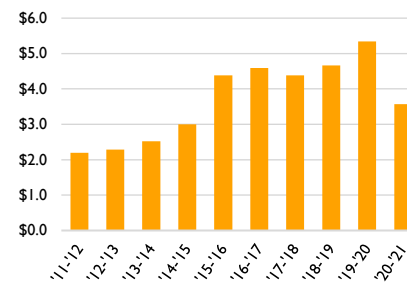
OEDCA helped facilitate 61 event days in 2020-21 with an estimated attendance of 270,000. The number of event days and estimated attendance dropped significantly from past years due to COVID. OEDCA’s signature events include Christmas in the Park, the Rock N Roll Half Marathon, and Viva CalleSj.

work2future Development Program Results

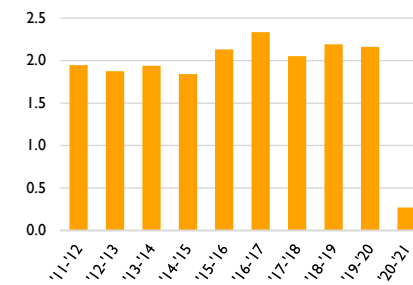
	Job Seekers	Placed in Jobs	State Goal
Adults	359	64%	61%
Dislocated Workers	289	65%	67%
Youth (14-24 years)	92	65%	68%

*Note: work2future serves San José, Campbell, Morgan Hill, Los Altos Hills, Gilroy, Saratoga, Monte Sereno, and unincorporated areas of Santa Clara County.

Grant Awards for Arts and Cultural Development (\$millions)



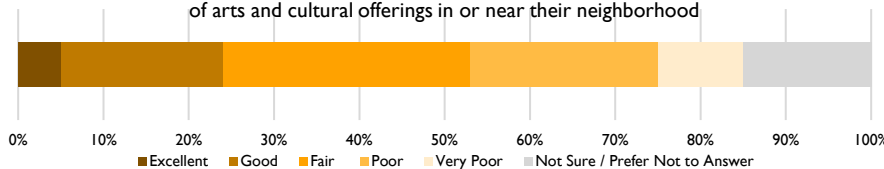
Estimated Attendance at Outdoor Special Events (millions)



Note: The decrease in 2020-21 is due to the County’s public health orders in response to COVID-19.

Community Survey 2021

Residents' rating on the availability and variety of arts and cultural offerings in or near their neighborhood



Funding to City-owned Cultural Facilities

OCA provided operations and maintenance funds totaling about \$3.8 million from the General Fund to the following operators of City-owned cultural facilities:

- Children's Discovery Museum
- San José Museum of Art
- SJSU (Hammer Theatre Center)
- Tech Interactive
- History San José
- School of Arts and Culture at Mexican Heritage Plaza



Hammer Theatre, Photo: City Auditor’s Office

ECONOMIC DEVELOPMENT AND CULTURAL AFFAIRS

REAL ESTATE SERVICE

Real Estate Services manages the City’s real estate portfolio, provides real estate services to City departments, and represents the City in third-party transactions. This includes acquisition, disposition, surplus sales, leasing, relocation, valuation, telecommunications, and property management. In 2020-21, sales revenue totaled about \$8.7 million. The division also generated \$0.7 million in facility lease revenue, a significant drop from past years as many tenants accrued past-due rent. Real Estate Services had 83 property leases in its real estate portfolio.*

CONVENTION & CULTURAL FACILITIES

The City’s convention facilities (San José McEnery Convention Center, Parkside Hall, South Hall) house exhibitions, trade shows, and conferences. The City’s cultural facilities (San Jose Civic, Montgomery Theater, California Theatre, Center for the Performing Arts) are home to concerts, plays, and other performances. Team San Jose, a non-profit organization, manages these facilities on behalf of the City.

Due to restrictions by the State of California and the County of Santa Clara related to COVID-19 in 2020-21 all events at the City’s convention and cultural facilities were canceled. As a result, operating revenues declined 86 percent to \$4.9 million.** On March 16, 2020, Santa Clara County issued a shelter-in-place order, providing that individuals could only leave their residence to perform essential activities. In comparison, in 2019-20, the facilities drew over 700,000 people to 240 events.

* For more information on Real Estate Services, see our 2021 audit, [Real Estate Services: Better Tools and Coordination Can Improve Asset Management and Service Delivery](#)

**For more information about the performance of the City’s Convention and Cultural Facilities, see our [FY 2020-21 Team San Jose Performance Audit](#).

San Jose Civic



California Theatre



Montgomery Theater

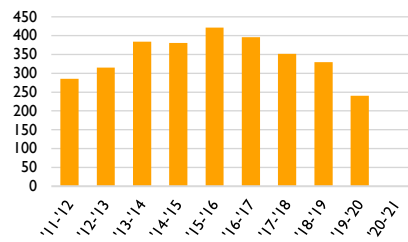


Center for Performing Arts

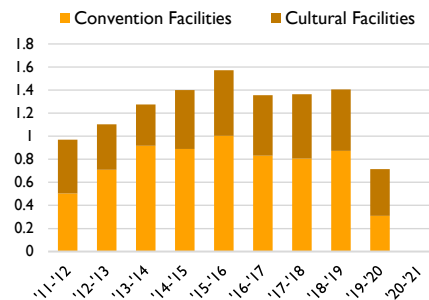


Photos: City Auditor’s Office and Team San Jose

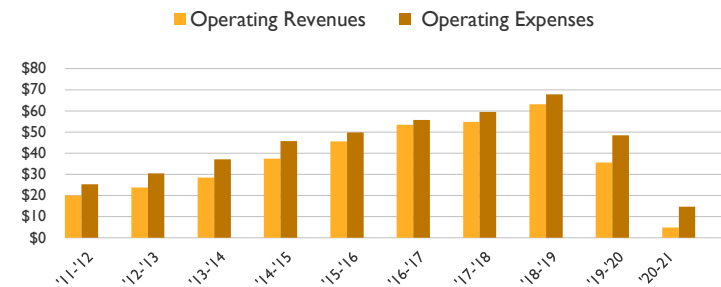
Number of Events
(Convention and Cultural
Facilities Combined)



Attendance (millions)



Operating Revenues and Expenses (\$millions)



Note: As a result of COVID-19, there were no events held at Convention and Cultural Facilities in 2020-21

