

Minutes of the Meeting
Board of Directors
San Jose Downtown Association

October 14, 2016

The Annual meeting of the Board of Directors of the San Jose Downtown Association Business Improvement District (BID) and the Property Based Improvement District (PBID), non-profit California organizations, was held at the San Jose First United Methodist Church, 24 N. Fifth Street in downtown San Jose.

The following directors were present at the meeting: Bentz, Buchholz, Burroughs, Corbett, Cord, Gomez, Marques, Matsushima, Naran, Nichols, O'Connor, Ramirez, Springall, Vuckovich and Wong.

The following directors were absent from the meeting: Bartl, Bates, Hattley, Hyland, Kuprina, Neale, Osuka, Randall, Rewkiewicz and Serpa.

The following were also present at the meeting: Abdi Ahmed, Abi Tamraz, Adam Mayberry, Andrew Briggs, Ann Webb, Artur Urbanski, Benjamin Berman, Betty Yee, Bill Ekern, Blage Zelalich, Bob Carlson, Bobby Sepulveda, Brendan Rawson, Brian Adams, Brian Grayson, Bruce Labadie, Carl Guardino, Chris Friese, Christina Ramos, Chu Chang, Chuck Hammers, Cliff Navalas, Dan Orloff, Dan Pulcrano, Dana Grover, David Bruner, David Tran, David Yamasaki, Diana Beechie, Don Gagliardi, Don Inwalle, Ed Briggs, Edita Cruz, Eilbert Mirzapour, Elizabeth Mattson, Ellie Smith, Eric Ferenchak, Eric Heckman, Eric Hon, Erik Schoennauer, Estelle Kadis, Gary, Gil Chesno, Greg Casella, Gretchen Baisa, Hanif Ismail, Heinz Jones, Helen Ebert, Janikke Klem, Jasmine Williamson, Jenene Castle, Jenny Nicklaus, Jim Crawford, Jim Ortbal, John Kovaleski, Jonathan White, Karolyn Kirchgessler, Kathleen Podiasky, Katie Scally, Kelly Hyland, Kim Daly, Kim Walesh, Kurt Anderson, Lan Diep, Laura Monczynski, Marilee Jennings, Matt Mahood, Maureen Daurel, Michael Hobson, Michael Lerman, Mike Bangs, Mike Messinger, Mike Pomeroy, Nora Kovaleski, Patricia Ernstom, Pieter Smith, Ramsey Najmeh, Randy Musterer, Raul Peralez, Reena Brilliot, Rick Holden, Rick Scott, Ricky Hobson, Roland Lebrun, Roseanna Lavia, Ruth Cueto, Ryan Summers, Sal Alvarez, Sal Pizarro, Sara Davis, Sarah Dragovich, Scott Strickland, Sebastian Grillo, Semu One Bear, Sergio Jimenez, Shannon Robinson, Sherrill Ingalls, Siri Lackovic, Stephanie Pence, Steve Cox, Steve McHarris, Tara Herrera, Teresa Alvarado, Thomas Wohlmuth, Tore Sasso, Vince Cantore, Vinni Walia, Virginia Thomas, Wendy Elliott, Wolfram Schneider, Xuan Ha and Zach Lewis and SJDA staff Amy Anderson, Peggy Bradley, Julie Carlson, Corinna Dixon, Nate Echeverria, Leslie Griffy, Rick Jensen, Scott Knies, Joe Noonan, Danielle Ratliff, Jason Su and Chloe Verrey.

President Vuckovich called the meeting to order at 8:25 a.m.

Vuckovich thanked the San Jose First United Methodist Church for hosting the meeting and Greg Casella of CateredToo! for sponsoring and providing the breakfast.

Guests were encouraged to review the SJDA Committee Calendar (pages 3-4 of agenda packet) and enjoy Downtown Ice that opens to the public at the Circle of Palms on November 18.

Vuckovich recognized the following guests in attendance: Deputy City Manager Kim Walesh; San Jose Director of Transportation Jim Ortbal; and the San Jose Silicon Valley Chamber of Commerce CEO Matt Mahood.

Presidents Report

- Vuckovich thanked Sysco Corporation for their sponsorship of the 8th annual Dine Downtown event. Sysco Food Services elected to donate \$1.00 for every prix-fixe meal sold during the event to Martha's Kitchen. Donation totaled \$1,725. SJDA extended a letter of acknowledgement to Edita Cruz, Executive Director of Martha's Kitchen.

State of the Downtown

- SJDA Executive Director Scott Knies delivered the "State of the Downtown." His remarks focused upon downtown's construction of housing, office, hotel, and retail developments and the engagement of City leaders representing parks, public works, transportation, economic development and cultural affairs.

