

## **Reports / message points delivered by various SJDA Committee Representatives at the Oct. 8, 2010 Annual Meeting**

### **Finance Committee – Chris Neale**

SJDA takes its fiduciary role and oversight pretty seriously, and the finance committee meets monthly, and is looking at financial statements that reflect the Association's position. In reviewing the **Statement of Revenue and Expenses** for year ended June 30, 2010, the Association's total revenue was \$3.4M. In **Reviewing the Revenue Source Pie-Charts**, **BID** represents 18% of revenue, **RDA** represents 19%, **City** represents 2% and **61% of revenue** came from **SJDA's Program and Activities**. For every dollar the business community puts into the BID, five more dollars are leveraged by SJDA to improve downtown.

The Association's total expense for the year was \$3.4M which resulted in a net deficit of (29.7K). This number reflects the Association's accrual position due to the depreciation of the ice rink equipment that the Association invested in over the past years.

FY 2009-10 annual review was conducted by Berger Lewis Accountancy Corporation and approved by the finance committee on September 22, 2010. A copy of the report is available upon request. For the past year, it is estimated that the equivalent of approximately **\$2,312,416** were donated to the Association in the form of materials provided and services rendered by volunteers.

In addition to the meat and potato work on reviewing financial statements and budgets, the Finance Committee also had other assignments during the year, including a board conflict of interest policy, BID collections, tax returns, line of credit renewals and city financial scan of Community Benefit Organizations receiving funding from the city. Few highlights for the year:

- The Association's Executive Director funding arrangement with the Redevelopment Agency ended on September 18, 2009. Unanimously approved by the Board of Directors, the Executive Director position since Sept. 19, 2009 is now fully funded by the Downtown Association.
- Chiller note payable balance of \$19K to be paid off in September 2010
- Line of Credit available balance of \$150K was not accessed during the fiscal year
- The Association adopted 401-K effective January 1, 2010 and terminated existing SIMPLE IRA plan
- The Association is continuing to have the salary freeze for the 3rd year, expanding internship program and continuing to shave program costs

### **Advocacy Committee – Henry Cord**

The Advocacy Committee covers a lot of topics, stays on top of most everything that goes on downtown.

It is an arm of the Executive Committee and the Board.

We'll research and make recommendations to the larger boards, and utilize a variety of tactics, from face-to-face meetings with decision-makers to writing letters, op-ed pieces and white papers.

Some of the items we watched and continue to watch from the past year are:

- Ball Park
- Diridon Area
- High Speed Rail
- Police Chief selection
- Measures V&W
- Convention Center – funding
- San Jose's Vision / 2040 General Plan
- Coalition for Jobs Now
- Off-Sale Liquor Licenses
- Downtown Perception Issues
- Little Italy
- Sign Code
- City Council elections
- Health Plan for small businesses
- Mardi Gras messaging
- Parking

Also always keep our eyes on what's going on around the city in North San Jose, at the Fairgrounds and the Medical Center on East Santa Clara. Always watching BART, too

Committee Members are Sean Cottle, Geri Wong, Randy Knox, Kent Mather, Todd Trezell

### **Parking Board – Diana Beechie**

As a result of the change in our economy, the demand for additional parking supply is no longer as critical as it was in previous years. In an effort to accelerate growth and achieve tenant retention in Downtown, the City Council adopted a resolution in April to include the Parking incentive program in the Master Parking Rate Schedule for business that enter into a new or extended lease for a downtown commercial office or retail building on or after January 1, 2010. There are 3 different schedules for businesses to utilize for up to 50 employees.

1. Provide up to 2 years free parking for businesses which are brand new to Downtown.

2. Provide up to 2 years of free parking to an existing Downtown office or retail tenant that extends their current lease or signs a new lease in a new location relocating their parking to a City parking facility.
  
3. Provide up to 2 years of a 50% discount for parking to existing Downtown businesses that are already purchasing permits for parking in a City facility upon extending their current lease or signing a new lease at a new Downtown location.

