

Minutes of Regular Meeting
Board of Directors
San Jose Downtown Property Owners' Association
November 14, 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 the San Jose Downtown Association, 28 N. First Street, 10th Floor.

Board members present: Bartl, Messinger, Ortbal, Hammers, Ryan and Zelalich and Utic

Members absent: Freise, Kline, Musarra and Schneider.

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

Hammers called the meeting to order at 8:36 a.m.

The minutes for the August 8 meeting were distributed to the board prior to the meeting and were unanimously approved with amendments.

President's Report:

Hammers discussed the upcoming SJDA Year in Review meeting on December 8 at 8 a.m. at the Hammer Theatre Center. Richard Utic will be honored for nine years of service on the PBID board. Jeff Lambert, Senior VP of Construction from Essex Property Trust, will join the board in January.

This is also Nate Echeverria's last meeting. Echeverria is moving back to Pennsylvania to be the Economic Development Director for Kennet Township and Kennet Square, a suburb of Philadelphia. SJDA will host a going away happy hour at Forager, on November 29, invitation to follow.

Congratulations to Semu One Bear for being named regional employee of the year by Block by Block.

New Business:

- Election of Officers: The slate of officers was unanimously elected. Officers for 2018 are Chuck Hammers, President; Doug Bartl, Vice President; Michael Messinger, Secretary; Jim Ortbal, Treasurer.
- Paseo Lighting: City staff approached the PBID on adding additional festoon lighting on Paseo de San Antonio. Paseo 1 would have six new LED white string lights added, and Paseo 2 would have the existing string lights replaced with 12 new LED white string lights. This space is quite dark at this time. The total cost of the project would be \$15,000. Staff is seeking board recommendation on whether to approve the project. The board recommended moving forward with this project.

Messinger asked if string lighting is a part of the San Pedro Squared project. The project will upgrade the electrical box within the garage. Once completed, the PBID can discuss additional lighting needs.

Hammers noted that our reserve keeps growing. The next fiscal year is an opportunity to allocate some of that reserve funds for additional street life projects.

Ortbal indicated that the condition of the median on Almaden has deteriorated. City DOT is limited to what they can do with the median; State law does not allow for the watering of ornamental turf. With the Almaden Exercise Loop gone, this could be a project where the PBID could provide ideas, and assistance. Ortbal indicated that this is a project that the PBID and DOT could partner on.

Knies reminded the board that the Exercise Loop design does have recommendations on treatments for the median that could be useful.

- PBID Budget Update: Knies pointed out several variances in the amended budget from the previously approved budget. Several contracts have been added since the approval of the budget, including the St. James Park contract and the Federal Building's a la carte services in lieu of assessment payments. St. James Park has also been added as an expense line item. SEU program spending has been reduced by 25 percent. The hope is that there will be more cops in the future to hire.
- PBID 10 year Anniversary: The PBID will celebrate 10 years of service in January 2018. In preparation for this anniversary, SJDA staff will be producing a 10 Year Report, to be distributed via print and email to PBID members, stakeholders and partners. Staff will also be rebranding equipment and Groundwerx uniforms with a special anniversary logo, to commemorate 10 years of service.

To kick off the celebration of 10 years of service, PBID staff will be holding a press conference in January (date TBD). Following the press conference, there will be a celebration in the evening for Groundwerx staff.

Staff Reports:

- Operations Report: Chloe Verrey

Groundwerx Program Updates:

Groundwerx Quarterly Training took place on September 21 and focused on attention to detail. Prior to the training, the Groundwerx management team shadowed staff during different shifts, gathering data on how tasks are being completed and what room for improvement may exist. The management team is focused on cross-training supervisors in an effort to provide professional development opportunities while strengthening the overall capacity of the team.

From October 18-19, Verrey and One Bear attended Block by Block's Annual Managers meeting in Detroit, Michigan. This was the first time that Block by Block invited clients to attend the meeting, and approximately 35 other clients were able to attend. At the meeting, One Bear received the Local Impact Award of the Northwest region. During the meeting, we were able to tour downtown Detroit, learn about the fee-for-services contracts that the Downtown Detroit Partnership manage and share ideas with our peers.

Commercial Property Owners and Managers:

A commercial property owners and managers meeting was held on October 25. Items discussed included: Downtown for the holidays; Q&A with Central Division Lieutenant David Santos and downtown construction. The next meeting will be January 17 at 2 p.m. at 100 W San Fernando Street, Suite 350 - CityView Plaza.

Nick Baldwin of Harvest Properties has stepped forward to be the committee's chair, and a survey was sent to the committee for upcoming meeting topics and possible areas for SJDA/PBID assistance.

Block by Block Contract Update:

The PBID's contract with Block by Block for clean and safe services expires on January 14, 2018. The PBID will enter into the final contract amendment with Block by Block on January 15. A Living Wage increase of 2.13 percent is effective January 1, 2018. The 2017 Living Wage increase was 9.9 percent.

During 2018, the PBID will undergo an RFP process for the clean and safe program. This will be an open, competitive bid process.

