



GREATER DOWNTOWN SAN JOSÉ ECONOMIC RECOVERY TASK FORCE

SUPPORTED BY THE OFFICE OF COUNCILMEMBER RAUL PERALEZ

November 24, 2020

Honorable Board of Supervisors
County of Santa Clara
70 West Hedding Street
San Jose, CA 95110

Dear Honorable Supervisors,

We are voting representatives of the Greater Downtown San José Economic Recovery Task Force, a coalition of over 55 small businesses and community organizations operating in and around the Greater Downtown area.¹ The first session of our task force convened in mid-May and the second session recently between September to November. We came together to respond to the struggles and impacts that our business community have continued to endure throughout the COVID-19 pandemic.

Our Task Force is subdivided into eight industry-based committees:

- Arts & Special Events
- Faith Based & Community Spaces
- Food & Beverage
- General Retail & Services
- Hotels & Hospitality
- Large Employers & Property Owners
- Performance & Entertainment Venues
- Personal Care

For two and a half months and over a span of 40 meetings, our task force met intensively to generate policy and tactical solutions that would support the economic recovery and safe reopening of our local economy. We are pleased to share with you those recommendations.

RECOMMENDATION #1: Prioritize proactively establishing approved safety guidelines for indoor venues as well as any other uncategorized sectors.

BACKGROUND

It is evident that indoor event venues such as the Convention Center and San José Theaters will not be able to open at the capacity they once were allowed to for some time. Even in the California Blueprint, there is no guidance when it comes to convention centers. However, this should not prevent both the industry leaders and government partners in preparing ahead of time. Many California cities such as San Diego for example have begun creating guides on how their convention centers and events are

¹ See Attachment A

planning to reopen safely, once permitted to do so.² For many of the operators, tenants and renters of our local event venues, the most consuming part will be the interpretation and implementation of any requirements and guidelines passed down from the State and County.

Similar to the proactive work that was done in developing guidelines for personal care businesses like nail and hair salons, locally, there should also be work to begin crafting guidelines in the event that venues are allowed to reopen. In doing so, when the time comes to reopen the doors of our event venues, stakeholders can seamlessly and immediately take off and reestablish many of the important cultural events that make up the vibrancy of Downtown San José.

RECOMMENDATION #2: Work with the State to explore allowing for event venues to hold smaller, safe and socially distanced events that are in compliance with Federal, State and County mandates and guidelines such as car-based events or large indoor venues with very limited attendance.

BACKGROUND

As of November 2020, the State of California has not yet issued specific guidance for convention centers. Having access to this guidance in advance will provide the significant leeway time required to appropriately plan and prepare for these events once it is safe and legal to do so. It is crucial that guidance for outdoor gatherings be released in advance prior to Spring (March 2021).

Smaller scale events can be safely hosted by using large venues and outdoor spaces such as convention centers and parking lots. Our Task Force has asked the question, is there a scenario in the near future that would allow for a socially distanced 10 person event in a 500 person capacity theater for example?

Rather than placing a blanket capacity limit on events, we request that individual venues be evaluated for their capacity limitations. The San José Convention Center normally can host 8,000 people and thus has the space needed to host more than 100 people, the maximum capacity for gatherings while maintaining strict social distancing parameters in the State's "Orange and Yellow Tiers". All events would require attendee registration to allow for effective and comprehensive contact tracing. Additional requirements could be considered such as mandating events to cater to a local or regional audience deterring out of state travel. Team San José has prepared both employee and customer facing documents to address health and safety and their recent Global Biorisk Advisory Council (GBAC) STAR™ facility accreditation for outbreak and infectious diseases preparation and response makes them extremely qualified to safely facilitate events at the San José McEnery Convention Center and the collection of San José Theaters.³ In addition to these accredited venues, hotels in San José are following corporate health guidelines and implementing industry recommended protocols to ensure a safe return

² San Diego Convention Center. (2020, Oct 9) *Reopening Guide*. https://www.visitsandiego.com/images/SDCC_Reopening-Guide_100920.pdf

³ Team San Jose. (2020, Jul 23) *San Jose McEnery Convention Center & San Jose Theaters Are First in Northern California to Receive GBAC Accreditation*. <https://www.sanjose.org/press/pressrelease/sanjose-gbac-accred>

for guests and employees and are well prepared to host modified gatherings in their conference and ballroom venues.⁴

Allowing safe gatherings will stimulate several economic industries in the Greater Downtown Area and will enable many furloughed employees in the hotels and hospitality industry to return to work and receive income. If the current public health and risk reduction orders continue through January-June 2021 without allowing for modified gatherings to take place, Team San José anticipates a minimum loss of \$48 million in direct spending and \$23 million in indirect spending. San José has the foresight and expertise needed to safely host events but unfortunately is losing events to other destinations with less restrictive public health orders.

RECOMMENDATION #3: Explore more digital and streamlined processes for the required indoor dining customer disclosures.

