

# PBID proposal

## Property owners contemplate 'sparkling' downtown

Not satisfied with the look and feel of downtown, property owners are prepared to put their money where their eyes, ears and noses are - taking the cleaning and perceptions of the core to dramatic new levels. Funding for proposed "clean and safe" enhancements would come from a self-imposed tax of property owners now in the process of organizing a Property-Based Improvement District (PBID).

"My general feeling is that downtown is not clean enough," said **Rick DiNapoli**, co-chair of the PBID steering committee. "By improving the environment in which we work, live and play, we will be able to attract more visitors, customers and investors."

Since 1995, more than 70 PBID districts have formed in California, transforming urban areas once perceived as dirty and unsafe. These private-sector initiatives have experienced great success stabilizing downtown streets by deploying maintenance teams and uniformed patrols and initiating beautification programs. A fundamental premise of the PBID is that it funds only enhanced services beyond what the city provides.

A key turning point in the downtown San Jose PBID process occurred in January, when City Manager **Les White** documented current city cleaning levels downtown in a letter to the San Jose Downtown Association.

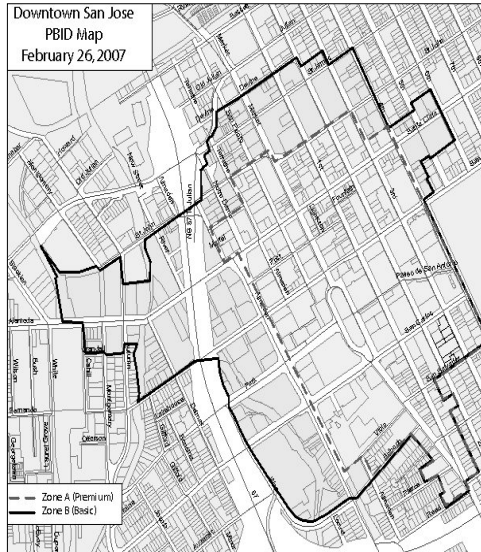
"Should the formation of the Downtown PBID become more certain, it is my intent to recommend to the City Council that the city continue to deliver or pay for a baseline level of downtown cleaning services," White wrote.

By partnering with the city and combining PBID dollars with city funds already allocated for cleaning, DiNapoli predicts downtown will sparkle. "The PBID will be leveraged dollar for dollar from the start and the improvements downtown will be dramatic," he said.

Results of a recent survey of property owners confirm that the condition of downtown can be improved by working on homeless issues, cleaning sidewalks and making aesthetic improvements. Three public forums on the PBID were held in February. The next community meeting is April 13, at 8 a.m., at City Hall, Room W118, 200 E. Santa Clara St. To create the PBID, a petition drive of property owners starting later this month will continue into May. The process calls for a public hearing in front of the City Council in June, followed by a mail ballot of property owners in August. If approved, service could begin in January 2008.

# downtown

# dimension



The proposed PBID includes a 'premium' area from SoFA to St. John Street and Fourth Street to Almaden Boulevard, plus a broader 'basic' service area for cleaning, safety and beautification enhancements.

## Property improvement district Q&A

### What is the Downtown San Jose PBID?

The PBID - or Property-Based Improvement District - is a special district where property is assessed to finance specific downtown improvements and services beyond those provided by the City of San Jose. This PBID is self-imposed by property owners who must sign petitions and ballots to form the district. A governing board of property owners will contract out services and oversee the budget and management plan.

### What services does the PBID provide?

The PBID operating plan focuses on cleaning services, public safety and image enhancement programs above and beyond those already provided by the City of San Jose. Clean teams sweep and scrub sidewalks, remove litter and graffiti and increase frequency of trash removal. Information and safety ambassadors provide information about downtown activities and establish-

ments, help to serve as "eyes and ears" for police by acting as witnesses to nuisance crimes such as aggressive panhandling and public urination, and connect unhoused people on downtown streets to social services. Image enhancement programs are capital improvement/maintenance projects such as flowerpots, improved lighting, directional way-finding signs, street furniture and art. All of these enhancements are aimed at improving perceptions of downtown and increasing business and property values.

### What exactly will these "ambassadors" do?

They would support law enforcement, businesses and property owners in overall crime prevention efforts while providing customer service to downtown visitors, residents and employees. Services include providing direction and assistance to customers and tourists, escorting employees and arts patrons,

monitoring panhandlers, serving as professional witnesses, picking up litter, reporting graffiti, referring those in need to social services, and distributing information about downtown events and activities.

