

Minutes of Regular Meeting

Board of Directors

San Jose Downtown Property Owners' Association

August 8, 2017

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 Adobe Headquarters, 321 Park Avenue, San Jose, CA 95113.

Board members present: Bartl, Freise, Kline, Messinger, Ortbal, Musarra, Ryan, and Zelalich

Members absent: Hammers, Schneider and Utic

Director of Policy and Operations Nate Echeverria, Operations Manager Chloe Verrey, Street Life Project Manager Jason Su, Business Development Manager Nate LeBlanc and Semu One Bear from Block by Block.

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

Minutes: The minutes for the May 16 meeting were distributed to the board prior to the meeting and were unanimously approved with two amendments.

President's Report:

Hammers thanked Eric Kline for hosting and supplying a fantastic breakfast. Also, he congratulated Kline on the plans to double Adobe's footprint in downtown. Kline shared that the press that did come out highlights Adobe's commitment to downtown San Jose, and that they will lease at 10 Almaden while waiting for construction to complete.

New Business:

- Future Planning: Knies shared that the proposed commercial developments in downtown and the significant milestones ahead of the PBID it was a good time to look towards the PBID's future. At this time, we are 5 years away from the renewal of the PBID. Additionally, we will be entering into our final year of our contract with Block by Block. Funding wise, we are entering into year 3 of a 5-year Knight Foundation grant for street life. The biggest impact for downtown will be BART construction, and several factors contribute to this impact: construction type, when construction starts, where the stations will be. One overarching question is can we do a renewal campaign when BART is going on?

Echeverria shared that St. James Park contract is a learning experience for all staff. Contract services are not new to the PBID, but working with PRNS in this capacity is. Fee for services contracts could be used to generate revenue and provide service to areas ahead of renewal or expansion. These services could include homeless services and construction mitigation specific to BART.

Knies shared that homeless services, both contacts and cleaning, are a significant portion of our day. It could be time to consider additional funding for this work. Messinger agreed that funding is needed to increase cleaning services to handle the messes. Ortbal indicated that it would be useful to have focused meetings to discuss these issues in-depth to then make informed decisions.

Knies shared that Councilmember Peralez is looking to create a task force similar to the mayor's gang task force to handle homelessness. Much of this work would focus on short-term coordination, since building affordable and permanent supportive housing takes too long. Mussara

indicated that additional funding is a wise idea in the short term, but collaboration is necessary to make any sort of change. Friese indicated that short and long term solutions are necessary.

Knies also indicated that the possible Google project has both short and long term implications. This is a long term item when considering annexation to encapsulate the campus, but in the short term discussions about the project and the west side of downtown are taking place now. This would be a significant service increase, whether it is as a fee for service contract or through annexation. Messinger asked for clarification on when annexation would take place. Knies indicated that interest for expansion has come from properties on all sides of the PBID, and would take place when renewal occurs.

Knies shared that all the proposed construction, not just BART, will have significant service implications for the PBID. Initial thinking is that BART construction could be too chaotic for the PBID to go out for renewal. We do have the option to renew early, but it is a difficult process. Early renewal is an opportunity to talk about what is coming and what new services the PBID will be bringing forward – construction mitigation, increased services, etc. Knies shared that a large number of properties transact recently, and we need to spend time reaching out to them and having them understand us. Friese indicated that he believes the new ownership of properties downtown are likely to spend and believe in the PBID services.

Friese asked how annexation works. Knies shared that the management plan for the PBID is where the boundaries are set, and changing of management plan in a significant manner would be the same as a renewal campaign. We

do have the option to contract with areas that are not a part of boundaries prior to annexation – but the danger of this is that is voluntary. Ortbal is interested in seeing a what future boundaries and service areas might be. Preliminary boundaries would help the board plan for the future.

