

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

April 24, 2015

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 SJDA office, 28 N. First St., Suite 1000, San Jose, CA 95113.

Board members present: Ortbal, Hammers, Wilcox, Mattson, Kline, Schneider, Utic and Ryan.

Members absent: Berg and Cosgrove.

Also present were Executive Director Scott Knies, Deputy Director Blage Zelalich, Operations Manager Eric Hon, Business Development Manager Nate Echeverria and Jason Su, PBID Street Life Project Manager. Kevin O'Connor, Department of Transportation and Semu One Bear from Block by Block also attended the meeting.

Hammers called the meeting to order at 8:35 a.m.

President's Report

- There was no quorum to begin the meeting. Hammers informed the board that Jim Ortbal has been appointed the interim director of the City's Department of Transportation (DOT). Ortbal said the appointment is on an interim basis until a new City Manager is brought on. He added that O'Connor took his place as interim assistant director of DOT.

New Business

- Hammers said there is a open board seat because Andria Souza, representing Legacy Partners, has resigned from the PBID board. Per the bylaws, the board can appoint a replacement for the remainder of that seat's term.
- Hammers wondered if the board should bring on a representative from the rental housing market given all the new development in downtown. Ortbal said the composition of the board is worth discussing before the board makes its appointment.
- Knies said when the board was formed, residents and hotels each represented approximately ten percent of the PBID assessments. The board elections are in October and this topic will be on the agenda of the next meeting in June.
- Knies recommended having staff solicit interest from the commercial property owners regarding potential board candidates for Souza's seat prior to the next meeting.

Minutes

- The board had a quorum upon Schneider's arrival. The meeting minutes from February 10 were distributed to the board prior to the meeting and were unanimously approved.

New Business (continued)

- Hammers directed the board to the budget page of the meeting packet. He said the board needs to discuss and finalize an assessment rate for FY 2015-16 and then approve the budget.
- The board discussed rate increase options. Hammers said one important factor to consider is the City's living wage requirement. In 2014, the

rate went up 12.9 percent. Living wage is calculated based on the cost of living in San Jose and the living wage rate is expected to continue to increase.

- Utic said the current Consumer Price Index is already at three percent.
- Ortbal added the new housing will attract more people to the district, resulting a need for increased services and the only way to provide additional services is by increasing the assessment rate.
- The PBID board unanimously voted in favor of increasing the PBID assessments by five percent and approved the proposed FY 2015-16 budget.

#### Street Life Report

- Su gave a presentation on the San Pedro Squared project. SJDA was awarded a \$139,000 grant by the Knight Foundation to build new retail spaces at the bottom floor of the Market Street garage, facing San Pedro Street.
- Su has met with Gensler, a leading architecture and design firm in downtown San Jose, who indicated they are willing to provide design work pro bono.
- Knies said the City is putting together a team to assist in getting the project completed. The project is projected to be complete in 18 months.
- Su provided updates on the various street life projects in progress. He said the Public Art Committee approved the art crosswalk design and he is in the process of obtaining the required permits. Installation will begin in June.
- Another project that is getting closer to installation is the mural corner on Second and San Carlos streets. The structural designs are completed and the property owner has approved the mural corner structure. Su is working with the City's planning department to obtain the permit. The process is slow because this is the first project of this kind and the City needs to be assured that this structure will not be used for advertising. While Su works through the permitting process, Notre Dame high school is getting ready to start painting their portion of the mural corner on wood panels.
- Su advised the board that a Street Life Committee meeting will be scheduled in May to discuss the street life budget for the new fiscal year. The committee will discuss street life priorities in detail and report back to the board at the June meeting.
- Hon gave a brief update on the Hwy 87 Illuminations project. The artist, Dan Corson, is fabricating the light structures and tested the prototypes in San Jose. Zelalich and Hon attended a demonstration and were impressed by the lights programming capabilities. The City continues to negotiate with Caltrans over maintenance issues and is expected to be complete by the end September.

#### Operations Report

- Hon said Groundwerx is prepared to meet the 30 percent reduction in water usage as mandated by the Santa Clara Valley Water District in March. Groundwerx already exceeded the City's mandated 20 percent reduction in 2014 by reducing its usage by 24 percent.
- Groundwerx has adjusted its pressure washing deployment and cleaning is only performed for health and safety reasons.
- Hon said the PBID has submitted two proposals in response to the City's Housing Department Request For Proposal. The first proposal aims to continue the Groundwerx and Downtown Street Teams (DST) work experience program in FY 2015-16.
- The second proposal was submitted in collaboration with Bill Wilson Center (BWC) and seeks to have Groundwerx provide downtown outreach and

engagement services to homeless individuals within the district. If awarded, both programs would commence on or about July 1.

- Hon informed the board that VTA has renewed its contract for Groundwerx to continue cleaning transit stops along First and Second Streets, as well as the transit stops along San Fernando. The new agreement goes into affect July 1 and includes a 3 percent increase.
- Hon has been working with Commercial Tree Care (CTC) to complete the pruning of the transit mall trees. VTA's permit requirements delayed the work, but Hon anticipates completing the work in April.
- After the transit mall, CTC will begin pruning the palms in the SoFA district and finish up the year by working on the palms along Almaden Boulevard.
- The 2015 PBID member survey will conclude on April 30. Once all the responses are collected, Hon will analyze the results, which will be published in the Downtown Dimension newsletter as well as the Sparkler.

#### Business Development Report

- Echeverria has been working closely with the Ritz, a live music venue in the SoFA district. The experience of helping reopen this venue within the Downtown Entertainment Zone has helped to inform policy recommendations moving forward.
- There is currently a lot of interest in "Co-working Spaces." The PBID is working with the City's Office of Economic Development, the Knight Foundation and District 3 Councilman to develop a strategy of co-locating these businesses on a specified corridor.
- Echeverria said he is actively working with city staff to identify opportunities within the General Plan and Zoning Code to rezone fringe parcels to "Downtown Core" designations in order to remove some of the cost burdens to small businesses and property owners.
- Echeverria has also been busy working with stakeholders such as SPUR, on policy recommendations regarding the design of ground-floor space on new downtown developments. These recommendations are intended to lead to better architecture and urban design on development projects.

The meeting was adjourned at 9:55 a.m.