### How would the PBID differ from the BID already in place?

The Business Improvement District performs different services than the PBID, such as advocacy, promotions, marketing and transportation services. BID events include Downtown Ice, the Farmers' Market at San Pedro Square, Music in the Park concert series and outdoor movies in San Pedro Square and St. James Park. San Jose Downtown Association manages the downtown BID, founded in 1989. PBID services will go toward different downtown needs: clean and safe services and physical cosmetic improvements.

*(Continued on Back Page)*

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## One more go-round for city parking plan

More than a year in the making, a revised Parking Management Plan (PMP) for city-operated downtown parking lots and garages that provides more supply, improved facilities and new business incentives is winding its way to City Council.

The PMP also includes recommendations to phase out parts of the current free parking program, which is considered necessary to achieve goals outlined in the plan.

A public meeting to get reactions to the latest proposals is set for March 12, 6-7:30 p.m., at Theatre on the Square, 29 N. San Pedro St.

The PMP is the culmination of work by the City Council-appointed Downtown Parking Board, staffed by Redevelopment Agency and city Department of Transportation.

"The process involved some give and take, but we have some great solutions that should keep our parking supply adequate and convenient to people who work and play downtown," said **Troy Tibbitts** of Zanotto's, Parking Board member and co-chair of the Downtown Association's parking committee.

Highlights of the PMP include:

- Acquire the current Greyhound Bus Station site by January 2008. Until parking facility construction begins, a portion of the site will be used as a surface parking lot.
- Retain free weekend day parking and two-hour free parking to customers with validation.
- Increase cleaning as soon as possible to match the round-the-clock use of the facilities.
- Upgrade parking garage security, especially late at night, by June 2007.
- Expand routine maintenance including painting, signs, markings, and lobby/elevator work as soon as possible.

To support the need to patrol, secure and clean facilities, and for site acquisition, city staff and the Parking Board recommend raising revenue by charging night-time visitors.

- Changes include:
- \$5 rate after 10 p.m. at all garages Thursday, Friday, and Saturday starting June 2007. For security and cleaning

purposes, selected facilities may close at 1 a.m. in the future.

- Charge \$2 for parking after 6 p.m. starting in January 2008. The Parking Board and staff would be able to adjust evening rates to a maximum \$5 in future years. Revenues would be restricted to support future parking supply development.

Other recommendations include:

- Develop parking supply through Parking Plus, opportunities at the Convention Center and private parking facilities plus private development sites.
- Implement private valet parking along San Fernando Street and in the Historic District for the 2007 holidays.
- Provide one-hour free parking after 6 p.m. at the Fourth Street Garage to support library patrons.
- Offer a 25 percent parking discount to all new businesses coming downtown for two years.
- Offer building owners without parking long-term lease options in city garages.

To review the entire proposed PMP, go to [sjdowntown.com](http://sjdowntown.com).

# PBID answers

(Continued from Front Page)

## Property owners already pay taxes. Why support a PBID?

The city's fund for downtown cleaning had been slashed from five years ago. With Downtown Association advocacy efforts, the City Council has raised the cleaning funds the past two years, but still not to acceptable levels - and the likelihood of future increases from the current baseline is slim. Meanwhile, downtown business and property owners have noticed the downtown is not as clean (or clean-smelling) as it should be. Supporting the PBID will help make downtown sparkle and feel safer and friendlier, which will leverage existing and new investment. In addition, PBID budget decisions are made by a board of property owners, which ensures private-sector control and accountability for these enhanced services downtown.

## Who will manage the Downtown PBID?

To keep administrative costs lower and leverage existing competencies, the San Jose Downtown Association would be responsible for day-to-day operations. SJDA formed more than 20 years ago, and has experience

managing vendors and complex programs - and reporting to business and property owners. By contract, SJDA will follow the lead of the property owners comprising the PBID Board of Directors.

## Is this PBID unique to San Jose?

No. More than 1,000 PBIDs exist throughout North America. In California, more than 70 PBIDs have been established since 1995. These districts are viewed as an effective tool in helping business districts to compete in challenging markets.

## What is the budget for the first year?

Total proposed assessment budget for the first year of operation would be about \$1.6 million.

Activity	Budget	% of Total
Clean Teams	\$ 600,000	37.6
Information & Safety Ambassadors	\$ 600,000	37.6
Image Enhancement Administration	\$ 250,000	15.7
	\$ 145,000	9.1
Total	\$ 1,595,000	100

## Why isn't maintenance inside parking facilities included in the plan?

In a separate advocacy effort, the Downtown Association is working with the Downtown Parking Board and city

staff to obtain additional funding to improve safety and maintenance in city parking lots and garages.

## Will the city reduce its existing services downtown?

No. An agreement with the city ensures baseline levels and frequencies of cleaning and maintenance services. Leveraging the city downtown cleaning program to its maximum is key to the PBID plan. If the city decreases its base level of service in the core, for whatever reason, the PBID could also decide to decrease its assessments.