Currently the parking business incentive program has 25 business enrolled. They have issued 292 permits and have a total year to date leased square footage amount of 148,427 square feet.

Items to note include the loan to the San Jose Redevelopment Agency from the Parking Fund. Also interest was swept from the Parking Fund Account and into the City's General Fund in prior year therefore limiting the Parking Boards ability to pursue new parking developments. The parking Board continues to support free validated parking. There is an opening on the Parking Board for anyone interested in serving.

Due to economic and environmental realities facing the City, our Downtown Parking Board now meets Quarterly on the 14<sup>th</sup> floor at City Hall. Our next meeting is scheduled for Wednesday February 2, 2011 at 8:00 a.m. In an effort to focus on the City's Green Vision and support other modes of transportation and access; our 2010-2011 work plan includes the Parking Board's participation in the Diridon Area Master Plan as it pertains to the impact on parking as well as the participation in the Downtown Bicycling, Walking and Streetscape System Plan.

## **Marketing Arts and Dining**

### **Dine Downtown San Jose**

Downtown's second annual "restaurant week" Dine Downtown San Jose, held June 2-12, was a success with participating restaurants and customers. This year 32 restaurants offered \$20, \$30 or \$40 three-course prix-fixe dinners. The event kicked off with City Bites Sampler Day. More than 30 restaurants gave away samples of their chef's specialty's to more than 1200 attendees.

New sponsors this year included Team San Jose, Metro, El Observador, Silicon Valley Community Newspapers and NBC Bay Area. SJDA increased social networking and online marketing efforts. Outreach was extended to the North San Jose businesses, as well as to other events and neighborhoods throughout Santa Clara County. The Dine Downtown main page received more than 7,600 visits in May and almost 18,000 visits in June.

Overall, most restaurants saw an increase in reservations and new customers and the promotion resulted in attracting their target audience and providing great exposure. As a result, the majority of the restaurants plan to participate in Dine Downtown next year.

Many patrons knew it was "restaurant week." Many were visiting the restaurant for the first time, and more than half were planning to visit multiple restaurants. Almost all

planned to participate in Dine Downtown next year.

### **High Rise Open House Events**

Downtown San Jose's four new high-rise condominiums — Axis, City Heights, The 88 and Three Sixty Residences — hosted three public open houses, each drawing more than 500 attendees, and a broker open house event where more than 275 real estate brokers and agents attended. A second broker event is scheduled for Thursday, October 21 from 12-3.

### **Downtown Design Committee – Kent Mather**

- Committee was rebirthed with a new energy and focus on the design professional
- Criteria for the Jim Fox Golden Nail has been determined
- Committee is looking at another award to celebrate good design behavior downtown
- Long term goals of the committee will be to encourage good design throughout the downtown
- Also, how to recognize the architecture and beauty that contribute to the positive character of the downtown.

### **Board Organizational – Tore Saso**

SJDA's Board Organizational Committee has been meeting regularly since January 2010. And in that short amount of time, we've been able to accomplish many things.

The committee's primary focus areas include:

1. Proposing potential Board fundraising mechanisms
2. Board membership and recruitment
3. Board/Executive Committee election process
4. Enhancement of the board's organizational vision and values
5. Building camaraderie of board and staff via events, socials, etc.

The committee's very first recommendation was to institute nominal give or get of \$1,500 for each board member. This was a particularly difficult recommendation to make, given recent economic times. Luckily our existing board members and potential new board members understand the positive and much needed impact this contribution will have on the Association's budget and have agreed to embrace this new policy.

I'm proud to say that this committee was very active in recruiting and nominating the slate of directors that you voted on this past month. We had nine "new recruits" from a variety of business backgrounds. Our committee took this task to heart and I believe we recruited one of the strongest classes of SJDA board members ever.

