

## **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 José) and agreements for other City-owned cultural facilities.

In 2021-22, OEDCA's operating expenditures totaled \$11.5 million. This includes personal and non-personal expenditures. The department was responsible for \$13.5 million in Citywide expenses. Citywide expenses included property leases where the City is the tenant, and a subsidy to the Tech Interactive. The City also supported the Convention & Cultural Facilities with over \$7.6 million from hotel tax revenues.

## KEY FACTS (2021-22)

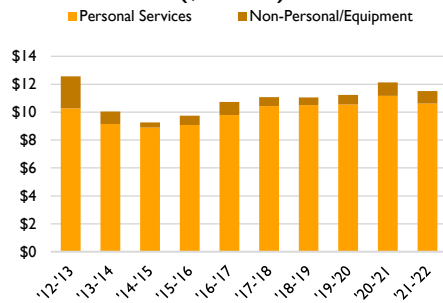
Unemployment Rate	Pre-COVID*	2.6%
	As of July 2022	3.5%
Median Household Income		\$ 126,377

\* Average of monthly unemployment rates from July 2019 to February 2020.  
Sources: Bureau of Labor Statistics and 2021 American Community Survey

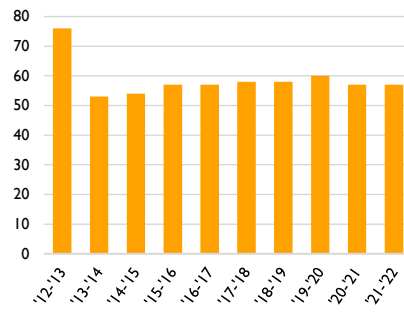
## Select OEDCA Initiatives

- In response to COVID-19, OEDCA's Business Development Team pivoted to focus on small business support which included support activities such as funding of grant programs, business walks, contacting businesses, and hosting multilingual webinars on a variety of subjects including access to capital, crime prevention, and preventing eviction. The team also continued to conduct business meetings which included permit facilitations and engagements focused on business retention, expansion, or attraction.
- In August 2022, the City established a Commission to guide the Community Stabilization and Opportunity Pathways Fund which is the largest component of the community benefits outlined in the City's Downtown West Development Agreement with Google. The intent of this fund is to uplift under-resourced communities in San José through community stabilization and opportunity pathways.

**OEDCA Operating Expenditures (\$millions)**

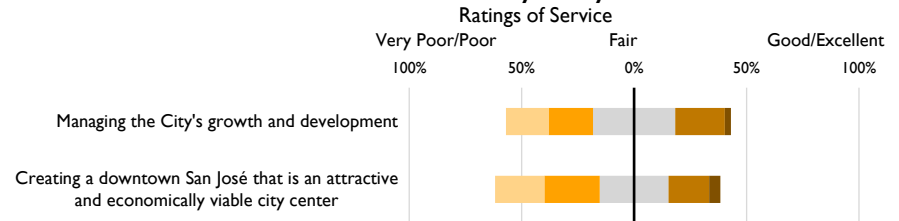


**OEDCA Authorized Positions**



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

**Community Survey 2022**



# ECONOMIC DEVELOPMENT AND CULTURAL AFFAIRS

## BUSINESS DEVELOPMENT AND JOBS

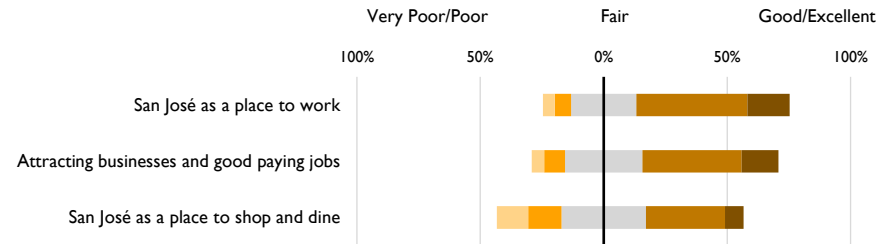
OEDCA promotes business in San José by providing assistance, information, access to services, and facilitating the development permit process. It also has continued to support the city in its recovery and response to the COVID-19 emergency by providing assistance to small businesses in the City's underserved communities. In 2021-22, OEDCA provided development facilitation services to support 63 projects. It also coordinated the Business Owner Space network, through which entrepreneurs receive information, technical and human resources support (see [www.businessownerspace.com](http://www.businessownerspace.com)).