Knies summarized SJDA's recommendations on local measures:

- A – YES : \$90 million in bonds to provide affordable local housing for vulnerable populations countywide
- B – YES : Countywide 30-year half-cent sales tax for street repair and transit improvements
- E – NO : San Jose businesses with 35+ employees must offer additional hours to part-timers before hiring new employees or contractors
- F – YES : Pension modification for City of San Jose bargaining groups
- G – YES : San Jose business tax modernization: Base tax increased from \$150 to \$195

Knies announced SJDA internal re-organization of positions to align with strategic goals. Chloe Verrey was promoted to fill the position of PBID Operations Manager. Nate Echeverria was promoted to fill the position of Acting Director of Policy and Operations.

Members were encouraged to participate as "agents of change" downtown.

(The speech is available on www.sjdowntown.com)

PBID Report

- Chuck Hammers, Pizza My Heart owner and PBID Board of Directors President, reviewed the Property Based Improvement District's (PBID) mission to support initiatives to improve the downtown environment.

Hammers recognized recent PBID program successes including: Groundwerx ambassador presence and attendance to cleanliness; beautification with flowers and tree maintenance; Secondary Employment Unit (SEU) policing to improve safety; new business assistance; StreetLife projects including murals, art crosswalks and SoFA intersection design; and temporary "fun-factor" installations including Musical Swings, Super Bowl transformation of San Pedro Street and Hart's Dog Park.

Hammers announced that the PBID Board of Directors consists of 11 members and each year elects/re-elects 3 members. Incumbent Michael Musara was reelected, and Chris Freise and Wolfram Schneider were elected to 3-year terms. Hammers thanked members terming-off, Richard Berg and Elizabeth Mattson, for their service.

(The complete PBID ballot was provided on page 6 of agenda packet).

Hammers presented the PBID financial report on page 5 of the agenda packet outlining how the PBID's revenue at \$3.1 million reflected income of 76% from Assessments, 12% from City contract services, and 12% from other contracts and miscellaneous. Expenses at \$3 million were applied towards Clean Teams, Ambassador, Street Life and security programs, and business development and management.

Measure B - Transportation tax initiative

- Silicon Valley Leadership Group CEO Carl Guardino outlined the Measure B transportation tax initiative on the November ballot. The county wide half-cent sales tax will be applied specifically towards: BART Phase II; Mass Transit Improvements; Caltrain Improvements; Highway & Expressway Improvements; Street Maintenance & Pothole Repair; Bicycle & Pedestrian Improvements.

The following Committee Reports were presented in two-minute increments:

- San Pedro Square – Nick Nichols
- SoFA – Roger Springall / Sarah Dragovich
- St. James Park – Julie Matsushima
- Downtown Design – Steve Cox
- Advocacy – Henry Cord
- Historic District – Ryan Summers
- Downtown Foundation – Diana Beechie
- Board Organizational – Sarju Naran
- Downtown Parking – Bob Carlson
- Marketing Arts & Dining – Alan "Gumby" Marques

(SJDA Committee Calendar/Report comprised pages 3-4 of agenda packet).

Financial and BID Report

- Liam O'Connor, of Hopkins & Carley and SJDA Board Treasurer, presented the FY 15-16 BID and SJDA financial statements on pages 7 and 8 of agenda packet.

O'Connor outlined how the Association's revenue at \$3.5 million reflected income of 20% from BID, 12% from the City of San Jose and 68% from SJDA events, marketing and promotions. Expenses at \$3.5 million reflected an 81% focus upon events, marketing, promotions and beautification and 19% upon management and administration. O'Connor acknowledged Executive Director Scott Knies, Accounting Manager Peggy Bradley and the dedicated SJDA staff in their efforts to meet the FY 2015-16 budget.

(The financial reports were made available in the agenda packet and statements are posted on www.sjdowntown.com)

Election of Board Members

- Vuckovich announced that a quorum requirement of the BID membership eligible votes was achieved, electing the following 8 members to the 2017 BID Board of Directors: Doug Bartl (incumbent) Senior Facilities Manager of Oracle; David Buchholz (incumbent) Sr. Vice President at Colliers International; Joshua Burroughs (incumbent) Senior Development Manager at Swenson; Brian Corbett (incumbent) Studio Director/Senior Associate with Gensler; Stephanie Pence Director of Marketing and Business Development at Iron Construction, Inc.; Michael Lerman General Manager, Hyatt Place San Jose/Downtown; Salvatore Sasso Financial Advisor with Merrill Lynch; Ryan Summers Owner/Operator of Good Karma Artisan Ales & Café.

(The complete SJDA ballot was provided on page 9 of agenda packet).

Vuckovich encouraged members to attend the Public Year-in-Review Meeting on December 9 hosted by SJSU at the Hammer Theatre Center and adjourned the meeting at 9:25.