The committee also took a look at SJDA's internal policy on Executive Committee recruitment and election and made some slight recommendations for change, mostly around how we communicate the parameters of the process to fellow board members.

Additionally, the committee reviewed existing SJDA Board member requirements and

updated they slightly.

When I first signed on as chair, this committee was supposed to be the “FUN” committee and I personally wanted to make sure we don’t lose sight of this. This past season at Music in the Park, the board successfully hosted a VIP tent and a good time was had by all and just recently we planned an outing to a San Jose Earthquakes game. I look forward to more of these types of events in the future.

This group has made a significant amount of progress over the past 8 months. I’d like to thank all of my fellow committee members for their hard work and the good work we are going to continue to do.

### **Promotions and Events – Chris Cabrera**

There is much to do about something concerning promotions and events at SJDA. The Association put on 56 days of programming this past June through September with:

20 farmers’ markets

13 outdoor concerts

10 days of Dine Downtown San Jose Restaurant Week

9 outdoor movies

3 gallery crawls/street markets in SoFA

1 World Cup finals outdoor viewing party

SJDA’s Promotions, Events and Marketing subcommittee has focused primarily on the Music in the Park concert series and Downtown Ice since its inception in September 2008, with the goal of continuing to produce high-quality, free or moderately-priced outdoor special events for all to enjoy, despite these tough economic times.

After the committee’s evaluation of the 2009 Music in the Park series, changes were implemented for the 2010 series – both programmatically and logistically.

These changes included streamlined concessions operations, some logistical adjustments to the “Lounge in the Park” area, and adjusted the musical line-up and radio station partnerships to achieve a more even distribution of musical genres over the course of the 13-week season.

Additionally, SJDA was able to allocate more financial resources toward securing higher profile and caliber talent such as nationally known bands Cold War Kids, The Gaslight Anthem, Tonic and The Skatalites, as well as perennial favorites English Beat and Pete Escovedo. And a few notable regional favorites this year were classic rockers Y&T and a Michael Jackson tribute band – Foreverland.

As a result, Music in the Park was voted best local festival in Metro Newspaper during its 22nd anniversary season and enjoyed record breaking attendance for the season of 83,600 (7,000 more than 2009). The committee will reconvene in the coming months to begin evaluation of the 2010 series and come up with recommendations for 2011.

A few other notables from the summer event season:

- The Starlight Cinemas free outdoor movie series doubled attendance over last year – drawing 9,000 attendees over 9 Wednesday evenings downtown.
- The August 25 Zombie-O-Rama event drew a record 2,000 attendees – including many families with young kids - who participated in the zombie crawl into downtown businesses before and after the movie screening of Zombieland.

With respect to Downtown Ice, our newly formed partnership with Kristi Yamaguchi's Always Dream Foundation has resulted in Hawaiian Airlines coming on as title sponsor for the event. This will certainly help to achieve the committee's goal of increasing sponsorship revenue for Downtown Ice. In addition, the committee hopes to increase admissions revenue with the addition of a second cashier window at the rink – also cutting down on the wait for our patrons – and by a daily prayer of “no rain.”

### **Nightlife and Entertainment – John Conway**

Things have been a little quieter with respect to the number of meetings and issues arising on the downtown night culture front this past year. Nevertheless, there has been some progress.

Although tough economic times continue to persist, there continues to be a more positive feeling among night culture businesses that the downtown landscape is changing and that we have moved away from the “gotcha or antagonistic” feeling between business community and city enforcement agencies. I personally have participated in a couple of trainings of SJPD's Downtown Services Unit (the unit that works the downtown Entertainment Zone) to provide them with a business person's perspective of policing the downtown core.

The downtown coordinator in the City Manager's Office, Lee Wilcox, continues to be an effective community liaison for pending night culture issues. The addition of this person to the City Manager's staff has improved coordination, communication and trust with city entities.