Tax Exempt Assessment Payment: Invoices for the Superior Court, four properties including the Family Justice Center, were not sent for the 2016-17 or 2017-18 fiscal years. After investigating this issue, the square footage for the Family Justice Center was inaccurate, prompting the Department of Public Works to withhold any invoices for two years. The correct square footage is to be provided by the State to Public Works this month, with special invoices to be sent upon receipt.

Orbtal asked if assistance with DPW and the invoicing process was needed - staff indicated yes. This seems to be a process specific issue.

To clarify, staff shared that all delinquencies are on exempt properties.

- **Streetlife Report: Jason Su**

- **San Pedro Squared:**

- PG&E service for the project is now being funded and managed by the City of San Jose, and the contract has been signed. The City Office of Economic Development must still complete a use agreement between City and San Pedro Squared for project to commence. This will be in place before construction starts.

PBID has signed the contract with TICO Construction. Upon the finalization of the use agreement, the contractor can pull the building permit and begin construction. The contractor has submitted the encroachment permit application. Construction is scheduled to start early January and complete by the last week of February.

Staff is working on lease language for the retail units with Public Space Authority (parent company of San Jose Made).

Fountain Alley Activation:

PBID led an activation series in Fountain Alley, "Fountain Alley Fridays." The activation was on four Fridays (September 8, 15, 22, 29) from 6-10 p.m. Following successful September events, activation in the alley will be on the first three Fridays of December from 7:30-9:30 p.m. The activation compliments the holiday retail in Local Color, with the goal to

drive more traffic between the two locations.

Local Color:

Local Color continues to provide affordable artist space and community programming. Their lease has been extended until January 2018, in which they will remain in the space until the start of construction, on a month-to-month basis.

Mural Program:

Federal Building staff has approved the artist, Bunnie Reiss, and concept design for the replacement mural on First Street across from the Paseo de San Antonio VTA Station. Work is anticipated to start in mid-December.

Pedestrian Counts:

Groundwerx ambassadors have completed August 2017 pedestrian counts. Staff completed a draft analysis of pedestrian data collected on August 2016, December 2016, and April 2017. Data shows an overall increase in pedestrian volume by five percent, and less variation of volumes throughout the year. The final report will be completed later this month.

Downtown Street Tree Maintenance:

Staff is working with DOT to convert various tree wells around the Tech Museum. The scope includes converting the stabilized pebble under the honey locust and crape myrtle trees, and the cobblestone tree wells under the palm trees all to decomposed granite. PBID will be contributing one-third of the cost, estimated at \$6,000 from the enhanced maintenance line item.

Downtown Beautification:

55 hanging baskets were replaced in mid-October with fresh plantings. Kathy Finley and All Bay Landscaping have replanted planters downtown with Fall plantings. The work occurred between late October and early November.

Staff has completed a planter map has been created that shows the quantity and distribution of planters downtown.

- **Business Development:** Nate LeBlanc

Streamlined Restaurant Program:

City staff is making the Streamlined Restaurant Program (SRP) permanent. We will continue to advocate for more resources for the program and for the continued awareness and participation of Downtown restaurant, bar, and café owners. The program is proving to save small business owners a significant amount of time, so the city is experimenting with allowing some other types of businesses with relatively simple plans to utilize the program, symbolized here by the inclusion of Bishop's Barbershop. This is no longer a pilot program, it is now permanent and city-wide, but there was no announcement of this.

Easy Urbanism Initiatives:

The Business Development team provided significant feedback on the creation of a new city program designed to increase the number of parklets in the Downtown area. This new program is the result of significant data

collection and feedback on the previous Curb Café pilot program. The structure of that program only resulted in the building of two curb cafés, and only one in Downtown. The type of businesses that can apply for a parklet will expand, the allowable designs and creative uses will widen, and the permit will be decoupled from the sidewalk café permit, making the process easier for the applicant. Significantly for the PBID, neighborhood business associations and property owners will be able to install parklets in order to increase street life activation and to lure tenants for the first time.

Small Business Advocacy:

The San Jose Downtown Association supports the newly-adopted Vacant Storefront Initiative that was passed at City Council last week. We feel that this program is an important tool for combatting blight in the Downtown core and bringing absentee property owners back into the fold to ensure that their spaces are maintained in a manner befitting our community. This is a pilot program, with 12 months to collect data and another six months set aside to study the results and make recommendations. We will monitor these developments closely in order to ensure that this program achieves its stated goal of reducing blight, particularly along the Santa Clara Street corridor. This has already brought property owners out of the woodwork to start talking about next steps and avoid getting on the registry.

LeBlanc shared that the downtown vacancy rate has dipped below 10 percent, and that large parcels are being leased or developed. Significant projects include: the corner of Santa Clara and Almaden Avenue to be built out as a new commercial space (patio of former Take One Pizza space); Hotel Clariana planning expansion into their parking lot, to be a six floor structure with amenities (corner of 3rd and Santa Clara).

Old Business:

Utic thanked the board and staff for a fantastic experience serving on the board.

SJDA will be awarding a Jim Fox Golden Nail Award at the Dec. 8 Year in Review Meeting.

The meeting was adjourned at 9:49 a.m.