- San Pedro Squared: Staff is moving forward with the project, and working with city staff to expedite PGE work. The construction is anticipated to start in September. Leasing of the spaces will be in partnership with SJMADE. Our lease term with the city is 5 years, with 5-year option. SJMADE will have 3-year lease with a 2-year option. The construction timeline is 2 months, or 45 working days.

Staff Reports:

- Business Development: Nate LeBlanc

Streamlined Restaurant Program: City staff is working to make the Streamlined Restaurant Program (SRP) permanent. This program is working for smaller retail restaurants and saving them time. A future goal for this program is to find funding for staffing off this program. Currently, the program is limited to one meeting a week.

Easy Urbanism Initiatives:

An Outdoor Sidewalk Seating permit will replace the existing Sidewalk Café permit. The new permit will have a significant cost reduction, to make it easier to complete the permit. SJDA we advocated for a widening of the type of applicants who can apply for the permit, expanding from only tenant businesses with a full menu, to property owners, BIDs and Neighborhood Business Districts and a reduction in cost.

Small Business Advocacy

We effectively changed the terms of what constitutes a Conditional Use Permit for minor changes to an existing restaurant's hours for late-night use. Now they are able to receive a Special Use Permit, which takes approximately half the time to process and costs about half as much. The Blue Chip restaurant on South First St. was the first to benefit from this change. The upcoming restaurant and arcade concept at 52 E. Santa Clara has been submitted and is expected to be approved for this SUP within three months.

- **Streetlife Report: Jason Su**

Fountain Alley Activation

Summer Picnic in Fountain Alley intends to test the community feedback from a year's worth of outreach and brings arts, retail, and amenities to the space. On four Thursdays in the summer (July 13, 20, 27, and August 3) from 12 p.m. to 7 p.m., the alleyway is activated with live music, live painting, games and activities, food truck, places to sit, and other amenities. Downtown businesses such as Gensler, TechShop, and Tangerine Hookah Lounge have assisted with the activation work. Staff and the activation team are exploring options for a September evening series, bringing in more vendors and performances.

Mural Program

Staff met with the General Services Administration of the Federal Building to address needed tree maintenance and sidewalk cleaning services. GSA approved staff's proposed idea of updating the mural on the Federal building. Staff is now working to provide them with a selection of artists for the mural, and invoicing GSA for the services.

Downtown Street Tree Maintenance

We are back on Year 1 of the four-year rotation for tree maintenance. Palm tree work has been recently completed on Santa Clara Street. Additional palm tree work will be performed in the SoFA District. Staff is also preparing for tree ungirdling work on 1st and 2nd Streets on the VTA trackside.

- Operations Report: Chloe Verrey

Groundwerx Program Updates:

Groundwerx's Work Experience Program with Downtown Streets Team (DST) has received information from the City Housing Department that the program is recommended for the same funding level in FY 17-18 as last year. Funding from the Housing Department covers supplies, uniforms and training related costs. Groundwerx continues to hire DST volunteers to on-call and full-time positions. Currently, 10 of Groundwerx 27 staff members were hired from the DST Work Experience Program.

Construction Mitigation:

We continue to provide notification to businesses and property owners for construction projects impacting the public right of way. In collaboration with the SJDA Communications team, there is now a page on the SJDA website for upcoming lane closures and construction impacts: sjdowntown.com/sjda-news-traffic-alert/

St. James Park Enhanced Maintenance & Ambassador Services Contract

The St. James Park contract began on June 1. The scope of services for this contract includes: pan and brooming, pressure washing, graffiti removal, business contacts and providing directions. At this time, PRNS has requested cleaning services Thursday through Monday each week, from 1-

5 p.m., with two clean team members covering these shifts.

Tax Exempt Assessment Payment

The PBID received a check on July 14 for \$54,293.54 from the City of San Jose, comprised of payments from this fiscal year from tax-exempt properties that had yet to be disbursed. \$9,534.86 came from SARA properties sold in FY 15-16, and the remaining \$44,749.68 came from outstanding invoices from this fiscal year.

Old Business:

The meeting was adjourned at 9:58 a.m.