BACKGROUND

The County's Mandatory Directive for Dining, Bars, Wineries and Smoking Lounges (Section III,4,b,i-iv)⁵ requires that indoor dining establishments ensure that at least one customer from each party seated together at a table fill out a disclosure form indicating their personal information, date and time of entry to the establishment and confirmation that all the individuals reside in the same household. Businesses must maintain these confidential records for at least 21 days and be made available to County Public Health on request for case investigation and contact tracing purposes.

While the purpose of this process makes sense in terms of contact tracing, we believe there must be a more streamlined digital option to help alleviate this administrative burden from restaurant operators and for those who are not comfortable using hard copy forms. For example, many restaurants are using QR codes for their menus and it has proven an effective way to communicate food service items while eliminating the need for hard copy menus. Perhaps there is a similar method that can be instituted where records can be directly and digitally submitted to a County-wide database during indoor dining. Afterall, what better place to do so than here in the heart of Silicon Valley.

RECOMMENDATION #4: Direct the Public Health Officer to conduct frequent public engagements with the small business community.

BACKGROUND

Since the creation of our Task Force which encompasses a very diverse cross-section of business owners, we have requested at least twice to meet and confer with our Public Health Officer or at least a Public Health Deputy. Unfortunately, we have been redirected in both instances to meet with alternate representatives citing staff bandwidth issues. While we appreciate the County's response and the

⁴ Team San Jose (2020) *How San Jose Hotels Are Keeping You Safe*. <https://www.sanjose.org/blog/hotels-safe>

⁵ County of Santa Clara. (2020, Nov 17) *Mandatory Directive: Dining, Bars, Wineries, and Smoking Lounges*. <https://www.sccgov.org/sites/covid19/Documents/Mandatory-Directives-Dining.pdf>

opportunities for those conversations, we are disappointed that we have not had an opportunity to directly connect with the County's Public Health Officer, whose decision-making process may benefit from our insight and industry expertise.

Economic recovery of our City and Downtown is completely dependent on what businesses are allowed to do, yet there is a lack of community dialogue on this front. We have specifically voiced this concern in the past⁶ and continue to be sidelined. We call on our County Board of Supervisors to help facilitate in the immediate future an opportunity for the Downtown business community to finally have this dialogue with the County Public Health Officer.

RECOMMENDATION #5: Consider providing relief and/or exemptions and temporarily prohibiting pass-ons of property taxes and fees to business tenants.

BACKGROUND

While much of the financial relief and assistance has come from Federal and State funding via the City, there are considerable opportunities for the County to implement temporary tax reliefs that could benefit the community. We understand that the burden should not completely fall on property owners hence why any relief for them would benefit us as well. For example, one of our local establishments is required to pay on an Unsecured Property Tax bill, dollars that could instead be used for additional operational uses like winterization equipment. During this dire time, any revenue that could be preserved would go a long way.

RECOMMENDATION #6: Prioritize Downtown small businesses that are prohibited from opening or are severely struggling in the implementation of the proposed \$100 million low-interest loan program.⁷

We applaud County Supervisors Ellenberg and Simitian for proposing a bold \$100 million low-interest loan package to assist small businesses, especially during this time when it is very much needed. As the economic and cultural engine for the South Bay, the sustainability and success of Downtown San José ripples out to all our neighboring cities and communities. With skyrocketing commercial rents, ongoing quality of life issues, and many other hurdles, it is critical that the Board ensures Downtown small businesses that are barely hanging on are given an equitable opportunity in participating in this program. Furthermore, in the development of this loan program, we ask that the Board consider including a mechanism for loan forgiveness for businesses that invest in improvements that advance public health interests.

⁶ Peralez et al. (2020, Jun 5) Letter to Board of Supervisors https://sjd3.com/wp-content/uploads/2020/06/FINAL_Coalition-Letter-to-BOS-Letter-Public-Health-Involvement1.pdf

⁷ County of Santa Clara (2020, Oct 19) Simitian, Ellenberg Propose \$100 Million Loan Program for Local Small Businesses. [https://www.sccgov.org/sites/d5/newsmedia/Pages/Simitian_Ellenberg_Propose_\\$100Million_Loan_Program_for_Local_Small_Businesses.aspx](https://www.sccgov.org/sites/d5/newsmedia/Pages/Simitian_Ellenberg_Propose_$100Million_Loan_Program_for_Local_Small_Businesses.aspx)

IN CONCLUSION, we ask that you implement these recommendations as expeditiously as possible. As we enter the winter and a new year, there are many unknowns that could possibly threaten the livelihoods of not only our business, but the very fabric of the Greater Downtown area that we wholeheartedly believe in.

