

Minutes of Regular Meeting

Board of Directors

San Jose Downtown Property Owners' Association

January 11, 2017

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: Bartl, Freise, Hammers, Messinger, Ortbal and Zelalich

Members absent: Kline, Ryan, Mussara and Utic

Also present were Executive Director Scott Knies, Operations Manager Chloe Verrey, Director of Policy and Operations Nate Echeverria, Street Life Project Manager Jason Su, Project Coordinator Zach Lewis, Semu One Bear from Block by Block and Eric Hon from DOT.

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

Minutes

- The minutes for the October 11 meeting were distributed to the board prior to the meeting and were approved unanimously.

President's Report

- The board elected the following members as officers: Chuck Hammers as President, Richard Utic as Vice President, Jim Ortbal as Treasurer, and Doug Bartl as Secretary.
- Block by Block contract amendment: The total hours did not change per staff recommendation, and living wage impacted roles had a 9.9% increase. This resulted in a total contract of 6% increase. As a reminder, we have a baseline service contract with the city that triggers a requirement for paying a living

wage to specific staff roles, this contract is for \$365,000. While this LWO increase does help with employee retention, we have no control over what the increase is each year. The majority of Groundwerx staff received the 9.9% increase, represented by \$68,000 of the \$84,000 labor increase coming from LWO employees. We could not honor the 3% total contract increase this year without reducing services.

Friese asked about the LWO and if it is a flat figure. It fluctuates each year and is highly impacted by rents.

The board asked if wage impaction become an issue. One Bear did indicate that this could be an issue at some point, but it depends on what the living wage increase is for 2018. Non-living wage eligible positions were reduced to a 3% increase instead of 5%, to cut costs, in the proposed contract amendment. The board could push back on this point, if inclined. There is a \$9,000 differential from profit line to accommodate the original raises.

The board motioned to submit a counter offer to BBB, asking for the original non-living wage position pay increases. The motion was unanimously approved. The board also unanimously approved the 6% total contract increase.

New Business

- o Almaden Exercise Loop

Pressure from project funders prompted staff to rethink the project and its expenses. The project budget has changed over the two years in a significant way, reflected in page 15 of the board packet, three budgets over two years were provided. Two new concerns are that construction costs have increased, and the Sharks Foundation gift has decreased as a result of a recent funders meeting.

This project has been more complex than anticipated. Insurance and permitting costs were underestimated in the original budget.

Maintenance also presents an unknown line item, which could further drive up

project costs. Additionally, the support of private properties that were originally in-line with the project has wavered.

PBID staff wanted to bring these issues to the board. Staff recommends not proceeding with this project at this time. As of today, \$55,000 has been spent in architectural design and fees.

Ortbal asked what will happen to the grants received. Staff has not the funders with this information yet, but will be meeting tomorrow. Money from the Sharks Foundation has not been received yet. The funds from the Kaiser Foundation will need to be returned.

The cost for the project from PBID funds increased from \$100,000 to \$500,000 portion. While this is possible, it is a significant increase. Staff recommends not using our reserves for a project with that does not have all of the costs pinned down.

Schneider asked is the project can be scaled back. The budget provided to the board represents a reduced scope of work, as well as some value engineering. Unfortunately this did not yield much of a reduction in project costs.

A motion was made to accept the staff recommendation, and it was approved unanimously.

San Pedro Squared:

The project's site development permit was approved at the last council meeting of the year. We will be receiving \$100,000 from city funds. Taking more than \$100,000 would have triggered the public bidding process. A recent bid from Tyco has a higher cost than anticipated and we are actively looking to reduce the overall cost of the project. San Pedro Squared is a rent generating project and potential retail tenants will compliment existing retail in the area.

Staff recommends calling a meeting of the street life committee in February to take a deep dive on the project, resulting in better idea of project and total budget. The board accepted the staff recommendation.

Old Business

c) Operations Report: Chloe Verrey

- Groundwerx Updates

Groundwerx continues to work closely with PATH, the downtown homeless outreach organization. Verrey has found an increased homeless population along First Street, between Santa Clara and St. John Streets.

The Groundwerx clean team has been deploying our Billy Goat and M20, mechanical sweeping equipment, more frequently to handle the increased number of leaves throughout the district.

- Commercial Property Owners and Managers

Current outreach is focused commercial property owners and managers in an effort to alert them to SJDA/PBID staffing changes and discuss PBID and Groundwerx services.

A commercial property owners and managers meeting was held on October 20. Items discussed included: homelessness and public safety; how to contact Groundwerx for services; and what to expect downtown during the holiday season. The next meeting will be January 18 at 2 p.m. at Valley Towers, 75 E Santa Clara (Harvest Properties).

- PBID Secondary Employment Unit

The PBID Secondary Employment program has full coverage approximately 80 percent of the time. Sgt. Moody and staff are actively discussing ways to recruit more officers, on-duty or retired, to participate into the SEU program.

Officers continue to see a large concentration of public nuisance crimes and drug dealing along Fountain Alley, First Street and Second Street. A significant increase in loitering, underage drinking and public intoxication has been noted adjacent to the Hammer Theatre Center.

- Construction Mitigation

We continue to provide notification to businesses and property owners for construction projects impacting the public right of way. Notable projects include the downtown resurfacing project, Julian Street Realignment and Marshall Squares.

Recently debuted, Be Barrier Beautiful is a program of SJDA/PBID that creates unique construction barricades. This program aims to reduce graffiti and vandalism on construction barriers, and reduce the overall maintenance cost for contractors and developers. Developers can choose from previous winners of the Downtown Doors program, an annual art competition for local high school students or one-of-a-kind curated art from a local professional artist. Mill Creek's Modera at San Pedro will be the first participant, with the artwork to go up this month.

b) Street life Report: Jason Su

Sainer Mural: Polish artist Sainer completed our newest mural over Thanksgiving Weekend. This mural was done in collaboration with Empire 7.

Pedestrian counts for December were recently completed, the next round of counts will be in April.

Camino San Pedro: PBID recently applied for a Southwest grant to close San Pedro Street to car traffic. This grant is for a pilot partnership between the Department of Transportation, the Office of Economic Development, the Mayor's Office, Public Space Authority and PBID/SJDA.

We are currently in Year 4 of our annual tree maintenance schedule. Staff is looking at diversifying species so that we don't have to repeat such heavy maintenance.

c) Business Development Report: Nate Echeverria

Interviews for the Business Development Manager role are being conducted now, and the new person will have an anticipated start date in February.

Small Business Streamlined Restaurant Pilot program: The first business has moved through the program, Forager. The owners scaled down the build out of the project so they can get open under previous establishment's entitlement, and will phase the project.

Food and Entertainment committee: This committee is comprised of restaurants, and bars. The first meeting will have representatives from the police and fire departments.

Local Color: This is a temporary activation effort in the former Ross location. Staff approached the property owner to have activation while they work on the plans for a proposed high-rise development on the site. The Exhibition District is managing the space. The current use agreement runs to the end of January.

The meeting was adjourned at 9:56 a.m.