

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

February 19, 2008

A regular meeting of the Board of Directors of the San Jose Downtown Property Owner's 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: Isnard, Knox, Munro, Ortbal, Gallagher, Mattson, Ryan and Utic.

Board Members absent: Hammers, Berg, Shadman.

Also present were Executive Director Scott Knies, Deputy Director Blage Zelalich, and Operations Manager Eric Hon.

Munro called the meeting to order at 8:33 a.m.

Minutes

- The minutes of the January 15, 2008 meeting distributed via email were approved.

President's Report

- Munro had no report.
- Members viewed TV news video from January 28, 2008 opening ceremony. The official launch of services was well covered by the media, including KNTV, NBC 11, KGO, KGO radio, San Jose Mercury News and the Tsing Tao Times. The opening ceremony with the Mayor went very well and was attended by a number of City and RDA staff, as well as a group of executives from SGI and the general public.
- Munro asked Hon for an update on the PBID services to date. Hon suggested that the operations report, which was also sent via email to the board, be moved up on the agenda to coincide with this discussion. Hon stated that overall feedback from the public has been positive. The media attention has also been beneficial and the Groundwerx crews are often recognized on the streets. The information ambassadors in particular have been well received. Ambassadors have taken initiative to introduce themselves and offer assistance to pedestrians. As time goes by, the general public will grow more accustomed to the presence of Ambassadors and the demand for their services will increase. The clean teams faced more challenges because their learning curve was steeper.
- SGI created its cleaning proposal by making some assumptions based on their experience as a national service provider. Many of these assumptions proved to be accurate, but some adjustments were needed, which SGI had anticipated. Delays in equipment delivery, primarily the construction of some custom equipment and the Groundwerx branding posed a challenge. In just three weeks, the inherent flexibility of Groundwerx proved valuable. For instance, SGI cross-trained and deployed ambassadors to provide pan and broom sweeping due to the loss of clean team staff (due to voluntary resignation). Having previously experienced this type of natural attrition, SGI was able to hire replacement staff quickly. Given these circumstances, the teams did a commendable job over the first three weeks.
- Recognizing the steep ramp up, SGI sent additional corporate support to San Jose. SGI's Executive Vice President returned to San Jose to assess the situation and make recommendations to improve service delivery.
- The board asked if the current deployment of clean teams and information ambassadors were sufficient for the level of services anticipated. Hon stated that he has no reason to believe that deployment is an issue. He added that an

accurate evaluation of both teams should take place once Groundwerx is fully operational with, a full compliment of both staff and equipment.

- Isnard noted that a promotional pamphlet should be created for distribution at hotels, the convention center and transit stops. The operations manager will begin the process for creating a Groundwerx brochure and report on the status at the next meeting.
- The board members entered into a group discussion on what they have seen individually from the Groundwerx crews. The discussion was lively and very helpful in presenting the general perceptions of the services being provided. Recognizing the enormity of the situation and the relative short time that Groundwerx has been providing services, the board was supportive in their assessment of the program.

#### Contractual relationships (SGI, SJDA)

- Knies reported that SGI received the first quarter payment to realize the two percent discount. The SGI contract was not completed as anticipated, however this may prove to be advantageous. SJDA is essentially provided with additional time to evaluate SGI and be more precise in the contract details. The SGI contract is close to being completed and the basic principles have been identified.
- Munro added that he was pleased with the level of detail in the contract attachments. Ortbal added that he has some written comments to share with the operations manager.
- Munro asked about contractual reserves for additional work. Mattson recommended that we should concentrate on the task at hand before increasing services. Knies said that there are several things that need be addressed before taking on additional services, such as developing the capital improvements/beautification project. He added the SGI contract has a recommended percentage plus/minus to allow additional or reduced work.
- Knies noted that the finance committee will meet before the next board meeting.
- Knies reported that Ortbal, Munro and Hammers have offered to work on the SJDA/PBID management agreement, but the next steps have not been taken. Ortbal noted that he has some preliminary work completed.

#### Capital Improvements/Beautification Project(s)

- SJDA is working with a consultant to identify a potential scope. In a previous subcommittee meeting, the direction was to identify a demonstration project area. This demonstration project will be used to setup the rest of the PBID. True capital improvements will probably require additional more funding than is currently available.
- Isnard asked what the budget is currently? Knies responded that it is \$250,000.
- Isnard noted that large cities concentrate on a specific area to make an impact.
- Knies noted that the subcommittee needs to decide on the test area. A proposal will be ready when the subcommittee meets.
- Munro asked if the PBID can work with 1<sup>st</sup> ACT? Knies anticipates using some additional funding through grants and other sources such as 1<sup>st</sup> Act to add to the capital improvement budget.

#### Operations Manager Report (included in Board packet)

- The operations report was discussed as part of the President's report.

#### Other matters

- Knies provided a newsrack update. There is a program in place but the Redevelopment Agency has not identified the funding source. Knies asked if the PBID Board would like to see the newsracks added to its list of priorities?
- Members reiterated that the priorities of cleaning, ambassadors and beautification. Isnard added that focusing on newsracks and garbage at this time too much. The cleaning piece is very large and its importance cannot be

overstated. We must concentrate on cleaning services until we are at optimum efficiency. Beautification is also important and this should be next.

Meeting adjourned at 10 a.m.