

Minutes of Regular Meeting
Board of Directors
San Jose Downtown Property Owners' Association

July 15, 2008

A regular meeting of the Board of Directors of the San Jose Downtown Property Owners' Association, a non-profit California corporation, was held at the SJDA office, 28 N. First St., Suite 1000, San Jose, CA 95113.

Board members present: Hammers, Berg, Ryan, Knox, Munro (via teleconference), Mattson, Shadman, Isnard and Utic.

Board Members absent: Ortbal, Gallagher.

Also present were Executive Director Scott Knies, Deputy Director Blage Zelalich, Operations Manager Eric Hon and Tom Ferguson from the Department of Transportation.

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

Minutes

- The minutes of the May 13, 2008 meeting were distributed via email and there was a correction on the Finance section on page 3. The word "variable" will replace "fixed" in the second sentence of the fifth bullet point. The minutes were approved as amended.

President's Report

- Hammers informed the board that the PBID annual report to the City Council on June 24 was accepted without discussion. The report, distributed by email to members and attached to the agenda packet, included the explanation of the 5% increase in the FY 2008-09 assessments.

SJDA/POA Contract Approval

- Knies indicated that the proposed SJDA/POA contract was distributed by email and is attached to the agenda. The contract was approved by SJDA and has been forwarded to the POA. This contract was the last of the three major PBID contracts. He added that SJDA has worked since last fall on the management of the PBID without compensation.
- Hammers asked if the proposed management fee was capped at 9.1% as a maximum or as a minimum? Knies responded that 9.1% was the number in the original management plan. The decision on the budget is up to the board, which can allocate more than the 9.1% if it decided to.
- Hammers and other board members said the contract language does not reflect this intention and suggested amending Section 3 in the agreement to include 9.1% "or as adjusted by the POA." The contract was unanimously approved as reworded.

Matching City's \$25,000 for Hwy 87 Cleanup

- Since board member Munro was offsite and participating via teleconference, the board moved to agenda item #7 regarding the cleanup of Hwy 87. Munro reported the Mayor has allocated \$25,000 for cleanup efforts on Hwy 87, provided the PBID match the funds. Munro and Hon met with Caltrans, who are willing to partner in this endeavor. Caltrans cannot contribute money, but they can provide additional support services such as increasing the mowing of the weeds.
- Members had many questions: how much of Hwy 87 is in the PBID boundaries? Is this a one-time cleanup event or ongoing? Will Caltrans take greater responsibility on the cleanup of 87? Are volunteer cleanup efforts allowed? Could Groundwerx crews perform the services? The PBID budget does not include this project - where would the funds come from?
- Discussion and questions amongst the board members continued. The focus of the conversation involved the timing of the project and the resources that will be required.

- Knies suggested giving Munro, Hon and Caltrans a chance to define their proposal while bringing in SJDA as a partner to raise the matching funds. He agreed with member's reservations about committing to a beautification project primarily outside the district, before the PBID implements its own.
- Hammers recommended deferring the discussion. Munro agreed to provide greater detail on the proposal. The board agreed that researching fundraising ideas was the next step.

Capital Improvements Beautification RFP

- Utic reported that the Capital Improvement subcommittee met on July 14 and interviewed three firms for the streetscape beautification RFP. All three firms made good presentations and Utic described briefly the presentation of each group. The committee recommends retaining the services of Ken Kay Associates. The committee felt that Ken Kay Associates grasped the needs of the district and the sense of urgency to implement the demonstration project by November 15. Mattson echoed Utic's thoughts on the presentations.
- Hammers inquired about the thought process behind the committee's recommendation?
- Knies stated that this was a consensus recommendation from the committee. The deliverables were confirmed with Ken Kay Associates and the committee members appreciated their knowledge of downtown San Jose conditions based on their recent work with the RDA and 1stACT.
- Hammers asked about the cost of the proposal. Zelalich clarified that the cost of the proposal includes the demonstration project design and maintenance guidelines, but not the construction costs. Shadman asked if the proposal cost included the master plan? Zelalich confirmed this was included. Ryan asked if costs for all the proposals were the same? Zelalich stated that the cost of each proposal was slightly different, because each proposal included different services. All things being equal, the costs of the proposals were similar.
- The board continued to discuss the potential costs of the streetscape beautification plans. Knies informed the board that some of the costs are for meetings and walks to identify the demonstration project. Modifying the scope of work can reduce the fee for this phase of the project.
- Knox stated that it is short sighted if the PBID pays for the vision and only implements part of it.
- Isnard understands the urgency but is concerned about the November date and asked if there were benefits to waiting until the spring? Members responded that the beautification projects will always have to adapt to seasonal changes but it is important to get the beautification project underway in the first year of the PBID.
- Motion to select Ken Kay Associates for the PBID beautification Plan and have staff negotiate and execute the consultant agreement. This motion was approved unanimously.

Operations Manager Report (included in Board packet)

- Hon reported that the recently hired SGI VP begun his evaluation of the program, focusing initially on the cleaning efforts. Hon developed an operational analysis identifying equipment issues, staffing and training as areas that must be addressed.
- The need for a second pressure washing unit was identified and the purchase was approved. The second unit should arrive this week. The second unit will provide greater flexibility in scheduling the regular pressure washing areas. Hon also noted that some pressure washing will continue during the day, however a shift will be made to pressure wash at night. The number of pedestrians during the day makes it difficult to pressure wash. Care will be used in scheduling the pressure washing in residential areas. Businesses and residents will be provided with plenty of advance notice and every effort will be made not to cause too much disturbance.
- The new VP has already made adjustments to staffing. Two of the supervisors have switched shifts resulting in improved cleaning results.

- Two new positions have been created to maintain the VTA platforms. These positions add extra support to the clean team and can be deployed in other areas as needed.
- The new VP continues to cross train staff on the use of all the equipment. Cross training provides consistency when combating various staffing issues such as leave requests and turnover.
- The PDA systems have been used for the past month. There are a number of advantages to the system, but there are still some issues being worked out in regards to statistical reporting.
- Hon is waiting for a reconciliation report from the City regarding the second half of the assessments. The majority of the assessments have been received by the PBID, but there are some minor discrepancies. Hon is working with the City and the County to resolve the discrepancies.
- All of the first year's baseline funding has been received.

Other Matters

- The board will not meet in August; September 16 will be the next meeting.

Meeting adjourned at 10:05 a.m.