

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

June 22, 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: Schneider, Mattson, Utic, Ortbal, Berg, Hammers, Cosgrove and Keit (called into meeting).

Members absent: Souza, Kline and Ryan.

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.

Minutes

- The meeting minutes from April 17 were emailed to the board prior to the meeting and were unanimously approved.

President's Report

- Hammers congratulated the staff and board on successfully renewing the PBID for another 10 years. He said the collective efforts from the previous 12 months were rewarded at the June 19 City Council meeting which saw 71.4 percent of the district casting their ballots and 91.4 percent voting in favor of continuing the district. According to PUMA, the PBID renewal consultants, these results may have set a nationwide record for renewal campaigns. Hammers attributed much of the success to strong communication and the Groundwerx staff.
- The other board members also expressed that they were pleased with the results and proud of the accomplishments over the first four and half years of the PBID.

Old Business: Services and Renewal

- Hammers said now that the district has been renewed the next step is developing a long-term budget that includes the new programs as described in the management plan. A new Request For Proposal (RFP) for the clean and safe services will also need to be developed for the next term.
- Knies said he was hoping to see a story in the Mercury News by now but since one has not been published, staff will issue a special edition of the Sparkler newsletter to publicize the renewal of the district. (Note: a Mercury News story ran on June 25)
- Hammers mentioned the new expansion areas, Fifth Street, behind City Hall and Little Italy, may benefit from getting a head start on cleaning services.
- Hon said he would work with Groundwerx to assess the current condition and devise a plan to integrate both areas.
- Ortbal said another item that must be addressed in the near future is updating the agreement between the PBID and the City. He said the agreement will need to re-establish how the PBID uses assessment funds,

the term and amend/modify the restrictions on security. Ortbal suggested taking the City/PBID agreement to the City Council in October with the annual PBID Financial Report. Key provisions such as the revised payment schedule of assessment funds should be identified by August.

- Zelalich updated the board on the status of the secondary employment hiring process. A scope has been developed with input from SJPD. The Police Officers' Association (POA) had a meeting on June 20 with the Office of Employee Relations. The POA views the PBID SEU proposal differently from secondary employment jobs at Santana Row and other shopping districts.
- Ortbal said the meeting was intended to highlight what the PBID was trying to do, which is enhance security on PBID properties. There will be no changes in regular SJPD patrols. The POA will issue an official position in the following weeks.
- The board feels that the proposed PBID services are very similar to other SEU posts for schools, Santana Row, the Plant and such. The PBID board is hopeful that these matters will be resolved shortly.
- Ortbal said the City administration (Chief of Police and City Manager) will make a final determination once the POA states their position.
- Schnieder said the PBID should look at other options in case this does not come to fruition. What's the "Plan B?" Are there are other agencies that could provide a similar service, such as the Sheriff's Department?
- Cosgrove asked if the board considered hiring private security. Utic said private security is less expensive, but there are limits to what they can do.
- Ortbal reminded the board that the PBID is currently restricted from providing any kind of security.
- Zelalich said an amendment to the current agreement must go to the City Council, which is in recess until August.
- Knies gave an update on the business retention and recruitment program. He and Zelalich are meeting with the Planning Department on June 29 to discuss the scope for both PBID and Planning's Small Business Ambassador positions. Timing of the hiring for both positions and measurements for the program will also be reviewed.
- Hammers gave the update on the Hwy 87 underpass at Santa Clara Street light project. He and Mattson participated on a selection panel that reviewed three proposals. The panel elected to go with Dan Corson, who had the best overall body of work. However the group directed Corson to fine-tune his proposal for San Jose. The PBID representatives and selection panel gave some clear feedback to the artist, who will come back with a revised proposal in August.
- The PBID also agreed to push back the deadline for the project to June 2013.
- Zelalich said the PBID will continue to work with the Office of Cultural Affairs (OCA), who plans to match funds with the PBID on the Hwy 87 project.
- In addition to the Hwy 87 underpass at Santa Clara Street, OCA is also going to do a project at San Fernando Street.
- The board agreed that this was a great opportunity to leverage PBID funds.

- Hammers said while the artist is working on a new proposal for Hwy 87, the beautification subcommittee should begin preparing a beautification plan for the new term.
- Hon said staff would provide some dates to the committee for a beautification meeting in July.

New Business: Clean and Safe RFP

- Hammers said a new RFP will need to be developed for the new term. He suggested following a timeline that would be similar to the one in 2007 after the formation of the district.
- Knies recommended getting an RFP out by September and getting responses by October.
- Schneider asked if the term of the service agreement would be for a full 10 years. Knies said the current agreement was not for the full five years, it was a two-year contract with three options to extend. The board will decide the length of the agreement.
- Knies added that the RFP represents an opportunity for service providers to make recommendations on new and/or enhanced services.
- Hammers recommended forming an RFP committee. The board discussed the committee and Hammers asked for volunteers.
- Hon said that Kline, who was not in attendance, did mention that he was interested in working on the RFP. Ortbal and Cosgrove also agreed to join the committee.
- Hammers brought up the issue of mandated living/prevailing wages the PBID is subject to and asked if they are still required. He reported the Airport is no longer required to pay living wages.
- Knies said at the June 12 Council meeting, the City Council made changes to living wage policies including a requirement that all living wage positions have a minimum of 12 annual leave days.
- Mongarro said SGI currently provides 10 days of leave and six holidays. He added that we are currently paying living wage, but the prevailing wage is what really impacts the program given the high rates for the pressure washers and machine operators.
- Ortbal said that it has been the City Council's policy to pay prevailing wage and may need a special determination to make a change. The City does however view assessment money as public money, which is why the wages were instituted.
- The board directed staff to research the prevailing wage and see how this provision could be amended before the RFP.

Operations Report

- Hon gave a brief review of the operations report, which was distributed to the board prior to the meeting.
- He said the one topic that comes up most frequently when he meets with property owners is the homeless. As the media has documented, there is a downtown homeless population that is becoming more visible. Staff continues to meet with service providers to see how we can best coordinate our efforts to serve these individuals.
- Hon reviewed the list of completed beautification projects, such as the restoration of the San Pedro Square arch bases and the replanting of the State building and current color change throughout the district.
- He said a more detailed update would be provided at the beautification meeting in July.
- Hon also said that he is working with West Coast Arborists to prune some trees in specific locations. Some areas have been pruned

previously but have grown back more rapidly and property owners requested other areas.

- He is also working with the City Arborist to address some trees that have been infested with pests.
- Schneider asked if anyone has mentioned that the Palms on Almaden Boulevard look a little dreary. Hon said he was aware and is working with the arborist to identify the cause.
- Lastly, Hon said the PBID received a check from the City for \$35,000 on June 20. The payment was for the balance owed by the City for the exempt properties. There still needs to be some minor reconciliation and that will occur after July 1.
- Hon added that the City has requested the assessment payment period be adjusted in the next contract because the timing creates problems for their administration. The intent is to adjust the payment periods, which will help the City make payments more timely and more accurately.

Meeting adjourned at 10:05 a.m.