

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

May 17, 2011

A special meeting of the Board of Directors of the San Jose Downtown Property Owners' Association (POA), a non-profit California corporation, was held at the SJDA office, 28 N. First St., Suite 1000, San Jose, CA 95113.

Board members present: Berg, Knox, Nardi, Burnell, Utic, Ortbal, Mattson, Kern and Hammers.

Board Members absent: Burnell, Souza.

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

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

- Hammers welcomed Elva Guitron from Legacy Partners. Guitron, is the property manager for Riverpark Towers and will be filling in for Andria Souza, who is on maternity leave.

Minutes

- The meeting minutes from April 19 were emailed to the board prior to the meeting. The minutes were unanimously approved as revised.

President's Report

- There was no president's report.

New Business

- Hammers reviewed the proposed FY 2011-12 budget, which included the 1.9% increase in assessment rates the board approved at the previous meeting. This budget assumes the baseline agreement with the City remains the same and the contract with VTA is renewed.
- Hammers directed the board to the beautification line item and said the beautification subcommittee has been tasked with spending down approximately \$90,000 this year.
- Hammers said the PBID annual report will go to Council for approval on June 14.
- Berg asked if the budget included any money that may be cut by the city?
- Ortbal said this year's baseline funds have been budgeted and only the Council could make a change at this time, which is unlikely.
- Hammers asked if the baseline funding is a legal obligation? Ortbal said baseline funding is a contractual obligation. Hammers asked Ortbal if he envisions the baseline funding continuing for another ten years, coinciding with the renewal of the district. Ortbal said he expects the City to try and continue the arrangement because it seems to be working well for all parties.
- Knies said RDA has been selling properties to both private property owners and the City. If the City is gaining more properties, the board may need to be reconfigured for representation per the bylaws.
- Kern agreed and said as RDA is phased out, another representative will have to be appointed. Ortbal and Kern will check with the City Manager and RDA executive director.

- Motion was made to approve the FY 2011-12 budget. The motion was approved unanimously.

Services and Renewal

- Ortbal said the City's final reductions have not been sorted out. SJPDP will have some reductions, Parks will be outsourced and the graffiti abatement program has gone from DOT to Parks and will now be outsourced, though the City will maintain an in-house component to coordinate with volunteers and other entities beginning July 1.
- Knies reminded the board of their direction to reach out to the Assistant Chief and setup a meeting to build a stronger relationship the police and find ways for collaboration. SJPDP is currently focused on other priorities, but the PBID will continue to follow up.
- Ortbal suggested reaching out to SJPDP after the first week of June. He also recommended contacting the assistant parks manager for other collaborative opportunities. Knies said the housing department homeless outreach efforts seem to overlap with ambassador services, so the PBID should look for ways to collaborate here as well.
- Hon summarized the history of the three maintenance agreements for the Paseo de San Antonio. Hon said Groundwerx maintains Paseo 3, the largest stretch of the Paseo de San Antonio.
- Berg asked if there is an opportunity to incorporate the cleaning of the other paseos? Kern said the maintenance agreements are complicated.
- Knies said there are currently three entities cleaning the four paseos. It would make sense for the PBID to maintain the entire paseo because residents and business owners do not make any distinction between the paseos. Whenever there is an issue, most of the time the city or Groundwerx gets called.
- Kern suggested revisiting the issue after July 1, once the RDA budget is completed and adopted by the City.

Evaluation of the cleaning program (continued)

- Hammers said the Groundwerx enhanced cleaning program has really shined. He asked the board if it had any thoughts on revising or adding on to the program. Berg asked if staff had a recommendation?
- Mongarro said the cleaning program is in a good place as currently constituted, but it is hard to give a recommendation until the board decides whether or not to expand the district boundaries.
- Knies said staff has been cataloguing the various downtown maintenance needs. Items like sidewalk grout, trees girdling grates, sidewalk repairs and more. Knies said it might be wise to approach these items like the tree maintenance program. It would be unlikely to remedy all of the issues at once, but some can be addressed each year.
- Mattson said it will be a challenge to deal with these issues, not knowing what resources the City will be able to provide, especially with RDA sun setting.
- Knies said he's not suggesting that Groundwerx actually performs the work (the PBID could subcontract or outsource) but it is important to keep track of the maintenance needs. Ortbal said he could have a city inspector work with staff to provide additional support.

Evaluation of district boundaries (continued)

- Hammers began the discussion on the PBID boundaries by asking the board what the criteria should be for annexation? Hammers suggested the following criteria: 1) the amount of revenue to be generated, 2) what is the cost of providing services to the area, 3) is the area part of

the downtown core and does inclusion in the PBID enhance the image of downtown, and 4) does the area want to be part of the PBID. The other board members agreed that these are the correct criteria.

- Mattson asked how the locations get selected? Hon said the locations shown in the board packet asked to be included.
- Knies said the downtown ballpark site at the Diridon area will be the most difficult to figure out because of all the questions surrounding major league baseball. How do you annex this area?
- Ortbal asked if this area could be annexed during the middle of the term. Knies said it is possible but the PBID would need to redo the management plan and get the petitions signed again.
- Knies said the PBID might need to work with an attorney or some type of specialist on developing a flexible management plan.
- Ortbal and Kern asked if triggers could be setup in the management plan for when the ballpark is built.
- Berg expressed caution that expanding the district could impact and dilute the current services.
- Zelalich said other groups, such as the Market-Almaden Neighborhood Association (MANA) could approach the PBID about contract services.
- Hammers said the board should look at the possibility of adding another service level for "frame areas" like Market-Almaden that would require a lower level of services. Berg and Ryan said they favor that model.
- The board asked for information about each of the areas proposed on the map.
- Knies provided some background on the Alameda. The City recently proposed the formation of a maintenance district, but property owners there did not support the idea. Knies added the Alameda Business Association is already established and they may not want to bring in another group.
- Ryan said people are used to seeing city services, but they need to realize those services will go away and they could have nothing to fall back on.
- Due to time constraints, the board elected to continue the discussion of the potential expansion areas at the next meeting in June.

PBID Operations Report

- Hon gave a brief update on various items from the operations report. He said the mobile ambassador kiosks range from \$12 - \$17,000, but feels he can have one custom built for less. Hon will work on getting cost estimates.
- Hon updated the board about the cannery label mural project on the Old Almaden Press building. He said Barry Swenson has plans for the building and the mural could potentially only be on the wall for 6-12 months. Hon asked the board if it still wanted to proceed.
- The board discussed the options and decided to proceed. Ryan said it is likely that the mural would stay up longer because projects can be delayed.
- Meeting adjourned at 10:05 a.m.