

Minutes of Regular Meeting

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

January 29, 2019

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 San Jose Downtown Association offices, 28 N. 1<sup>st</sup> Street, Suite 1000.

Board members present: Bartl, Freise, Mancuso, McGowan, Ortbal, Phan, and Zelalich.

Members absent: Kline, Lambert, Messinger and Schneider

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

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

The minutes for the December 5 meeting were distributed to the board prior to the meeting, Zelalich provided two edits to the minutes: clarification on why San Pedro was gifted to DCDC and amend the gift amount to \$628,421.17. The minutes were unanimously approved.

President's Report:

- **Welcome:** New board members Sarah Mancuso from Harvest Properties and Dan Phan owner of Original Gravity, Paper Plane and Mini Boss were welcomed to the board. Michelle Azevedo has joined SJDA as Director of Policy and Operations.
- **Conflict of Interest Forms:** Conflict of Interest forms are distributed to the board annually. Board members returned completed forms to PBID staff.

New Business:

- **2019 Board Calendar and Future Planning:**

A calendar of all PBID board meetings was distributed to the board, which includes a joint SJDA-PBID board meeting.

PBID district renewal continues to be the focal point of future planning, and represents an opportunity for the PBID to look at all programming and boundaries in a strategic way. Many new owners have acquired properties within the PBID and adjacent to it. Knowing these owners and understanding their expectations can help guide our renewal process, specifically around district expansion.

The PBID will guide the renewal process, including when we decide to start that process. It is possible to renew the district ahead of its expiration, and an early term start date is possible as well.

Ortbal shared that the City is working on an updated Diridon Station Area Plan, with an expected completion date in the next 12-18 months. This is an opportunity for the PBID to engage in

With all of the projects on the West Side in the development pipeline there are many opportunities for engagement, both with owners and City staff. Specifically, the TMG – Valley Oaks project's permit lists value capture and the option of establishing a PBID. We must be involved in City discussions around these types of permit additions. Layering in Can't layer too many fees on projects on the west side of downtown, and then adding the PBID at the end could make projects harder to pencil out.

Knies reminded the board that the PBID is service and special benefit based, so we assess properties based on building and lot square footage rather than assessed values. State DOT law dictates much of our management plan, including how we incorporate.

One topic of discussion for renewal is whether or not we continue to have two benefit zone, basic and premium. We should also consider how factors outside of our control will impact our service delivery, like first floor vacancy or homelessness.

BART also presents a challenge when looking towards the future from a planning perspective. The VTA board recommended VTA staff select a consultant to study the possibility of a business interruption fund. VTA staff is engaging with stakeholders now and setting parameters for what the consultant will analyze. PBID staff began studying business interruption fund models in late 2017 and has been using the LA Metro expansion business interruption fund as a best practice model. VTA setting parameters for consultant now. PBID staff has advocated for small business near the construction site to be eligible for these funds if they experience a demonstrated loss of revenue.

Our current Knight Foundation Street Life grant is a five year, and we are in year four of the grant. We are communicating with the new local Knight Foundation representative and starting to talk about what the second iteration of this grant could be.

- FY 2018-19 Budget Revision: Staff brought forward revisions to the FY 2018-19 budget in the enhanced maintenance and street life line items. These changes are due to higher than anticipated costs of tree ungridiling and a resulting reduction in street life project costs.

At this time we are projecting total expenses for enhanced maintenance to be \$100,000. Many of the trees in need of ungridiling, removing the granite pavers from the base of the tree and replacing gravel with decomposed granite, are along the track portion of the Transit Mall. This work requires a VTA track allocation permit, along with training and background checks for our contractor's staff. Additionally, the trees along the track take more time per tree well, with an average of two tree wells per day being completed when working along the track. Five to seven transit mall trees per day can be ungridiled when the trees on the transit mall. maintenance was a future anticipated cost.

Zelalich asked what doesn't get done with reduction in street life projects. Knies shared that street life money is generally the most flexible per year, and that some design work like Fountain Alley

Reimagining could be moved to next fiscal year. Smaller street life projects will continue to take place, like lighting enhancements and one-off murals.

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 9:59 a.m.