

Minutes of Regular Meeting

Board of Directors San Jose Downtown Property Owners' Association

March 16, 2021

A regular meeting of the Board of Directors of the San Jose Downtown Property Owners' Association (POA), a non-profit California corporation, was held via Zoom conference call.

Board members present: Egge, Friese, Guido, Marbry, Phan, Ristow, Schneider, and Zelalich.

Members absent: Kline

Also present were SJDA, Block by Block and City of San Jose staff: Executive Director Scott Knies, Operations Manager Chloe Shipp, Street Life Project Manager Marie Millares, Business Development Manager Nate LeBlanc, Director of Community Engagement Eric Glader, PBID Project Coordinator Dennis Yu, Block by Block Program Director Chris Kendrix, DOT Division Manager Eric Hon, and Brad Segal from PUMA. Ted McMahon from Bayview Development attended as a potential board member candidate.

Zelalich called the meeting to order at 8:32 a.m.

The minutes for the January meeting were unanimously approved. Schneider motioned to approve the minutes, and Ristow and seconded.

President's Report: Zelalich

- Personnel Update: Doug Bartl submitted his resignation to the PBID and SJDA boards due to the impending sale of Oracle's sole downtown property. Zelalich shared that the role of President is now open, and that anyone interested in taking on this role should reach out to Knies or Shipp. Friese expressed interest in learning more about the role and its responsibilities.
- Zelaich shared that the Fairmont's ownership has filed for bankruptcy and they will be looking for a new operator. Given this update, it is anticipated that McGowan will formally resign from the board. Anticipating the hotelier seat vacancy Shipp will engage with hotel general managers to see who is interested in joining the board.
- PBID Board Vacancy Seat: Christy Marbry from Swenson submitted an application to fill Mancuso's seat on the board. Marbry has been with Swenson for 30 years. Marbry wants to join the board to help make downtown a friendlier area to benefit the businesses and improve street level activity. Marbry was selected by staff and elected to fill the vacancy. Phan motioned to accept Marbry into the board, Schneider seconded, all was in favor.

New Business:

- Proposed budget FY 21-22: Shipp reviewed the proposed budget as up to date in March, and will finalize it in June. The budget reflects a three percent increase in assessment and reflects two projects to be finished this year. There is no anticipation of changes for baseline revenue, but changes are anticipated in contract revenue from VTA. Fifty thousand dollars was in Street Life investors because staff is talking with Knight Foundation for grants. Block by Block contract looks about the same, but with a 3.25% living wage increase. Street Life budget looks different in the next fiscal year because funds will roll over from last year. Enhanced maintenance budget was brought down because staff does not anticipate ungirdling work next year. VTA also switched to prevailing wage and staff had to pull services out to reassess the budget. The Community Engagement position was also added. Ten thousand dollars is reserved for the PBID renewal campaign. Staff expects another year of deficit spending. The reserve was quite high last year due to the shut down.
- Egge asked if businesses going away will impact the budget, Shipp said it will not because PBID is assessed by square footage.
- Guido asked about the three percent increase in assessment. Shipp stayed in line with the 3.25% living wage increase for Groundwerx workforce, which is determined by the City of San Jose. Knies added that the board has discretion to choose between zero to five percent increase.
- Shipp explained the decrease in Street Life budget due to no capital project anticipated to happen next fiscal year and can always acquire funding from other sources throughout the year.
- Zelalich asked about the PBID renewal fund allocation of 10k, stating that it seems low considering the work that needs to be done. Previous renewals had a lot of face to face interactions. Knies clarified that the majority of renewal work will be in the next fiscal year, funds will roll over. The City just needs renewal to start in March 2021. PUMA was allocated 100k, and expected to carry over 50k. Staff has the option to come back with a revised budget and there are still opportunities to add.
- Zelalich is concerned with Street Life budget cuts, and explained how this field will be more important with renewal and people coming back into downtown. Guido agrees it should be more. Shipp noted that SoFA Pocket Park cost was removed, but an additional 40k was cut. Zelalich suggests it should be put back in. Shipp said we can increase the budget, deficit spend, or reallocate later. Friese seconds the increase of 40k. All was in favor and the 40k budget increase was approved.
- Work Experience Program: Shipp reviews previous Downtown Streets Team partnership, a pipeline for some volunteers to be hired by Groundwerx. She explained why a work experience program can benefit the PBID. A work experience program can be replicated, innovated, or hybrid of both. There are lots of potential innovations, but staff needs to review how programs can benefit our members. Zelalich says it is a great story and a win all the way around if a functioning work experience program is created. Friese asked staff what the priority on this is. Shipp says this is second in priority after PBID renewal. She explained how the biggest challenge is finding funding and partners. Knies agreed with Chloe, that

this is a high priority item because everybody is talking about vandalism and homelessness. Knies suggests PBID needs to be part of the solution because the City cut funding to Downtown Streets Team (DST) due to no housing connection. Members also want to see more action in this area. Marbry thinks this is a good program to have, but is concerned about the turnaround time and people sticking with the program. Shipp explained how the DST training process was volunteer based and there was turn over, however there were individuals that did want to succeed. How this benefits Groundwerx is it provides a larger service area with more staff. Folks that come from nothing are given opportunities to succeed and would like this program to come back. Kendrix explained to Egge that they currently hire through Indeed, which is a gamble, but DST was able to monitor work ethic and functions as a "tryouts". Shipp explained that due to criminal history we were unable to hire some folks from the DST program. Freise uses examples of businesses that take on programs like this and other entities that were successful at hiring people off the street and acquiring funding from the City to continue their program. Freise thinks a work experience program will be beneficial. Shipp says there is an opportunity for multiple industries to get involved in work experience models and will return with better examples at an upcoming PBID meeting.

- PBID Renewal: Shipp provided an update on the PBID renewal process.

Segal presented findings from the last steering committee meetings. Outreach has taken off. Interviews show safety in downtown is a high priority and think a work experience program can make a dent. PUMA is currently educating property owners on PBID services and improvements, seeing this as an opportunity to also help property owners look beyond COVID. Segal anticipates continuing with the outreach phase into the summer and to get on site in late May/early June. There is also a potential redefinition of the two PBID zones and redefining the base level of service with the City.

Staff Reports:

- Operations Report: Shipp presented highlights from the Operations Report on pages. The report highlights PBID District renewal, COVID-19 response, Groundwerx updates, SEU, construction mitigation, FY 20-21 VTA contract, St. James Park supplementary services contract, work experience program, homeless advocacy, PBID annual survey and assessments.
- Business Development Report: LeBlanc presented highlights from the Business Development Report. The report focused on COVID-19, small business support projects, City and County process updates, and business/property owners/brokers assistance. LeBlanc has also been telling people that PBID renewal is very important.
- Street life Report: Millares presented highlights from the Street life Report. The report focused on SoFA Pocket Park partnerships, DTSJ by the

Numbers, the Beautiful Tableau, mural program, downtown lights, beautification, and street tree maintenance.

- Community Engagement Report: Glader presented highlights from the Street life Report. The report focused on Chef's Market, Valentine's Day, St. Patrick's Day, Farmer's Market, and summer/fall programming.
- PBID Coordinator Report: Yu presented highlights from the Street life Report. The report focused on SoFA Pocket Park, rodent extermination service, planters, street tree maintenance, and Citydash.

Other Matters:

- No other matters.

The meeting was adjourned at 10:00 a.m.