

Minutes of the Meeting
Board of Directors
San Jose Downtown Association

June 12, 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, Burroughs, Calais, Cirone, Clack, Corbett, De Bernardo, Jenkins, Lituchy, McClain, Mahood, Marques, Matsushima, Neale, Nguyen, Nichols, Perez, Pulcrano, Rewkiewicz, Serpa, Summers, Tabatabaie, Truong, Vuckovich and Wong.

The following directors were absent from the meeting: Clack, Corbett, Gilbert, Goddard, Lambert, Ramirez and Randall.

Also present were guests Erin Salazar and Ben Henderson, and Brad Segal and Daniel Makela of PUMA and SJDA staff: Julie Carlson, Corinna Dixon, Dori Gao, Rick Jensen, Scott Knies, Nate LeBlanc, Marie Millares, Chloe Shipp, Nathan Ulsh, Jessica Vuong and Dennis Yu.

President McClain called the meeting to order at 8:16 a.m.

Minutes of the May 8 Board meeting were unanimously approved as distributed to Board members.

President's report

a) Civil unrest and SJDA response

McClain reflected upon the downtown events of the past two weeks (rallies and protests downtown San Jose) and importance of SJDA's role to keep downtown clean, beautiful, and vibrant; and support local businesses and contribute to making the City and society more just.

McClain shared some slide images of mural artwork created by volunteers as part of the downtown recovery campaign. SJDA has launched Rebuilding Downtown Fund through San Jose Downtown Foundation, in partnership with existing GoFundMe campaigns, to assist downtown businesses directly impacted by vandalism and looting. McClain thanked those members that have contributed to the fund to date.
<https://sjdowntown.ejoinme.org/MyPages/SJDFRebuildingDowntownFund/tabid/1151693/Default.aspx>

McClain announced that Hart's Dog Park has reopened, the Downtown Farmers' Market is reopening today, and more businesses and restaurants continue to open.

The SJDA vision and goals (established Feb. 2019) continue to be an opportunity to "reimagine San Jose" as we develop a strong Stabilization Plan to align with partners and vision for the coming years.

New Business

a) FY 2020-21 Budget approval

Knies presented a final FY 2020-21 budget as proposed by the Finance Committee and approved by the Executive Committee on June 4.

Knies announced that on June 8 the Mayor released his budget message which included \$92,000 for SJDA/City contract services.

Revenue: SJDA anticipates a drop in all revenue sources, expect for PBID (property tax has not yet been effected by COVID). Both the City contract services to SJDA and BID collections are forecast to decrease more than 25 percent. Earned Income plummets due to not holding Downtown Ice and Music in the Park concerts (reduction of \$1.3M income from these two events alone).

Expenses: Building Expenses reflect a variable for CBOA special assessment potential. Salary & Operating expenses reflect a return to 100 percent salaries for staff. Office Equipment has been increased to potentially address work-from-home needs in future. Several Program & Activity expenses have been zeroed. Staffing positions/expenses related to project management have been reduced. Recovery campaign expenses applied to Marketing & Advertising line item.

Budget reflects current FY 19-20 projected cash surplus of \$54K with depreciation applied resulting in accrual basis at a negative - \$27,800.

The FY 2020-21 Budget was balanced by tapping into "rainy-day" reserves from Deferred BID Revenue.

McClain extended thanks to past presidents and the SJDA staff and Finance Committee for adapting and planning ahead to enable a rapid response to pandemic conditions with manageable impacts to current financial situation.

On motion from Tabatabaie and seconded by Lituchy the Board unanimously approved the FY 2020-21 Budget as presented.

Knies announced the birth of Managing Director Bree von Faith's son, Hunter, on June 8.

Stabilization Plan preliminary recommendations: presentation by PUMA

Brad Segal, President of PUMA (Progressive Urban Management Associates) reviewed that SJDA has engaged his company to develop a stabilization plan to best manage the next 6-12 months of largely unknowns, post pandemic business model beyond 12 months, and means of adapting to changing world.

Segal provided an overview of the process they are undertaking to develop the Plan.

- Conducted series of interviews with property owners, business owners, policymakers, partners, SJDA staff and board, etc.
- Online public survey will be launched next week to obtain a sense of their aspirations and priorities.

- Goal of finalizing Draft Stabilization Plan of near- and long-term framework and implications (by mid-July).

Segal reviewed Interview Common Themes: Near-Term and Longer-Term Challenges, Opportunities and Implications for both Downtown and SJDA.

Environment

Opportunity to bundle PBID sponsored activities, and look at boundaries and breadth of PBID scope of activities with funding through PBID, service contracts and partnering with the City and other agencies.

1. Clean and safe
2. Greening & beautification
3. Capital improvements?

Economy

Opportunity to develop relationships between activities to reinforce economic recovery and business support with diversified funding through PBID, BID, event sponsorships and parking revenue.

