

SMALL AREA BUSINESS FOCUS GROUP EVENT SUMMARY

Diridon Station Area – Community Engagement

2021

March 2, 2020

3-4pm

Hosted by: City of San José

Public Attendance: 10 community members

Staff Attendance: 4 City of San José staff and 2 VTA Staff

Objectives: Gather feedback from small businesses on potential opportunities, impacts and strategies related to small business around the Diridon Station Area.

Overview: We would like to invite you and a buddy to this virtual focus group to discuss potential opportunities, impacts, and strategies related to small businesses in and around the Diridon Station Area. We will share some analysis of the small business context and the approach to addressing small business through the various planning efforts underway. Your feedback will help us to better understand your evolving needs and how we can support you.

Presenters:

Lori Severino, Diridon Program Manager

Vic Farlie, Senior Economic Analyst - Office for Economic Development

Gretchen Baisa, VTA

Agenda:

- Welcome and Introductions
- Presentation
- Key Questions
- Discussion and Q&A
- Wrap up

Key Themes:

- Have a more **clear plan on business displacement and disruption**
 - Providing **monetary support** to small businesses when **construction begins**
 - Need to differentiate between **brick and mortar and home businesses** in maps and future analysis
 - Support **legacy businesses** with **monetary and technical support**

- **Surveying all businesses** and going out to see immediate COVID needs. A lot of these businesses will be entering the construction phase of DSAP with a lot of risk from COVID impacts and will need support.
- **Impacts to SAP Center and surrounding small neighborhoods.** Small businesses thrive on SAP Center events.

Notes:

- We want to include as many San Jose businesses with all of the VTA money.
- We need to make sure the VTA process is diverse and contracts broken down by type to bring in small businesses
- Is the DISC one of the stations that VTA is talking about?
 - Gretchen: Our process is a little different from this process. BART It will be in front of SAP center and there will be access to HSR. And it's a separate process for DISC
 - Concern of slippage. This was all supposed to transpire in 2026 and is now till 2030. My greatest goal is to be alive when this is completed
 - Gretchen: It has slipped, because we extended the timeline for testing and spent time looking at tunnel configurations. How best to engineer and build the tunnel.
- I have participated in the Small Business task force and other interactions since the project started. We were pushing for a business interruption fund. Glad to see that board asked for that to be explored. Want to learn what happened in Alum Rock and make sure that doesn't happen. Need robust business interruption side set-aside when construction comes in and impacts folks - it's cash and not technical assistance
 - Gretchen: We know and part of the work with that study is what kind of mitigation is justified. A lot of business mitigation is engineered in the project. That's different from doing a single v. twin board tunnel. Aware and one tool in the toolkit that we are considering. Looking to see what the best fit would be
- Businesses that exist now - are you mapping out a plan so they can exist or expand in the areas in this whole footprint? If businesses may have to move, are you making plans that they get first opportunity to come back and they get help with issue (leaving, moving back, income missed)
 - Vic: There isn't a mapped out plan. What we had learned in Alum Rock. We have early notification to give them more time to think about it and prep for it. Another thing we learned in talking with housing developers in Alum Rock is that they want ground floor solutions with active uses. We don't have an agreed plan, but we have a step on that we have to bring partners on really early. We have also learned the importance of brokers. They know who owners are and understand neighborhood economics and that's why we have supported neighborhood associations. A lot of businesses owners see 1) assets they want family to inherit and want to protect and 2) may own property. We need to understand who are tenants and who are tenants and landlords - would help us understand who may be impacted by indirect displacement.

- Brick and mortar businesses on Alameda - helped to know which ones will be disrupted. Do you actually have that?
 - Vic: No, we don't. But we can be proactive now. And we can decide how to be proactive. A survey is one option or more that is specific in relation to what's planned. Or it could be around a particular neighborhood. Personal, I got more value during COVID in terms of collaboration to define what the solutions meant for them and more collaboratively than in the best
- Disruption and displacement are two different things. When you look at long-term opp where developers are giving things back to the city, the city will primarily use for housing. City may want to consider for legacy businesses how to build them back into the project and give them money so they can survive for that time. In order for SJ hold onto culture it requires that people who have been here to make it happen. I'm sitting in San Pedro Square and would not like to see this lose. Google should build opportunities for them to stay and exist at an affordable level. This would probably need state and local tax breaks. We need to start thinking about this!
 - Vic: Have a good business voice (many), a sense that it's organized in the Diridon area. Much easier to get resources once you clearly articulate need. And sometimes small businesses get left out. This meeting is important to get your feedback earlier on. When people ask you about need and want, you can see how to express that. I'm going to track this data every 6 months to see any change. I will be available to share the latest information and help you inform the kinds of issues you want to raise.
- What are the anticipated impacts to the SAP Center events? Many small businesses thrive on SAP Center events.
 - Nanci: A lot of people assessing traffic managing, plenty of parking and world class transit to make sure that all sized businesses are supported
- Surveying all businesses and have a questionnaire going out to see immediate COVID needs. This project will disrupt businesses, but COVID and the amount of money lost with deferred rent is a lot. It's astounding how much these businesses are at risk because they haven't been able to pay for rent in the last year. We are starting out in a hole
 - Nanci: We have existing city and state resources. Also the federal stimulus process funds that we have been waiting for.
 - Gretchen: VTA has a relocation plan for BART - lays out what it looks like
- All of those red dots - some are people in houses. The smaller amount are brick and mortar will be affected. If we lose brick and mortar, it will be bad. Have a different color for brick and mortar
 - Vic: Yes, I will update that.
- Lori summary
 - Have a more clear plan on business displacement and disruption
 - Impacts to SAP center and surrounding small neighborhoods

Chat Notes:

Italics = city/presenter/host

- Vic where is the center going to be located?
- Sharing The Alameda Business Association website: <https://www.the-alameda.com/>
- *Lori Severino* : Just to clarify, we are going to post the presentation component and a summary of the feedback - but will not attribute comments to specific people.
- *Vic Farlie - OED* : The new business center will be at the Quetzal gardens site on Alum Rock Ave - partners include Excite Credit Union Somos and the new Latino Business Foundation.
- Vic, will there be housing as well?
- *Vic Farlie - OED* : Yes it is a residential development with circa 90 units and the business center is the ground floor. Ideally the center opens as soon as the construction is complete. Its an innovative partnership so requires laot of communication and support.
- Vic, Is Destination Home the Housing developer?
- What are the anticipated impacts to the SAP Center events? Many small businesses thrive on SAP Center events.
- *Gretchen Baisa* : Here's the Relocation plan for VTA's BART Phase II Project :
http://vtaorgcontent.s3-us-west-1.amazonaws.com/Site_Content/PhaseII-Relocation-Plan-112718.pdf
- Thank you!
- Thank you!
- Thank you!