

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

September 16, 2008

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

Board members present: Hammers, Berg, Ryan, Gallagher, Ortbal, Munro, Mattson, Isnard and Utic.

Board Members absent: Knox, Shadman.

Also present were Executive Director Scott Knies, Deputy Director Blage Zelalich, Operations Manager Eric Hon, Tom Ferguson and John Meltzer from the Department of Transportation (DOT), Tom McLaughlin from the Department of Public Works, Amy Cupples-Rubiano and Yasmine Farazian from Ken Kay Associates (KKA).

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

Introductions

- Ortbal introduced Ferguson, Meltzer and McLaughlin to provide feedback on the beautification project presentation.
- Hammers introduced Cupplies-Rubiano and Farazian from Ken Kay Associates.

Minutes

- The minutes of the July 15, 2008 meeting were approved.

President's Report

- Hammers informed the board that a PBID Financial report is due on October 1 as part of the agreement with the City. The report will detail the first six months of operation and includes an independent CPA review.
- Hammers added that the City is preparing to audit the PBID. Ferguson said he was told the City auditor is conducting the audit as a result of the large sums written from the Department of Transportation (DOT) to the PBID.
- Isnard inquired about the cost of the review and asked if it would be beneficial to conduct a full audit? Knies said the review is a fraction of the cost. The PBID will need to undergo a complete audit in subsequent years. Ortbal added that the City believes a review in the first year is sufficient.
- Hammers notified the board that it is time for board elections. Member terms were staggered when the board was created so that three seats are up for election each year. Two of the three outgoing members (Knox and Utic) would like to renew their terms, but the third, Michael Shadman, has indicated he must step down.
- Knies said the vacant seat is for a commercial property owner and recommends the selection of an active small property owner to match the profile of the outgoing member. A nomination needs to be made soon in order to meet the October 10 annual meeting notice next week.
- Led by Hammers and Berg, the board discussed the process for nominating and electing new members. One suggestion was to refer

future nominations to a standing committee. The board discussed the various considerations that would be involved and agreed that it was important to have a clear nomination process.

- Knies suggested the board adopt a nomination process where the POA members propose a slate of three candidates, including the candidate biographies, to the membership for election each year. This nominating slate will be mailed out prior to the October annual meeting. The board agreed with this direction and requested Knies draft the nominating process and circulate it to the board prior to this year's annual meeting (Oct. 10).
- Hammers reminded the board of its deferral on the Highway 87 cleanup efforts proposed from the July meeting. The plan previously called for the PBID to match the \$25,000 commitment from the Mayor's office to fund the cleanup. Members were uncomfortable with such a sum.
- Hammers said the proposal now calls for the PBID to contribute \$5,000 and partnerships with other stakeholders, such as SJDA, Team San Jose, Barry Swenson and the Sharks have been established to raise the additional funds to match the \$25,000 from the Mayor's office. Another \$5,000 still needs to be raised, but Munro was confident this goal could be achieved. Hammers stated that this was a good compromise and the effort speaks well of the PBID.
- Utic asked about the scope of work. Hon said that the scope is Highway 87 from 101 to 280. The PBID portion of Hwy 87 is from San Carlos to Santa Clara Streets.
- The board engaged in a discussion about the merits of the project but agreed that the partnership provides great leverage. Berg said the highway cleanup is consistent with the other PBID services. Mattson supported the idea, but wanted to clarify if this was a one-time endeavor or an annual project? Munro stated that the money from the Mayor's office is one-time only.
- A motion was made to approve the spending of the \$5,000 to clean up the PBID portion of Hwy 87. The motion was unanimously approved.

#### Capital Improvement report: Beautification project recommendation

- Kupples-Rubiano (KKA) walked the board through the streetscape beautification demonstration project presentation. The presentation was very detailed and included the steps that were taken leading up to the recommendation of the demonstration site on First Street (between Santa Clara and San Fernando) and on Post Street (from First to Market Street).
- The presentation showed the various elements that would go into the demonstration site such as the planters, tree lights, festoon lights, bamboo and green walls. Two phases of implementation were presented, with the art planter, festoon lights and green wall in phase two. All other elements could be installed by November. Another option for consideration is to use seasonal plantings for the demonstration site.
- An estimated project budget of \$572K was presented. The board, led by Berg and Isnard, expressed concerns about the beautification costs and how this level could possibly be sustained over the first five years of the PBID.
- The board discussed the elements that could be adjusted to reduce the costs. Utic suggested reducing the number of planters. Zelalich suggested doing either the festoon lighting or the tree lighting. Isnard suggested eliminating the Post Street elements

which Kupples-Rubiano at \$15,000. Knies said the consultant costs could be amortized over three-five years. Berg suggested partnering with other stakeholders to raise additional funds, like the Hwy 87 project. Ryan said the green wall could be eliminated. Knies suggested the maintenance costs could be moved to the clean team, but Isnard cautioned that as more beautification projects are developed the maintenance could not be absorbed in the budget without severely limiting beautification projects in future years.

- Hammers suggested setting the budget for the project at \$365,000 and having the subcommittee recommend a revised scope.
- Isnard wondered if setting the implementation date for November 15 would result in increased costs? He said it might be a wise to wait until spring, when the flowers naturally bloom.
- Mattson agreed with the rationale, but reminded the board that property owners are very anxious to see image enhancements.
- The board agreed that the subcommittee would meet to discuss the demonstration project scope and timing.
- Staff will send out a subcommittee meeting notice for next week.

Operations Manager Report (included in board packet)

- Due to the length of the meeting, the operations report was deferred to the next PBID meeting.

Meeting adjourned at 10:40 a.m.