Sincerely,

Dalia Rawson, *Task Force Co-Chair*
Performance & Entertainment Venues Co-Chair
Executive Director, New Ballet

Adriana Amador
Food & Beverage Committee Co-Chair
Assistant General Manager, Enoteca La Storia

Gabrielle Antolovich
Faith Based and Community Spaces Committee
Co-Chair
*Executive Director, Billy DeFrank LGBTQ+
Community Center*

Jeff Arrillaga
Large Employers & Property Owners
Committee Co-Chair
Property Owner, Urban Community

Fernanda Carreira
Food & Beverage Committee Co-Chair
Owner, Adegas / Pastelaria Adegas

Scott Guggenheim
Performance & Entertainment Venues Co-Chair
Owner, 3Below Theaters

Enrique Fernandez
Hotels & Hospitality Committee Co-Chair
Business Manager, Unite Here Local 19

April Gee
General Retail & Services Committee Co-Chair
Owner, Petite Galleria

Wisa Uemura, *Task Force Co-Chair*
Arts & Special Events Committee Co-Chair
Executive Director, San José Taiko

Takahiro Kitamura
Personal Care Committee Co-Chair
Owner, State of Grace Tattoo

Alan "Gumby" Marques
Personal Care Committee Co-Chair
Owner, Heroes Martial Arts

Phil Mastrocola
Faith Based and Community Spaces Committee
Co-Chair
Director of Outreach, Grace Baptist Church

Chris Patterson-Simmons
General Retail & Services Committee Co-Chair
Owner, Neu2U Thrift Boutique / Urban Kiosk

Brendan Rawson
Arts & Special Events Committee Co-Chair
Executive Director, San José Jazz

Jay Ross
Large Employers & Property Owners
Committee Co-Chair
Shareholder, Hopkins & Carley

Jimmy Sarfraz
Hotels & Hospitality Committee Co-Chair
General Manager, Hilton San Jose

ATTACHMENT A

Greater Downtown San José Economic Recovery Task Force Committee Roster - September to November 2020

Arts & Special Events

Anjee Helstrup-Alvarez, *MACLA*
Brendan Rawson, *San José Jazz**
Trami Nguyen Cron, *Chopsticks Alley*
Chris Esparza, *Giant Creative*
Dana & Yori Seeger, *School of Visual Philosophy*
Daniel Garcia, *Content Magazine*
Nick Nichols, *Symphony Silicon Valley*
Sayre Batton, *San José Museum of Art*
Wisa Uemura, *San José Taiko**
Nathan Svoboda, *ProjectMORE*

Faith Based & Community Spaces

Gabrielle Antolovich, Billy DeFrank LGBTQ+
Community Center*
Jill Bourne, *MLK Library*
Milan Balinton, *AACSA*
Phil Mastrocola, *Grace Baptist Church**
Rev. Gerald Sakamoto, *San Jose Buddhist Church Betsuin*
Rev. Joseph Benedict, *St. Joseph's Cathedral*
Rev. Julia McCray-Goldsmith, *Trinity Cathedral*

Food & Beverage

Adrian Kalaveshi, *Clandestine Brewery*
Adriana Amador, *Enoteca La Storia**
Cache Bouren, *Haberdasher SJ*
Fernanda Carreira, *Adega/Pasteleria Adega**
Jasmine Rast, *Roy's Station Coffee Shop*
Liana Ryan, *Devine Wine & Cheese*
Ryan Summers, *Good Karma/Pizza Flora*

General Retail & Services

April Gee, *Petite Galleria*
Chris Patterson-Simmons, *Neu2U/Urban Kiosk**
Cindy Ahola, *Community Cycles*
Ivy Vuong, *Flowers by Ivy*

* = Committee Co-Chairs

Hotels & Hospitality

Dan McGowan, *Fairmont San José*
Enrique Fernandez, *Unite Here Local 19**
Jimmy Sarfraz, *Hilton San José**
John Southwell, *Marriott Hotel*
Misoon Kong, *DoubleTree Hotel*
Tanya Fleming, *Holiday Inn San José*

Large Employers & Property Owners

Alicia Forbrich, *Forbrich Properties*
Edwin Tan, *San José State University*
Gary Dillabough, *Urban Community*
Jay Ross, *Hopkins & Carley**
Jeff Arrillaga, *Urban Community**
Judy Ross, *Mineta San José International Airport*
Nathan Ulsh, *San José Downtown Association*
Scott Ekman, *Adobe*

Performance & Entertainment Venues

Bill Fairweather, *134 IATSE*
Cathleen King, *San José Stage Company*
Chris Burrill, *Hammer Theater*
Dalia Rawson, *New Ballet**
Dana Zell, *Children's Musical Theater*
John Ciulla, *Team San José*
Marilee Jennings, *Children's Discovery Museum*
Rob Lindo, *Casino M8trix*
Scott Emmert, *SAP Center/SSE*
Scott Guggenheim, *3Below Theaters**
Matthew van Cleave, *The Rtiz San José*

Personal Care

Alan "Gumby" Marques, *Heroes Martial Arts**
Takahiro Kitamura, *State of Grace**

At-Large Members

Blage Zelalich, *City of San José*
Jonathan Perez, *Senate District 15*
Laura Chimelewski, *Team San José*
Stacie Shih, *Assembly District 27*