1. Small business support
2. Events & activation
3. Promotions and communications

Conceptualized moving SJDA "to the street / store front location" accessible to community and demonstrate commitment to downtown businesses.

Innovation

New aspect of manage, marketing and championing downtown by implementing best practices with funding through PBID, membership, and 501(c)3 grants.

1. R&D – program & services
2. Equity & opportunity
3. Policy development, planning & advocacy

Tactics to come include: revenue enhancements; PBID renewal consideration; leadership transition (including succession planning and identification of bench-marks); and realignment of structure, board, committees, staffing, and internal systems to provide a framework for SJDA to adapt.

Board discussion

Nguyen proposed introducing mental healthcare or social workers (with additional funding from the City) to Groundwerx team. He added that 75% of businesses in a recent survey are at risk of closure within the next 6 months if current conditions persist.

Marques emphasized importance of greater coordination between other San Jose resources (City, TeamSJ, Chamber, etc.) to assist small businesses through marketing and communication.

Bates sees opportunity to work with SJSU campus community on communication to support local business and link campus to downtown.

Lituchy expressed the importance of clean & safe and streetscape and need for maintaining businesses.

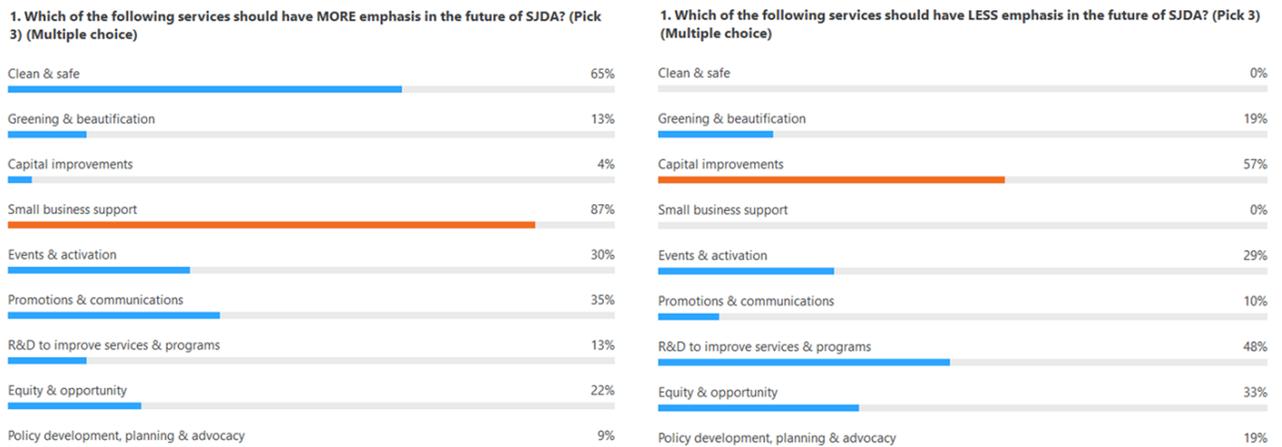
Neale would like to see investment to maintain image of downtown as seen as dynamic place for living and working. He is excited about the idea of making SJDA accessible as a "store front."

Pulcrano encourages the development of an official "local preference" spending policy (for B-to-B, as well as public procurement).

Vuckovich would like to get workers back into downtown by changing the current public health perspective that is based on the big-tech companies. Find way to change the narrative away from work-from-home.

PUMA encouraged meeting participants to participate in two polls:

- Which of the following services should have MORE emphasis in the future of SJDA?
- Which of the following services should have LESS emphasis in the future of SJDA?



Board discussion cont.

Mahood agrees with snapshot from polling results. He shared that SVO moved away from model of funding revenue through events. Perhaps SJDA could assume the less risky role of facilitator rather than do-er.

Nichols shared that the arts community is dependent upon safety & cleanliness, small businesses and communication to attract patrons.

Jenkins concurs with the need to articulate to leadership the importance of identifying what works to boost small business (vs. big business).

Nguyen agrees with the concept of handing off established events and doing something new to reinvigorate different parts of downtown.

Mahood would like SJDA to advocate for completion of housing and office projects so as to bring construction jobs to the downtown. Need for a marketing push to bring people back downtown post demonstration.

Segal asked that Board members assist with the distribution of the public survey next week. PUMA will present draft framework to Executive Committee in mid-July with goal to finalize plan by end of July

Executive Director's report

Knies encouraged participants to come downtown to enjoy the Farmers' Market (opening today) and view the new "protest" mural artwork while it's still up. Expressed thanks to SJDA staff Millares and Shipp and Local Color for executing the artwork project so rapidly.

President McClain adjourned the meeting at 9:22 a.m.