OEDCA estimated companies that received its assistance generated \$1.8 million in tax revenues (business and sales taxes). In 2021-22, this included the attraction of Eataly Silicon Valley and NetApp. About \$2.31 in tax revenue was generated for every \$1 of OEDCA expenditure on business development.

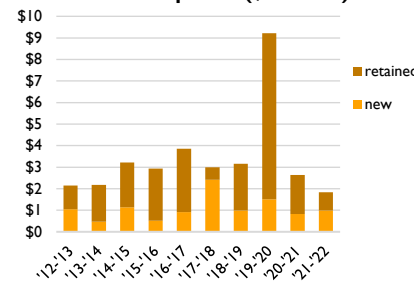
One of OEDCA's main goals is to catalyze job creation. Companies and businesses that received OEDCA assistance created about 3,050 jobs and retained about 1,170 jobs in 2021-22. With about 432,000 jobs located within the city in 2021, San José had less than one job per employed resident. Palo Alto, by contrast, had more than two jobs per employed resident. San José continues to be the only large U.S. city where more residents commute to work outside city limits, rather than *into* the city.

### Community Survey 2022

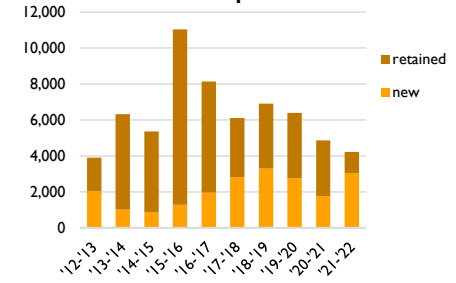
#### Quality of Life Ratings



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



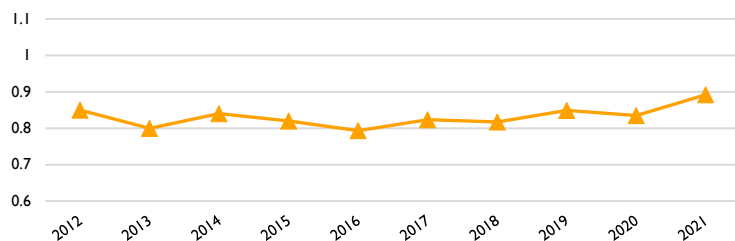
### Estimated Jobs Created or Retained by OED-assisted Companies



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

### Jobs Per Employed Residents in San José

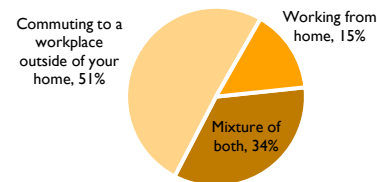
Balance at 1.0 job per resident  
Envision 2040 target: 1.1 jobs per resident



Sources: [American Community Survey 5-Year Estimates](#) (2010 through 2018 and 2020) and 1-Year Estimate for 2019 and 2021). OEDCA calculates jobs per employed residents in San José using a different data source.

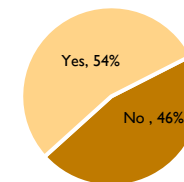
### Community Survey 2022

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



### Community Survey 2022

When commuting to a workplace outside of your home, is that place within San José?



# ECONOMIC DEVELOPMENT AND CULTURAL AFFAIRS

## WORKFORCE DEVELOPMENT

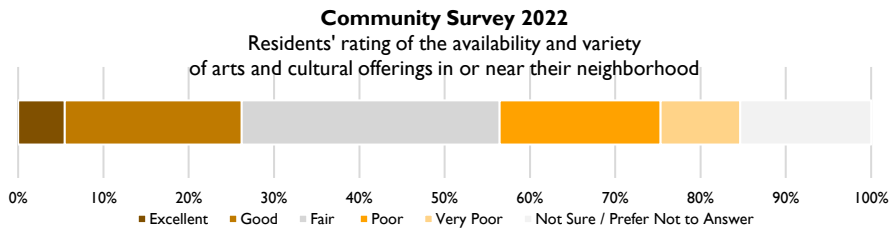
The City's workforce development program is managed by [work2future](#), a federally-funded, state-mandated program that provides services to adults, dislocated (laid-off) workers, and youth. It provides job search assistance, occupational training, and skills enhancement workshops to San José residents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

In 2021-22, work2future provided workforce development training, work experience, and counseling services to over 1,850 diverse job seekers. These clients included those supported with work2future federal formula funds (1,021 participants), City General Funds through San José Works (627 participants), and the Resiliency Program—an inter-departmental collaboration funded with American Rescue Plan Act resources (207 participants). Finally, about 300 business clients, many of whom were small businesses, received assistance services, including recruitment, lay-off aversion, and business assistance.

