

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

November 15, 2011

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, Souza, Hammers, Mattson, Ortbal and Keit.

Board Members absent: Nardi, Knox, Ryan, Burnell.

Also present were Executive Director Scott Knies, Deputy Director Blage Zelalich, Operations Manager Eric Hon and Rich Mongarro, SGI Program Director for Groundwerx.

Hammers called the meeting to order at 8:35 a.m. There was no quorum to begin the meeting, so Hammers moved up the operations report.

Operations report

- Hon said there was an increase of graffiti in July as the City outsourced graffiti abatement, but Groundwerx has watched as the number of tags came back to the normal amount August through October.
- Hon said that he and Zelalich also recently met with some property owners on N. First St. to discuss the ongoing vagrancy issues. Having identified the issues, staff will now focus on working with SJPD to address these issues. One potential solution may be the use of on-duty "suppression cars" to provide an added police presence.
- Hon then updated the board on volunteer based Groundwerx projects. Most recently Groundwerx led 16 volunteers from CommUniverCity to repaint curbs within the district. In September, Groundwerx spent a lot of time working with the Downtown Streets Team, Boston Properties and the Rotary to clean up the Guadalupe River Walk.
- Hon reported that most of the San Pedro Square beautification elements were completed in time for the opening of the new market.
- The lights at the Circle of Palms have also been replaced with new LEDs, which have dramatically improved the look of the area. The new lights are much brighter and will be easier to maintain moving forward.

President's Report

- Hammers said the beautification subcommittee met with light artist Bill FitzGibbons on November 10 to discuss a light project at the Hwy 87 underpass on Santa Clara. FitzGibbons showed the group some of his other work in other cities, including one in San Antonio, Texas, which has similar infrastructure. Once installed, he said the light could be seen from three blocks away.
- Hammers said FitzGibbon's estimated the project to cost approximately \$300K. The committee is interested in finding some other partners to help fund the project. Overall, the committee was impressed by FitzGibbons work in other cities and would like to receive a full proposal.
- Berg said he really likes the project but is concerned about the costs. He wanted to know if the budget allowed for a \$300K project. Berg

added that Zer01 is working on lighting the Bay Bridge and that the PBID should check in with them and see if they have any feedback on the PBID lighting project. Knies said he would do that.

- Hammers suggested dedicating some time at the next board meeting to discuss the Hwy 87 project. Hammers has some reservations about moving too quickly because this is a large scale project that will be installed in one specific location. He sees two options, the first is for the PBID to take the lead and actively pursue installation of the lights. The second option is to focus on recruiting partners for this project first.
- Zelalich said there is a third option. She feels that it is possible for the PBID to move forward, getting approvals from Caltrans, OCA and others, while also seeking potential partners. Zelalich also said that the PBID has installed beautification elements throughout the district and the board can be confident about this project being well received because colorful lights are benign.
- Hon concurred and said based on the meeting with Caltrans and the artist, the project will take at least one year to complete.
- Berg said he does not want the PBID to use its entire beautification budget on one project but is open to the idea of moving some money around from other budget areas to increase the beautification line item.
- The board continued to discuss the options and concluded Zelalich's suggestion made the most sense.

#### Minutes

- Keit arrived while the meeting was in progress to make the quorum.
- The meeting minutes from October 25 were emailed to the board prior to the meeting and were unanimously approved.

#### New Business: Board Officers Elections

- Hammers said because there were no other nominees for 2012 board officers, the nominating slate of Utic (vice president), Mattson (secretary), Ortbal (treasurer) and Hammers (president) are up for nomination.
- The slate was unanimously elected.

#### Old Business: draft management plan review

- Hammers reviewed the revised draft management plan with the board. He said the proposed 11% increase seems more palatable than the 20% in the original draft.
- Knies said PUMA has provided more detail in the economic development section because there were some concerns expressed by the board. Knies added that there needs to be balance between providing the necessary details in the management plan language but leaving enough flexibility to make adjustments as needed.
- Knies confirmed with Joe Horwedel, the City's planning director, about how the PBID can help with tenant improvements and permits. Horwedel, who conceded that the city could stand to improve their work with small businesses, said the planning department would support the PBID's proposal for an ombudsman/expeditor and his staff would work closely with the PBID.
- Ortbal asked if economic development is not a priority for owners in future years, is there another way to add flexibility because it is hard to predict what will happen five years from now.
- Knies said there are several options: the board could rebudget all funds within a category, for all Business Retention and Growth funds could be shifted to Beautification; 10% of the money can go from the

broader economy to environment categories each year; and the board can elect to increase assessments, up to five percent per year.

