

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

April 17, 2012

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: Souza, Mattson, Keit, Ortbal, Berg, Hammers, Cosgrove and Utic.

Members absent: Kline, Ryan and Schneider

Also present were Executive Director Scott Knies, Deputy Director Blage Zelalich, Operations Manager Eric Hon, Diane Milowicki, City of San Jose Department of Transportation and Rich Mongarro, SGI Program Director for Groundwerx.

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

Minutes

- The meeting minutes from February 21 were emailed to the board prior to the meeting and were unanimously approved.

President's Report

- Hammers congratulated the staff and board on the progress made on the renewal effort, particularly the petition threshold accomplishment.

Old Business: Services and Renewal

- Hon gave an update on the renewal campaign. He said staff has secured petitions from more than 50 percent of the property owners, not including the City and RDA petitions. With the City/RDA petitions, the total percentage is at 69 percent. In 2007 on formation the PBID had 52 percent (inclusive of the City and RDA).
- Hon said the City is in the process of reviewing both the PBID Engineer's Report and Management Plan. At the May 1 City Council meeting, the City will sign its petition and approve the resolution to continue the district, initiating the ballot process.
- Hammers and Ortbal agreed to make a joint presentation at the May 1 Council meeting.
- Ballots will be mailed from the City to property owners by May 4. The public hearing will be on June 19 and the City Clerk will tabulate the ballots. A majority of the votes (weighted by assessment) needs to be in favor of continuing the PBID for the district to be renewed.
- Once renewed, the assessments will be included in the tax roll by August 10 for the tax bill due in December 2012.
- Ortbal commended staff for getting the petitions. He said it is not an easy task and to have such strong support really speaks well of the district.
- The next agenda item was a discussion about the enhanced security proposal, where the PBID would accelerate its plan to hire off-duty police officers for downtown.
- Zelalich said she will be meeting with the Assistant Chief to review the scope and selection process for the Secondary Employment Unit (SEU)

officers. She said the PBID requires community-minded officers and has the ability to work with the SEU to identify the best candidates.

- Mattson asked what the oversight process will be. Zelalich said there is no formal process identified yet, but there is a Lieutenant and Sergeant who staff the SEU and we will have regular communications to discuss the program.
- Knies said one of the keys is having a flexible deployment model because the "hot spot" areas downtown constantly change. He added that we want the SEU officer in uniform, on foot or riding a bike. The current agreement with the City may need to be amended because the PBID is prohibited from performing any kind of security service.
- Utic said booking people into jail takes up a day and asked if this has been resolved. Zelalich said it has not been resolved yet but hopes on-duty resources will be available. This will be one of the questions for the Assistant Chief.
- Knies said there has been recent court rulings on removing street possessions. If "personal" items are taken off the street, they must be logged and stored for 90 days. Knies said this is why the creek sweep and patrols have mostly stopped. He added that this another reason to work with other agencies because collectively there may be more resources that can be leveraged.
- Hammers asked if there is a partnership opportunity with some of these other agencies, like EHC. Hon said storage of these items will be the biggest challenge, because one reason why many of the homeless do not go to shelters is because there is not enough storage for their things.
- Zelalich said another option would be to institute a ban on shopping carts in the downtown area. This would make it possible for the police or the PBID SEU officers to enforce.
- Keit mentioned that the County's realignment plan will likely impact the downtown area. Some prisoners will be released and many could find their way to downtown.
- Berg asked if the hours of deployment for the SEU patrol could be rotated and flexed as needed. Mongarro confirmed that a rotating schedule will be created.
- Hammers said the board should be pleased to be on the cusp of instituting this necessary program.

- Hammers moved the meeting to the next agenda item and directed the board to the draft Business Retention and Growth project scope in the board packet.
- Knies said that during the petition process the large commercial property owners asked the most questions about this service. Owners have indicated weakness in the City's efforts to "move at the speed of business" for small business and tenant improvement projects, with problems identified with the permitting and inspection process. The goal of the PBID program is to impact commercial vacancies and assist tenants to expedite their openings downtown. A Economic Development Manager position would be hired to lead this effort.
- Members said filling this position alone will not resolve the problem, there needs to be a culture shift with our City partners to be effective.
- Knies asked the board what type of measurements they would like to see to assess the effectiveness of this program. For example the current vacancy rate is 26%, should we set a goal of 15%?
- Hammers asked if the Mayor's budgeted Small Business Ambassador position is citywide. Knies said it was; only the PBID position would be exclusive to downtown.

- Mattson said the new program could catalogue available space and scout locations for new businesses. She said recruitment should be the focus of the new program.
- Zelalich said a work plan is being developed in collaboration with the City Planning and Office of Economic Development offices. Cosgrove said the program should only be focused on recruitment and let the City focus on its permitting issues.
- Berg said there are a lot of empty buildings because it's very difficult for small businesses to get established. Small businesses get frustrated and share their experiences with others. He believed both functions (recruitment and expediting) were necessary.
- Zelalich asked if one person could provide both recruitment and expediting services. Members expressed reservations, citing different skill sets.
- Hammers said there are worse places in the Bay Area to start a business than San Jose. However, he said first time business owners do not know all the rules and get surprised. He added that it might be hard for one position to accomplish something the RDA staff spent 20 years trying to do.
- Knies said this discussion was very helpful and we need to continue to hone it on the program scope. He asked the board continue to work on identifying measurements for the program and provide feedback.
- Ortbal suggested having the Office of Economic Development (OED) and the Planning Department attend a future board meeting to work on a collaborative process, which members expressed some interest in.

New Business

- Hammers directed the board to the budget page of the packet that had been distributed to members in advance. He pointed out major items including the \$311,804 carryover for FY 2012-13, which reflects a half-year (pending renewal) that closes out the initial PBID term.
- Members verified that there is no increase in assessments rates and that any increase will come when the district is renewed.
- After discussion of the budget line items related to maintenance, beautification and renewal services, the board unanimously approved the FY 12-13 budget.
- Next, Hammers moved the board to a discussion on amending the Property Owners' Association (POA) bylaws.
- Hammers said the bylaws currently call out a seat on the board for the San Jose Redevelopment Agency (RDA), but since the RDA no longer exists, the bylaws should be amended. The bylaws will now refer to two Directors representing the City of San Jose. Richard Keit, the current RDA representative would remain on the board as one of the two City reps.
- The amendment to the POA bylaw was unanimously approved.

Operations Report

- Hon gave a brief review of the operations report, which was sent to the board prior to the meeting.
- Hon said staff has been working with property owners on north First St. to board up some of the vacant storefronts where transients have been gathering.
- Hon told the board the work on the San Pedro Square arches would begin the week of April 23.
- Hon also said the rearrangement of the planters in SoFA will occur the first week of May. He is currently soliciting additional proposals for the work and hopes to decide on a contractor by April 27.

- Hon said the City arborist has indicated that the trees in the triangle median at Almaden Blvd and Santa Clara should not be removed because they do not meet the City's requirements for removal. The board expressed an interest in restoring the lights in this area anyhow.
- Hon said he has been working with the Office of Cultural Affairs (OCA) on putting together a request for proposal for the Hwy 87 light project. Caltrans has confirmed that the City of San Jose will need to submit the actual proposal in order to proceed. Staff has had extensive conversations with OCA and have agreed on a timeline to get the project installed by the end of 2012. OCA has also agreed to contribute matching funds to the project and help expedite the installation with Caltrans. The light artist RFP will go out by April 20 with responses due by May 21. A review panel will be convened around that time to select the proposal.

Meeting adjourned at 10:05 a.m.