

Minutes of the Meeting
Board of Directors
San Jose Downtown Association

May 8, 2020

A meeting of the Board of Directors of the San Jose Downtown Association, a non-profit California organization, was held via teleconference.

The following directors were present at the meeting: Bates, Bartl, Calais, Cirone, Clack, Corbett, De Bernardo, Goddard, Jenkins, Lituchy, McClain, Mahood, Marques, Neale, Nguyen, Nichols, Pulcrano, Randall, Rewkiewicz, Serpa, Truong, Vuckovich and Wong.

The following directors were absent from the meeting: Burroughs, Gilbert, Matsushima, Lambert, Perez, Ramirez, Summers and Tabatabaie

Also present were guest Nathan Ulsh and SJDA staff: Julie Carlson, Corinna Dixon, Dori Gao, Rick Jensen, Scott Knies, Nate LeBlanc, Marie Millares, Chloe Shipp, Bree von Faith, Jessica Vuong, and Dennis Yu.

President McClain called the meeting to order at 8:38 a.m.

Pulcrano requested that the April 10 minutes include a reference to discussion regarding the grant funding proposal that was discussed. A motion was made to amend the minutes.

Minutes of the April 10 Board meeting were unanimously approved as amended.

President's report

- a) Pass the Gavel – As members joined the Zoom conference they caught up on what has been happening during shelter in place.

New Business

- a) SJDA Stabilization Plan

McClain reviewed that in Feb-March 2020 SJDA staff started discussions about adjusting SJDA priorities to align with Strategic Plan and not duplicating efforts with other partners working downtown. COVID19 interrupted those initial efforts and strategy. Greater consideration of budgetary constraints and alignment with City efforts will need to be taken.

Knies and vonFaith advised that SJDA has engaged International Downtown Association (IDA) member Brad Segal, President of PUMA (Progressive Urban Management Associates), in executing a streamlined and urgent strategic planning process to create an organizational stabilization plan. Segal has worked with SJDA as the consultant on PBID formation in 2007 and PBID renewal in 2012. He is familiar with organizational development in business improvement districts and the current recovery and stabilization mode occurring throughout the country in other cities. Segal's approach will be to look at short and long-term effects of the COVID-19 crisis to create scenarios and responses. Over the next two weeks, interviews will be conducted with individuals representing the board, staff, city staff, partner organizations and political leaders.

PUMA's goal is to complete the process within the next two months and present recommendations to the Executive Board on June 5 and to the Board for discussion and input on June 12.

Key elements of the Stabilization Plan will include:

1. Evaluate options and a preferred direction for SJDA to stabilize its operations and finances while also enhancing its value proposition to members and civic partners.
2. Determine SJDA role in broader downtown San Jose recovery efforts.
3. Establish a framework for long-term planning including PBID renewal and Executive Director transition.
4. Engage the board, business and civic leaders in a participatory process to develop the SJDA Organizational Stabilization Plan.

The proposal for PUMA's consultancy for developing an SJDA Stabilization Plan will be shared with the Board. This document was distributed via email immediately following the meeting.

b) Financial status and preliminary FY20-21 budget

Knies presented a preliminary FY 20-21 budget as reviewed at Finance Committee on April 22 and at Executive Committee on April 30.

Knies expressed that this is the first time in 32 years as ED that he has ever seen all the revenue streams hit at the same time. Due to COVID-19 crisis, impact upon three Revenue sources (BID, City Contracts and Earned Income) will be dramatic. BID assessments will decline. City Contracts services are proposed to be cut 42%. Earned income will decline \$1.4 million, mostly due to ice rink and Music in the Park event postponements. Only the PBID will reflect modest growth due to new buildings that are scheduled to open.

Many event related Earned Income revenue sources have been eliminated, reduced, or redirected to new projects. The biggest variance is no Ice Rink and only one of four Music in the Park concerts. A number of programs are "zeroed out" in the budget.

FY20-21 Budget reflects a number of variables, including: the Mayor's June Budget Message which may still receive 50% of funding at \$50,000.

Under Expenses, in response to COVID-19 crisis, two SJDA event support positions were eliminated and salaries were reduced 20% in mid-March. For FY20-21, salaries are restored beginning July 1 at 100%. Building Expenses allow for another special assessment to address maintenance issues. Program Expenses allow for a single MIP concert and Ice Rink storage and related insurance. Downtown Lights activation program at Circle of Palms is proposed and budgeted in lieu of Ice to encourage public engagement during the holiday season.

COVID-Related Grant Projects for FY20-21 include \$40,000 from Knight Foundation and \$10,000 from other sources. This is also the source of funding for the Stabilization Plan contract.

The Parking Fund is the primary City funding source to SJDA. DOT has not yet indicated that this resource will shift for FY20-21.

Final draft of FY20-21 Budget will be presented for approval at the Executive Committee on June 4 and to the Board on June 12.

c) COVID-19 SJDA response

Von Faith reviewed the current three-pronged strategy to realign SJDA's work to best support our members around realigning communications, small business support and the recovery campaign planning.

LeBlanc provided a review of COVID-19 impact upon small business. The SJDA team has been tracking businesses that will not open; maintaining close contact with the D3 and Mayor's offices; working to ensure that the City doesn't cut key positions that support businesses; drafting a white paper to the Mayor that highlights policy ideas to assist small businesses. LeBlanc sees this time of crisis as primarily an opportunity for the City to remove red-tape and move forward.

Shipp provided an overview of images highlighting Groundwerx' continued operations to provide cleaning, disinfecting and special projects downtown daily from 6 a.m.-6 p.m. Groundwerx staff is also relaying information to SJDA's communications team about the open / closed status of businesses. SEU officers are also patrolling daily.

Von Faith presented current data about downtown: 6% of downtown (residential) is "open"; 9% (restaurants, some retail, hotels) is partially open; and 84% is closed.

A Recovery Campaign for downtown is currently underway:

To keep the public connected to downtown, weekly messages with helpful information are being distributed to members via email on Thursdays and a social media "MIP Showdown" campaign reviewing the past 286 concerns (over 30 years) will determine "the best concert." The Farmers' Market will open in June and a Drive-In movie concept on top of the San Pedro Garage is being considered. An early, smaller Downtown Doors program will install 10 winning artworks prior to "reopening" downtown, an extended month-long Dine Downton program will be held in July, and the Circle of Palms will be activated Dec.-Jan. in lieu of Ice.

President McClain adjourned the meeting at 9:29 a.m.