

Minutes of Regular Meeting
Board of Directors
San Jose Downtown Property Owners' Association

April 22, 2016

A regular meeting of the Board of Directors of the San Jose Downtown Property Owners' Association (POA), a non-profit California corporation, was held at the SJDA office, 28 N. First St., Suite 1000, San Jose, CA 95113.

Board members present: Hammers, Killgore, Mattson, Utic, Ortbal, Bartl, Ryan, Mussara and Berg.

Members absent: Ortbal, Kline.

Also present were Executive Director Scott Knies, Operations Manager Eric Hon Business Development Manager Nate Echeverria, Michael Messinger, Meacham/Oppenheimer, Semu One Bear from Block by Block. David Tran from Councilmember Peralez's office, Diane Milowicki and Rick Scott, Department of Transportation.

Hammers called the meeting to order at 8:30 a.m.

Minutes

The meeting minutes from March 4 were distributed prior to the meeting and approved unanimously.

President's Report

- There was no president's report.

New Business

- With the recent resignation of Jan Schneider, there is an opening on the PBID board of directors. Per PBID bylaws, the board can appoint a board member to fill an unexpired term.
- Hammers introduced Michael Messinger to the PBID board. Messinger indicated that he has been involved with downtown since 2007 and provided some information on his background, including the building he owns and his affiliation with Meacham Oppenheimer.
- A motion was made to appoint Messinger to the PBID board and was approved unanimously. Messinger's seat on the PBID will be up for election in 2017.
- Hammers moved item 4b, approval of FY 14-15 Form 990, further down on the agenda.

Old Business

- Knies directed the board to the FY 2016-17 budget page of the meeting materials. At the March 4 meeting, the board requested some additional assessment details which staff has provided. The difference between three percent assessment increase versus a five percent increase, is approximately \$45,000.
- Knies went over the budget projections and called out some of the variances, such as the contract with the City's Housing Department (line 17) for the Groundwerx Homeless Job Training Program. The program will continue, but Downtown Street Teams (DST) will be the lead agency so the revenue and expenses (line 48) are no longer reflected in the budget.
- Knies called the board's attention to line 53 and reminded the board that SJDA's management fee is a fixed percentage at not-to-exceed 9.9% of total PBID revenue.

- The proposed FY 16-17 budget does project a negative Revenue Net of Expenses, however, Knies pointed out that in FY 15-16, there was a gain of approximately \$80,000, which offsets the upcoming year's deficit.
- The board expressed an interest in working with the City to increase the baseline contribution, particularly in light of the continued increases to living wage and the high cost of some Street Life projects.
- Hammers said there are two action items before the board, the first is to settle on the assessment increase for FY 16-17 and then approval of the proposed budget for the upcoming year.
- The board voted unanimously to increase the assessment rate by five percent.
- The FY 16-17 budget was also approved unanimously.
- Hammers then circled back to the FY 14-15 IRS form 990, which was distributed in advance to the board for review. There was some brief discussion and questions which were answered by staff.

Business Development Report

- Echeverria said the downtown commercial real estate tour that was mentioned during the previous board meeting has been pushed back from April to October as the event organizers work through tour logistics.
- Echeverria provided a few other updates, including two projects he's actively involved with. The ownership of 300 S. First Street is working to have food trucks at their site and is going through the Special Use Permit process.
- Echeverria is also working with one of the recipients of the Knight Cities Challenges, to produce a recurring night market on Post Street.
- SJDA submitted a letter to the Department of Planning, Building on April 6 to support the work of various consultants and City staff in making improvements to the city permitting process. Of the five recommendations, the Pilot project to provide "STI" (Special Tenant Improvement) expedited processing to include restaurants was embraced by the Planning Director.

Operations Report

- Hon provided updates on PBID operations. The Groundwerx Homeless Job Training program will continue at its current levels in FY 16-17. There had been earlier concerns that the program would need to be reduced, however, negotiations with Downtown Street Teams (DST) were successful. The only difference is DST will be the lead agency instead of the PBID, which will not impact the program on the street level.
- Groundwerx has also been conducting pedestrian counts for Street Life Project Manager, Jason Su. The purpose of the counts is to provide quantitative data on downtown pedestrian activity. Several members of the board expressed an interest in seeing the findings, once the results have been analyzed.
- Hon said that he and a contingent of SJDA staff will be speaking at the California Downtown Association conference in May.
- Hon informed the board that the PBID Project Coordinator has joined SJDA. Stephanie Wong, is working on a six-month contract to assist with the design, build and promotion of the Almaden Boulevard exercise loop.
- A 7' X 9' section of the art crosswalk pattern on S. 1st Street was dug up on March 16 so that the water company could repair a leak. The water company has indicated that it will replace the missing section once the new concrete cures.
- The building permit for the mural corner has been obtained. A timeline is being developed for construction and the project is expected to be finished in May. A small media event will likely be scheduled upon completion and the PBID board is invited to attend.

The meeting was adjourned at 9:45 a.m.