

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

August 26, 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, Wilcox, Schneider and Ryan.

Members absent: Utic, Kline and Souza.

Also present were Executive Director Scott Knies, Deputy Director, Blage Zelalich, Operations Manager Eric Hon and Business Development Manager Nate Echeverria and Rich Mongarro from Block by Block. Kevin O'Connor, Deputy Director for the City of San Jose's Department of Transportation, also attended the meeting.

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

Minutes

- The meeting minutes from June 17 distributed to the board prior to the meeting were unanimously approved.

President's Report

- Hammers said the PBID board elections are coming up and three seats are up for election. He reminded the board of the composition of the PBID board of directors. Board members can serve up to three consecutive three-year terms.
- Knies outlined the board election and ballot process. PBID members have traditionally been mailed a ballot with a nominating slate. The ballot also allows for write in nominations. Ballots are counted at the Annual Meeting in October.
- Hammers said the incumbents have all expressed an interest in continuing to serve on the board. Hammers added that there is also interest from someone not currently on the board. The board discussed the election process and agreed that because some individuals are set to term off in the next few years, there will be opportunities for new members to join.
- A motion was made by Berg to elect the nominating slate of Eric Kline (Adobe Systems), Richard Utic (Saratoga Capital) and Janis Schneider (R&J Jewelry). The motion was approved unanimously.
- Hammers updated the board on the status of Assembly Bill 2618, the Board has supported monetarily. The bill, which clarifies the ambiguity around general versus special benefit provided by California improvement districts, was signed by Governor Brown last week.

Business Development Report

- Echeverria provided an update of the various projects and initiatives he is working on to support downtown's small businesses and property owners. This included an update of the ongoing Holiday Pop-up project scheduled for Oct 2014 to Jan 2015.
- Echeverria also provided an overview of various real estate tours that have taken place or are being planned for downtown.

- Updates were made to the Development Resources and Small Business Resources pages of the SJDA website to reflect changes in incentives available for prospective downtown businesses.
- Echeverria provided direct assistance to 11 businesses, worked with eight business in locating space downtown, and assisted several brokers and market analysts to gain a better understanding of downtown San Jose real estate.
- Echeverria then provided a detailed breakdown of new businesses that have opened downtown, businesses currently in the process of opening, and businesses that have closed over the past two months. He also provided a trend analysis to show that the ground-floor retail vacancy rate has declined from 11 percent for April 2014 to 9.3 percent for August 2014.

Operations Report

- In June, the board indicated that it wanted to evaluate the ambassador program. Hon said the ambassador program is an important part of the PBID services but it is more difficult to define when compared with the cleaning component of the Groundwerx services. Ambassadors serve multiple functions such as hospitality/concierge, promote downtown safety, report property conditions and even provide front line cleaning.
- Hon worked with Groundwerx program director, Rich Mongarro to compare Groundwerx ambassador services with the programs in Downtown Berkeley and Long Beach. Both of those programs feature a significantly larger contingent of ambassadors, however, Groundwerx compares favorably with both districts. Comparison charts were included in the operations report.
- Hon also compared the Groundwerx ambassadors to the cleaning program. From January to June (2014), the ambassadors abated the majority (54 percent) of the graffiti in downtown San Jose, despite making up only 18 percent of the total service hours. The ambassadors are more mobile, which makes them a better option to address graffiti, particularly in the outskirts of the district. This allows the clean team to focus on other aspects of cleaning. This symbiotic relationship is what allows Groundwerx to cover such a large geographic area.
- Mattson said she believed the ambassadors are an important part of the PBID and the information provided shows their true value.
- Berg asked Hon if he felt the ambassadors were a good use of PBID funds. Hon said the ambassadors are money well spent. Knies reminded the board that per their direction the number of ambassadors can be reduced over time.
- Ryan suggested that the ambassadors only staff the kiosk for events. He would prefer to see them being proactive as described in the operations report.
- Hon described the process for which the pressure washing team will reduce its water use. The measures put in place will result in a 24 percent reduction, which exceeds the City's recommended 20 percent.
- Kevin O'Connor from the City of San Jose's Department of Transportation said the state has placed additional restrictions on sidewalk cleaning, which the City of San Jose will be adopting. These restrictions prohibit cleaning of the sidewalks unless there is a health/safety issue.
- Hon said Groundwerx is aware of this new regulation, but will need time to evaluate how we can be in compliance without halting sidewalk cleaning. The challenge is that the State has not defined what constitutes a health/safety issue.
- Hon said he will continue to work with the City to come up with a plan of action and look to implement the changes by October.

- The work experience pilot program with Downtown Streets Team (DST) has been very well received thus far. The media has done several complimentary pieces on the program. Hon is still working on finalizing the PBID's agreement with the Housing Department so the PBID can get reimbursed for its start costs and first months payment to DST.
- Mongarro said Groundwerx just recently hired its second member of DST, the first through this program.
- Hon said two finalists have been identified for the PBID Street Life Project manager position. He feels both individuals would do well in the position and will be making an offer to one of the candidates by September.
- The Office of Cultural Affairs (OCA) continues to work with Caltrans to get the restricted access permit for the Highway 87 Illuminations project. Caltrans has submitted a draft agreement to the City and DOT and the City Attorney's office are both reviewing. There is no timeline for obtaining the permit, but once it is received the installation can begin. The goal is to complete the project by the end of 2014.
- Hon gave a brief update on the installation of the new transit mall banners. Installation was completed on August 9. A lot of coordination was required with VTA as they had limited resources that could be allocated to this project.
- The PBID collected the second half of the FY 13-14 property assessments on August 15. The Successor Agency to the Redevelopment Agency (SARA) is still the largest amount of uncollected assessments. The General Services Administration (GSA) is the second largest.
- Knies said staff is trying to work out a "good neighbor" agreement with GSA to pay for federal properties in the district. The board asked if the City can pay the PBID assessments on behalf of SARA and if the SARA properties are sold, can the City be reimbursed? Ortbal said he would look into this option and report back.

The meeting was adjourned at 10 a.m.