## 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 2021-22, OEDCA awarded 114 grants totaling \$3.97 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 428 works throughout the city, four of which are privately owned.

OEDCA helped facilitate almost 400 event days in 2021-22 with an estimated attendance of 1.8 million. While attendance increased from the previous year, it is still below the years pre-COVID when attendance was over 2 million. OEDCA's signature events included Christmas in the Park, Viva Calle, and the Rock N Roll Half Marathon.

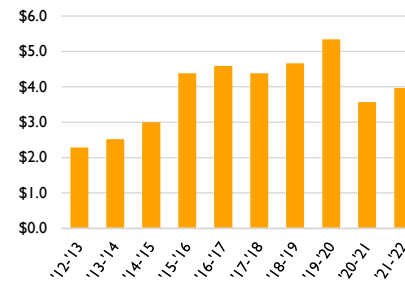


## work2future Development Program Results

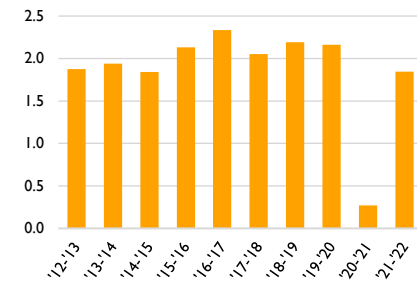
	Job Seekers	Placed in Jobs	State Goal	Success Rate*
Adults	570	55.9%	61.0%	91.6%
Dislocated Workers	304	61.0%	67.0%	91.0%
Youth (14-24 years)	147	66.4%	67.5%	98.4%

\*Note: work2future serves San José, Campbell, Morgan Hill, Los Altos Hills, Gilroy, Saratoga, Monte Sereno, and unincorporated areas of Santa Clara County. A local area's performance is considered unsatisfactory when any overall program success rate falls below 90 percent for the program year.

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



**Estimated Attendance at Outdoor Special Events (millions)**



## Funding to City-owned Cultural Facilities

In addition to the properties managed by Team San Jose, OEDCA provided operations and maintenance funds totaling about \$3.9 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 2021-22, sales revenue totaled about \$4.9 million. The division also generated \$2.3 million in facility lease revenue. 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, 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.

In 2021-22, the facilities drew about 570,000 people to about 200 events. Of these events, 38 were at the convention facilities, which hosted more than 200,000 attendees. We should note that facilities continued to be impacted by the COVID-19 pandemic with closures occurring in July, October, and February.

\*In previous years, Team San Jose also operated Parkside Hall. Parkside Hall did not host any events during 2021-22. City Council approved the demolition of the facility for a future multi-use development in that location.

\*\*For more information about the performance of the City’s Convention and Cultural Facilities, see our [FY 2021-22 Team San Jose Performance Audit](#).

San Jose Civic



California Theatre



Montgomery Theater

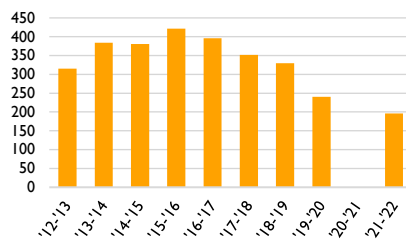


Center for Performing Arts

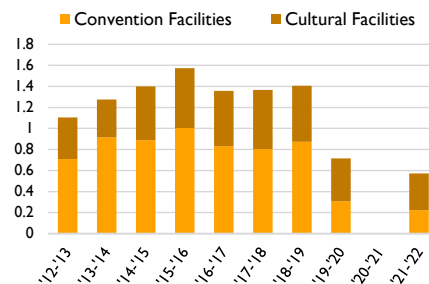


Photos: City Auditor’s Office and Team San Jose

Number of Events  
(Convention and Cultural  
Facilities Combined)



Attendance (millions)



Note: The facilities did not host events in 2020-21 because of COVID-19.

Operating Revenues and Expenses (\$millions)

