

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

June 17, 2014

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: Berg, Hammers, Cosgrove, Mattson, Ortbal, Utic and Ryan. Souza participated via teleconference.

Members absent: Wilcox, Kline and Schneider.

Also present were Executive Director Scott Knies, Operations Manager Eric Hon and Business Development Manager, Nate Echeverria and Rich Mongarro from Block by Block.

Hammers called the meeting to order at 8:31 a.m.

Minutes

- The meeting minutes from April 15 distributed to the board prior to the meeting were unanimously approved.

President's Report

- No report.

Five-year PBID budget projection

- At the April 15 meeting, the board asked staff to develop a five-year budget projection. Staff presented the budget projection, which included assumptions such as living wage increases at seven percent and cost of living adjustments at three percent. New development projects were also factored into the revenue based on estimated completion dates.
- Berg asked if the City Baseline funding should include an increase. Ortbal said when the PBID was renewed in 2012 the new PBID agreement with the City did not include an annual increase for baseline funds.
- Ortbal said staff made logical assumptions on the budget projections. He suggested the board review the budget projections again in early 2015 before approving a new budget for FY 15-16.
- Berg asked why there were some fluctuations in some of the expense line items. Knies said the SJDA management fee is based on a percentage of the PBID's total revenue so that will change from year to year. Knies added that the Street Life plan will also change because in the upcoming fiscal year the PBID received a grant to pay for a project manager.
- Knies said the budget projections show that the PBID will most likely have more money than originally anticipated for Street Life projects. The five-year outlook shows that as much as \$250K can be expended each year.
- Knies reminded the board that the beautification line item has always had the most flexibility because some of the other expenditures are fixed costs, such as the Block by Block contract, which includes City-mandated annual wage adjustments for Groundwerx staff.
- Hammers asked if the partnership with San Jose Street Teams could lead to some additional savings for the cleaning. Hon said there is not likely to be any savings because Groundwerx does specialized work. The Street Teams staff will support the clean team by providing supplemental litter and debris removal.

- Mongarro added there is likely to be turnover with the Streets Team, given that it is a voluntary program.
- Hammers reminded the board that the budget discussion is for review only and no action needs to be taken.
- Ryan asked if there was a need for downtown ambassadors. He said the PBID would be better served if it put more money into the cleaning program.
- Mongarro said the ambassadors have a unique role because in addition to their ambassador duties, they also provide cleaning assistance, particularly in the basic zone of the district.
- Hon added the ambassadors provide a much different type of service. Ambassadors are trained to interact with not only pedestrians but also the transient population. Sometimes their role is a little harder to define, but its only because they are asked to cover a much broader range of services. Hon also reminded the board that the current PBID management plan calls for a specified number of ambassadors and if the board decided to phase out ambassador services the management plan must be revised.
- There was some discussion among the board about having a retreat to continue the discussion on the ambassadors program. Knies suggested the board continue this discussion once it becomes clearer how the City's Diridon project will play out. If the Diridon area is to be annexed into the PBID, then it would make sense to incorporate other changes.

New PBID logo

- Knies led the discussion of the new proposed PBID logo, which was used as letterhead for the board agenda and business development report. He said the SEU program has been a great addition to the PBID services, however, many people do not realize that the program is part of the PBID because the golf cart is unmarked and the SEU officers are in SJPD uniform.
- Knies said Groundwerx enjoys a really strong brand thanks to its tremendous logo. However, the logo is not appropriate for the SEU golf cart because Groundwerx does not provide that service.
- Staff began working with a designer for the PBID security logo and through that process a general PBID logo was developed because there have been new services added that are unrelated to the work of Groundwerx.
- Knies said the PBID logo, which includes icons for key PBID services, including Groundwerx, would only be used internally on letterhead.
- A discussion on the logo ensued. The board directed staff to continue to work on the logo and to make it more closely associated with Downtown San Jose.

Street Life/Beautification Report

- Hon said there has been some progress on the Hwy 87 illuminations project. Hon attended a meeting between Caltrans and City staff on May 22 to discuss ways to move the project forward. Mayor Reed, along with the support of other members of the City Council, wrote a letter to Caltrans urging them to reconsider their position on Hwy 87. The letter was instrumental in making Caltrans more receptive to the project.
- Hon said the Downtown Foundation was awarded a grant from the Knight Foundation. Half of the \$150K grant will be used to fund a Street Life Project Manager for the first year. SJDA is in the midst of its hiring process for the Street Life Project manager and has a strong pool of applicants.
- Hon has been working with the City's Department of Transportation on enhancing the visibility of the sculpture on the median at Almaden Boulevard and Santa Clara. A few trees will be removed and the remainder

will be pruned to open up the sight lines. The next step will be to assess the lighting situation.

- Hon said he has had some initial discussion with a representative from Petsmart, who is interested in bringing a temporary pop-up dog park to downtown San Jose.

AB 2618

- Knies gave an update on AB 2618 which sought to clarify the ambiguity around the issue of what constitutes a general versus special benefit provided by improvement districts such as the PBID.
- In November 2013, the PBID board approved making a contribution to the CA BID Alliance in the amount of \$2,900. Originally, the 16 largest districts in the state were asked to make a contribution to support the legislation.
- The coalition is also asking for additional financial support from our district in the amount of \$1,500. Staff recommends making the additional contribution as the outcome of AB 2618 directly impacts the future of districts such as ours.
- The board unanimously approved the contribution of \$1,500 for AB 2618.

Business Development Report

- Echeverria is working on a variety of longer-term projects and initiatives with downtown San Jose businesses. These include planning and structuring a Holiday Pop-Up Retail initiative, organizing a Downtown San Jose Tour, and planning multiple networking events for local downtown businesses.
- Echeverria is helping or has helped 12 businesses with permits and support through the development services process. He has also helped six businesses with locating space downtown and has assisted five brokers with better understanding the downtown San Jose retail market.
- Echeverria also discussed various business closing and openings that occurred between April and June 2014. During this period 14 new businesses have opened or are in the process of opening downtown. During this same time period six businesses have ceased operations downtown.

Operations Report

- Hon said Groundwerx is making preparations to implement the work experience program with San Jose Streets Teams. Groundwerx program director, Rich Mongarro, has developed a training agenda for June 26. The Streets Team participants will pair up with Groundwerx cleaning staff and work on litter abatement and debris removal. Per the board's direction, staff is working on a press release and other promotional opportunities.
- Groundwerx will also soon be adding some new equipment in the form of a GMC work truck and Kubota utility vehicle. Both vehicles will be branded with the Groundwerx logo and colors and ready to hit downtown streets by July 1.
- The PBID has finalized its agreement with CMG for ongoing landscape design services. The CMG retainer has a not-to-exceed amount of \$20K. DOT will contribute \$10K and the PBID will match those funds for advanced landscape architecture services.
- The Redevelopment Agency's downtown transit mall banners have been degrading for several years. The beautification subcommittee allocated \$25K for the design, production and installation of new banners. SJDA and City staff have been working on designs for new banners and the initial estimates have the production costs coming in less than the budget amount. Staff hopes to have new banners installed by August.

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