

Minutes of Regular Meeting

**Board of Directors
San Jose Downtown Property Owners' Association**

December 5, 2018

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 the Oracle, 488 S. Almaden Boulevard.

Board members present: Bartl, Freise, Hammers, Kline, Lambert, McGowan, Messinger, Ryan, Schneider and Zelalich.

Members absent: Ortbal

Executive Director Scott Knies, Director of Policy and Operations Derrick Seaver, Operations Manager Chloe Verrey, Street Life Project Manager Jason Su and Business Development Manager Nate LeBlanc, Eric Hon Division Manager for DOT, Semu One Bear from Block by Block and David Tran from Councilmember Raul Peralez's office were also present.

Hammers called the meeting to order at 8:34 a.m.

The minutes for the August 21 meeting were distributed to the board prior to the meeting, Zelalich provided three edits to the Almaden Median discussion, and the amended minutes were unanimously approved.

President's Report:

- Year in Review: Hammers reminded the board that the joint SJDA-PBID Year in review meeting is on December 14, at 8 a.m. at the Hammer Theatre. This will be Hammers and Ryan's last meeting, and they are the last two original board members.
- Personnel Update: Seaver is leaving the Director of Policy and Operations position to be Chief of Staff for Supervisor-Elect Susan Ellenberg. His last day is December 21. Applications are being received now and interviews will take place later this month.

New Business:

- Appointment of Vacant Seat: The hotel seat on the PBID board has been vacant since April 2018 when Michael Mussara left the Fairmont. Dan McGowan, the new General Manager has been nominated to serve for the remainder of the term vacated by Mussara, which will run through December 2020. Kline motioned to accept the nomination and Schnieder seconded the motion. The board unanimously approved the motion.
- Election of Officers: A slate of officers was presented to the board, with Bartl as President, Zelalich as Vice President, Ortbal as Treasurer and Messinger as Secretary. Friese motioned to accept the slate of officers and Lambert seconded. The board unanimously approved the motion.
- DCDC MOU and San Pedro Squared Regranting: The Downtown Community Development Corporation (DCDC) now has a working board and has approved amended articles of incorporation. The DCDC is an independently governed 501 (c) 3 nonprofit organization. An MOU between the PBID and DCDC has been created as well as a corporate resolution to gift San Pedro Squared

to the DCDC. This project was originally intended to be a DCDC project, but could not because it did not have board or funding at the time of the initial grant for San Pedro Squared. Ultimately San Pedro Squared became a project of the PBID.

Zelalich asked for clarification as to why San Pedro Squared became a project of the PBID and what is the makeup of the DCDC board. Staff saw San Pedro Squared as model of the type of capital project that DCDC will undertake, but the lack of board and funding at the time of project inception resulted in the PBID taking control of San Pedro Squared. Regranting San Pedro Squared gives the DCDC board a completed project to manage, as well as an example to provide when fundraising for future projects.

The DCDC board can have a maximum of 13 board members. Current board members come from the private sector, as well as Councilmember Peralez, County Board of Supervisor Chavez and State Assemblymember Kalra. Knies is a board member as well.

Hammers and Zelalich asked for clarification as to whether or not the DCDC will take over all capital projects and the PBID will move away from these types of projects. Knies shared that the PBID has discretion over what types of projects the PBID undertakes. Kline suggested that the board begins to think long term about what the PBID takes on, and work to define the role of the PBID in capital projects. Knies shared that the DCDC is still in it's infancy as a board and is currently focused on creating a fundraising plan. They are not at the point yet where they know what their project design role is. Zelalich suggested joint DCDC-PBID board to help set goals, and define the relationship between the two entities. Knies shared that the DCDC board is looking to PBID to share knowledge and experience on capital projects.

Hammers asked for clarification on what the PBID loses and gains with this MOU. The PBID will gain a partnership with a charitable organization that is a better fit as a fiscal sponsor over the San Jose Downtown Foundation. With the DCDC using San Pedro Squared to leverage new fundraising opportunities, the PBID could benefit from the increased fundraising capacity of the DCDC.

Friese asked for clarification of staff's role with the DCDC. The Director of Policy and Ops staffs the DCDC, with the PBID team providing minimal support at this time. The DCDC is governed by bylaws versus management plan as the PBID is.

San Pedro Squared regranting would transfer the project from PBID to DCDC as an in-kind grant with a \$600,000 total value. Rent generated from San Pedro Squared would go to DCDC. Maintenance cost and responsibility would also fall to DCDC than PBID. Messinger made a motion to accept the MOU and corporate resolution, Zelalich seconded. The board unanimously approved the motion. Kline requested that the DCDC bylaws be provided to the PBID board.

Staff Reports:

- Operations Report: Verrey presented highlights from the Operations Report on pages 5-8 in the agenda packet.

- Business Development Report: LeBlanc presented highlights from the Business Development Report on pages 9-12 in the agenda packet.
- Streetlife Report: Su presented highlights from the Streetlife Report on pages 13-18 in the agenda packet.

The meeting was adjourned at 9:51 a.m.