The City Manager's Downtown Advisory Group, formed to monitor and further advance night culture issues, has met twice since this time last year – in April and August. The group has been asked to provide feedback on issues ranging from Downtown's Live Music Strategy, Policing the Entertainment Zone, Entertainment Permit changes and the recruitment of our next police chief. Three SJDA board members (including myself) and SJDA's Executive Director are members of this group.

In June, the City Council approved changes to the Public Entertainment Ordinance, making it just a little bit easier and less expensive to do business in San Jose. Changes in the ordinance include:

1. Security requirements for public entertainment businesses be amended to one security guard for every fifty patrons on site, up to the actual occupancy limit, instead of 2 guards for every 100 occupants.
2. Security requirements be amended to require security personnel to start their shift when entertainment actually begins rather than when an establishment opens.
3. The term of the Entertainment Permit be extended from two years, to a potential four year permit conditioned on the successful review of an establishment's business practices at the two year mark.
4. Creating an actual renewal process for the entertainment permit and
5. Amending the process to obtain a Manager's License, making both processes less expensive and less cumbersome.

### **Downtown Foundation – Kymerli Brady**

While studies show that art is a critical component in developing the whole student, much of it has been cut due to budget constraints.

Enter Downtown Doors, a high school art competition and exhibit produced by the San Jose Downtown Foundation to supplement diminishing high school art programs while providing young emerging artists with a unique hands-on introduction to public art and the powerful impact it has on their environment.

Since its inception seven years ago, more than 720 pieces of art have been submitted by 21 schools, including the addition this year of Cupertino High School and Bellarmine College Prep. As a result, 37 blank utility doors throughout downtown San Jose have been converted into larger-than-life canvases for students to display their work and feel what it's like to be a true artist.

Last year alone, the program grew 33%, resulting in the installation of 12 new sites, many of which can be found in the SOFA district, the hub of our artist community and showcased outside South First Billiards, 360 Residences and the Berg Building. Others are now prominently featured outside the Marriott, the 88, The Fairmont and the new Safeway Market.

This year brings with it two additional milestones, including the introduction of our first series of Downtown Doors note cards and postcards, which we hope will soon be sold at the airport, as well as downtown hotels and retailers to increase awareness of this unique program, while at the same time raising the funds necessary to expand it.

We will also be holding our first annual retreat to discuss the many exciting things that the foundation plans to do to expand the breath of projects in the years to come. So stay tuned for plenty of exciting announcements and—if you haven't seen them yet—take a small detour back to the office this morning. Just down the street several can be found

along First and Second Streets near Paseo de San Antonio, but I encourage you to take the time to visit them all and see what this program continues to do not only to inspire our next generation of artists, but to greatly enhance the urban experience for everyone who lives, works and visits downtown San Jose.

## **Groundwerx / PBID – Chuck Hammers**

### **PBID Background**

#### **District:**

### **Program Highlights (October 2009 to September 2010)**

- Enhanced cleaning and maintenance services under the auspice of “Groundwerx” commenced on January 28, 2008. Since the implementation of services, property owners have been surveyed annually and the results have been overwhelmingly positive. Members clearly see the impact of the PBID’s enhanced services. Of the 877 members and business surveyed in 2010, 18% responded. The Groundwerx clean teams received a 91.6% approval rating. Members gave the streetscape beautification projects an 84.5% approval rating and the Groundwerx ambassadors received an approval rating of 71%.
- The PBID completed two beautification projects over the past 12 months. Phase 2 was completed in December 2009. The beautification elements were installed on S. First St., between San Fernando and San Carlos to connect the PBID’s 2008 demonstration project and the 2009 SoFA improvements produced by 1stACT and RDA.

Phase 2 featured more colorful plantings, larger planters and strategically placed planters. The signature element in this project was the 106’ vine bed at the Block 8 dirt area next to the Sheraton hotel (formerly the Hotel Montgomery). Another major achievement was the mural at the Federal Building. This 10’ tall and 135’ long mural is the culmination of many years of dialogue with the U.S. General Services Administration.