- Knies added that the maintenance costs have been separated in environment to keep the capital costs under economy.
- Berg said he likes the potential beautification project at Hwy 87, but would still rather see more money for beautification in general. He does not feel the \$100K allocated for economic improvement could make much of an impact and would rather see that money be used for beautification.
- Hammers said that RDA has spent a lot of money of economic development, and wonders how much impact will the PBID's \$100K will have. Hammers also said even if the plan is approved as is, the board will not be committed to spending on economic development over the next 10 years. Ultimately, the board decides what it wants to spend money on. However, if economic development is not included in the management plan, the board will not be able to put it in without redoing the entire district.
- Berg suggested \$10K for economic development. Ortbal said \$10K would put more stress on staff, but \$100K could have an impact. Ortbal added that \$100K is not a huge investment, but the PBID has made some impact with small investments such as beautification.
- Ortbal suggested renaming the economic development to something more specific like Business Retention and Recruitment.
- Knies said there are a lot of variations of the potential budget/assessment increases. Knies said the new services would go into effect in 2013 so assessments could be increased then to supplement the budget and keep the total renewal budget increase below 10%, if that is board's direction.
- Knies suggested letting staff share the revised draft with property owners and get some feedback on the services and proposed increase. Staff is ready to present the draft management plan to a scheduled commercial property owners meeting tomorrow.
- Ortbal said he is comfortable taking the current draft to the City attorney's office.
- Keit said he likes Ortbal's label of business retention and growth. He added that RDA is still around, but only has two staff left working on economic development and sees a huge benefit to having a PBID staff person as an additional resource. Keit also sees a lot of potential for small business owners.
- Keit then asked a question about safety and the BID. He said he was at a meeting with the mayor, police chief and city attorney, who all wondered if the PBID could contribute money to the police.
- In regards to safety, Knies said the Santa Cruz Police Department has used some of its PBID funds to hire private security reporting to the police department. The PBID can also consider hiring off-duty officers. Both of these approaches need to be discussed with SJPD as potential options.
- Knies said if the district is renewed and services go back out to bid, a more security oriented ambassador or a "navigator" program can be included in the RFP.
- Mongarro said the current ambassadors are not equipped to deal with some of the vagrancy issues because the City as limited what the ambassadors could do. Moving forward, these limitations on Groundwerx must be revised in the new management plan with the City.

- As the meeting came to an end, the group went around and shared their thoughts. Souza said she likes the Hwy 87 beautification project and sees value in doing more, but is not sure where the money would come from. She also said a 9.9% increase would be easier to sell but is comfortable pitching the 11.4%.
- Souza also said that safety is also a big concern and she would like to see some changes in this area as discussed.
- Knies asked Souza about the tree-trimming program that took place near Legacy properties. Souza said she was notified by staff in advance of the work and was pleased.
- Mattson said the expectations for the PBID has changed. In 2007, the PBI was to provide clean and friendly streets along with some beautification. With the economic downturn and limited city resources, the PBID has been asked to do more and she feels this justifies the 11.4% increase.
- Mattson agreed with the others about presenting the 11.4% increase and getting feedback.
- Mattson added that she was intrigued by the idea of SJPd hiring security.
- Knies asked besides security, what are other concerns? What else does staff need to outreach?
- Mattson said the new residents are not plugged in. She wondered how we get them plugged in. Hon said he plans to visit HOA meetings in coming weeks.
- Keit said safety would be a big issue for residents.
- Souza said economic development is a major point of interest for commercial property owners.
- Knies thanked members for their comments and said staff will proceed with outreach from property owners and report back at the December meeting.

Meeting adjourned at 10:35 a.m.