

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

March 28, 2013

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: Berg, Hammers, Cosgrove, Mattson, Ortbal, Kline, Keit, Utic and Ryan.

Members absent: Souza and Schneider.

Also present were Executive Director Scott Knies, Deputy Director Blage Zelalich, Operations Manager Eric Hon and Business Development Manager, Marcelle Boudreaux. Rich Mongarro from Block by Block, was also in attendance.

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

Minutes

- The meeting minutes from January 16 as distributed to the board prior to the meeting were approved.

President's Report

- Hammers welcomed Marcelle Boudreaux the new PBID Business Development Manager. Boudreaux joined SJDA on February 21.
- Hammers said the progress with SJPD's Secondary Employment Unit (SEU) has been slow moving, but there is progress. The POA is currently reviewing the proposed PBID schedule.
- Berg asked if there was a high degree of certainty that this project was going to happen. Knies replied that we won't know until the position is posted by SJPD and officers actually sign up to work the job.

New Business.

- Keit requested that agenda item 4b be moved up so the board would have an opportunity to discuss the matter while he was present. Keit began the discussion by providing the background for the Redevelopment Agency installed Automatic Public Toilets (APT).
- Keit said the cost to keep the APT's open is \$15K per month (\$180K annually). The Successor Agency to the Redevelopment Agency (SARA) is currently paying for the utilities but is not able to pay the other maintenance costs.
- Keit added that in San Francisco, the toilets are funded by billboard advertisement spaces, however San Jose has restrictions on electronic billboards in the downtown area, which makes this an unlikely funding option.
- If another source of funds is not found, then the APTs may be shut down. There is concern that if the APT's no longer available, the downtown may see an increase in public urinations and other issues.
- All seven APT locations are located within the PBID district. The APT's are self-cleaned after each use, however they still require regular maintenance service. JC Decaux provides the contracted maintenance

service. Keit reached out to the City's Parks department and VTA, both of whom have indicated that they are not able to make any contributions.

- Keit is now bringing the matter to the PBID board to gauge their interest in supporting this program and keeping some of the toilet locations open.
- Mattson said she believes the APT's are valuable to the district and would like to see the PBID help find other partners, like the Chamber of Commerce.
- Keit said that if the PBID paid for a portion of the costs to keep some APT's open, the City Manager could direct SARA to pay for the rest.
- Knies said he was interested at pursuing other options, including looking deeper into the billboard option. Ortbal, Knies and Keit agreed to have a follow up meeting and look at possible strategies to fund the APTs through advertising.
- The board came to a consensus that they were interested in the APTs, but wanted to find other funding sources than just the PBID.
- The FY 2013-14 operating budget on page five of the meeting packet was discussed. Hammers mentioned that the amount of uncollected assessments is not reflected on the budget, but this amount has increased and the majority appears to be SARA properties.
- Keit confirmed this was correct because RDA/SARA had intended to sell and or transfer the properties. However, it was recently determined that sale/transfers could not take place. Keit will recommend to the City Manager that the SARA assessments be paid to the PBID.
- Knies said the budget reflects no assessment increase for the upcoming fiscal year because the rates were increased, as part of the PBID renewal in 2012. A zero percent increase would help spread the previous 11.8 percent increase increase over two years, which is what the board had intended.
- Ortbal said the Mayor's budget message addresses the prevailing wages for tree work. This is an issue that directly impacts the PBID's tree maintenance line item because the State's Department of Industrial Relations (DIR) wanted to increase the rates between 60 and 100 percent. Mayor Reed has directed the City Manager to set the City's rate using local comparisons. The current rates will be used until November, which allows the City to put out a new RFP for tree work.
- A motion was made to approve the FY 2013-14 budget with no assessment increase. The motion was unanimously approved.

Beautification update

- Hon provided a beautification update. He said an RFP was released on March 15 and forwarded to seven landscape architecture firms. Thus far, one firm declined to make a submittal and four others indicated their intent to submit.
- Proposals are due by April 12 and staff intends to make a selection by April 19 and prepare a board retreat the week of May 20.
- Berg asked if there was a RFP review committee. Knies said staff will solicit board volunteers for the proposal review via email and send out some dates for the beautification retreat.
- Hon also provided an update on the Hwy 87 illuminations project. CalTrans has provided a written response to the Dan Corson proposal. Corson is preparing his reply and the Office of Cultural Affairs (OCA) is also working with the City's Department of Transportation (DOT) to answer

questions regarding traffic safety. OCA anticipates being awarded the CalTrans encroachment permit by the end of summer and completing the San Clara St. install portion by the end of 2013.

Business Development Report

- Boudreaux reported on her activities through her first four weeks on the job. Much of her time was spent meeting with property owners and managers. The biggest concern thus far has been the lack of predictability with the City's review process for permits and the difficulties that come with inspections.
- Boudreaux also spent time getting to know her City counterpart, the Small Business Ally, Juan Borrelli and they are scheduling dates to attend various meetings with Development Services.
- Boudreaux said she is also working with businesses at various stages of development, including several for the San Pedro Square Market. Two other establishments are trying to locate and relocate in downtown.
- Lastly, Boudreaux is working on collecting data that will be used to provide feedback to the City on their processes and also measure the progress of business development in the downtown area.
- Berg said the inconsistency from inspector to inspector has been well documented and he is eager to see a change in the overall culture of how things are done at the City.
- Mattson said she is glad to see new businesses coming to downtown, but retail establishments are still lacking.

Operations Report

- Hon spoke on some of the recent adjustments in the Groundwerx program, such as the changes in the pressure washing and ambassador deployment schedules. After one month, the pressure washing schedule has already shown signs of improved efficiency. The change in the ambassador schedule has also improved their visibility within the district.
- Hon said Block by Block is getting ready to implement their SMART system, which is designed to make it easier for Groundwerx staff to make work orders and record statistics. The program also allows for a database to be developed for the downtown homeless population.
- Hon also reported on the status of the PBID enhanced maintenance program. He said the City helped survey the district and created a priority list. Hon reported he is targeting the high priority issues and the easy fixes, such as removal of old tree stakes.
- Hon said the SJDA database consultant has completed the development of the PBID database. The new database will make it much easier to track down property and owner information.
- Lastly, Hon said the repairs to the Heritage Clock are set to begin on April 3. The clock repair team had to attend VTA training and the weekly Track Allocation Meetings before they could get started. The parts have been ordered and the clock should be operational by the end of April.

The meeting was adjourned at 9:55 a.m.