In addition to the vine bed and mural, 19 large sized custom planters were installed along the transit mall median and another 28 planters dressed up storefronts on the west side of the block. Each set of the storefront planters were selected to compliment the unique architecture of each building.

188’ of wall planters were hung at both the northeast and southwest corner parking lots. Four large hanging flower baskets were placed at the S. First and Paseo de San Antonio intersection and LED tree lights were hung on 54 street trees on this block as well.

- The Phase 3 project was recently completed in September. This project began with the reorganization of the demonstration area layout along S. First St., between Santa Clara and San Fernando. The initial plantings were designed to

endure the heavy transit mall traffic, however they did not provide much color. Our members voiced their preference for colorful blooms and the PBID responded accordingly by planting more annual color and installing 22 new flower baskets. More planters and new plants were also added to Post St.

Up next was the transformation of the Repertory Theatre plaza (Paseo 3, between S. Second and Third St., where 18 planters were relocated from the demonstration area. New benches were added around the planters and the seven existing benches were refinished. Another wall-mounted planter was installed on the theatre wall near S. Third St. More hanging flower baskets and decorative lighting finished off the look at the plaza.

Picking up where Phase 2 left off, eight more planters were installed along the transit mall fountains and the parking lot wall at the corner of S. Second and San Fernando received a matching wall-mounted planter. The success of the vine bed spawned another more ambitious planting bed along two blocks of the San Carlos St. median between S. Second and S. Fourth St. The concept is identical to Phase 2, lots of plants with lots of color.

The conclusion of Phase 3 involved tightening up the SoFa improvements. The PBID saw this as an opportunity to compliment the existing project which was predominantly located on the first block of SoFA. The PBID was able to extend the look two blocks south by rearranging and adding more planters to those blocks. As customary with the PBID beautification projects more color was added to the planters.

- Inspired by the PBID beautification projects downtown property owners have begun soliciting the PBID for advice on how to improve their properties. Thus far, four major downtown properties have consulted with the PBID: 33 W. Santa Clara, 150 S. First (the Pavilion), 1 S. Market and 200 S. Market.
- The POA joined the San Jose Downtown Association (SJDA), City of San Jose, Team San Jose, Barry Swenson Builder, Adobe and Silicon Valley Sports Authority, by contributing \$5,000 to the Highway 87 cleanup program, which was completed in November 2009. The stretch that was cleared of weeds and debris began at the Hwy 87/280 interchange and ended at the Hwy 87/101 interchange.
- The POA and SJDA spearheaded a follow up effort in July 2010. This project was smaller in scope and covered only the downtown entrances from Hwy 87 and I-280. The City of San Jose was the third partner in this endeavor.

### **Enhanced Services**

- From July 1, 2009 to June 30, 2010, the Groundwerx clean team provided the district with 12,473 hours portering, 6,797 hours of pressure washing, 4,184 hours of sweeping and 3,834 hours scrubbing the sidewalks. Groundwerx also removed 22,277 graffiti tags (this figure includes paint, stickers, handbills). The

sharp increase in tags removed this past year (14,644 in FY 08-09) comes from having gained experience in removal techniques and a commitment to removing larger tags that were previously beyond the Groundwerx scope. Ban and broom cleaners have scraped 143 lbs of gum from July 1, 2009 – September 29, 2010.

- The Groundwerx ambassadors promote the image of a friendly downtown by offering visible assistance to downtown employees, visitors and residents. Ambassadors have provided 270 pedestrian assists such as providing information to visitors and escorting pedestrians. In addition to the pedestrian assists, 26,076 directions were given to pedestrians. Ambassadors also reported 487 instances of vandalism and property damage and 2,037 graffiti reports to the City of San Jose anti-graffiti program. Ambassadors have reported and removed 285 shopping carts from July 1, 2009 to September 29, 2010.