## How is the PBID formed?

District creation requires approval of the property owners representing a majority of total assessments by petition; and then a majority of property owners that submit ballots in a subsequent election. The City Council ultimately oversees its creation - if these steps are met.

## How much will it cost?

Assessments are based on benefit. Those in the basic area (see front page) will be assessed at half the rate as those in the premium zone. Accordingly, services in the premium zone will be double what is provided in the basic zone. The assessment is calculated based on the square footage of the lot plus the square footage of the

building. Residential property owners pay slightly less than commercial property owners.

Per sq. ft. of ...	Lot/year	Building/year
Basic Service Zone	\$ 0.0480	\$ 0.0480
Premium Service Zone	\$ 0.0832	\$ 0.0832
Residential: Basic	\$ 0.0351	\$ 0.0351
Residential: Premium	\$ 0.0703	\$ 0.0703

For example:

Residential condominium on South Third Street - \$189 per year - 1,400-square-foot lot, and 1,300-square-foot layout

Small retail building (19 S. First St.) - \$308 per year - 2,200 square-foot lot with 1,500 square-foot of space

Large retail building (82 E. Santa Clara) - \$3,540 per year - 12,200-square-foot lot with 30,360 square feet

High-rise office building (160 W. Santa Clara) - \$22,135 per year - 56,250-square-foot lot, with 14 floors totaling 209,800 square feet

## What is the process for continuing the PBID?

By state law, the PBID has a five-year life. Any subsequent renewal of the district would require a new management plan, petition and mail-ballot process, such as the process currently under way.

## Business News

**Arts and science:** Cinequest film institute, hosting its annual film festival through March 11, now offers online maverick films that never reach the mainstream. For \$4.99, Web users can download one of more than 30 feature films; \$1.99 gets one of 130 shorts. Check cinequestonline.org.

The Tech Museum of Innovation will accept nominations for its 2007 Tech Museum Awards through March 26. The annual awards program is recognized internationally for honoring innovators from around the world who use technology to benefit humanity. Winners in five categories - environment, economic development, education, health, and equality - will be honored in November. In 2006, 951 entries emanated from 98 countries. Check techawards.org.

**New owners: Liseng Sin** is the new owner of Lowry's Irish Coffee House in the River Street area, 350 W. Julian St. The menu and Sunday breakfast remain the same. Call 993-9356.

Owner **Sergio Becerra** calls Mariscos San Juan, 205 N. Fourth St., the "house of the best Mexican Seafood." Call 282-4955.

**New businesses:** Chili's Grill & Bar, 543 Coleman Ave. in San Jose MarketCenter, serves margaritas that accompany classic nachos, grilled baby-back ribs, Cajun ribeye or southern cedar plank tilapia. A children's menu is also available, said **Michael D'Eprio**, general manager. Call 275-9340.

## BEA Systems plans headquarters move

Once escrow closes in April, BEA Systems will have a new downtown headquarters from which up to 1,000 employees will develop, market and sell software that allows corporate information technology to operate more effectively. BEA is acquiring from the Sobrato Family Foundation the 17-story, 381,000-square-foot building at 488 Almaden Blvd. The Sobrato building has sat vacant since it was completed almost five years ago.

BEA had been interested in the building for about a year, but serious talks began in November after Nividia Corp. backed out of a deal. The downtown location should serve the company well, especially by attracting new employees as well as being close to hotels and entertainment options for visitors and guests, said **Frank Jesse**, BEA Systems' real estate and corporate services vice president.

BEA, with \$1.4 billion in revenue in fiscal 2006, will take more than a year to move their 900 employees from its 225,000 square feet of leased space at 2315 N. First St. The interior of the new building must still be completed. As part of the deal, and to add parking spaces to the supply-deficient SoFA area, the Redevelopment Agency secured use of 400 parking spaces for public use on weeknights and almost 850 spaces on weekends for the next 30 years. More than 1,100 spaces exist in the building.

The agency also plans to lease one of the floors of the building to a high-tech company and BEA will lease two of the floors to tenants, Jesse added.

**Another SoFA Tower proposed: David Neale** of The CORE Companies unveiled plans for the Market Gateway Tower, 142 residential units reaching 24 stories and 255 feet high, on a 20,000-square-foot property at South First, Market and William streets. Preliminary design, now under the scrutiny of city architectural review and historic commissions, shows some eclectic design and environmentally friendly features. One design idea is to retain the building facade of the structure at 465-7 S. First St., which has historic significance as the laboratory of radio pioneer **Charles Herrold**.

Neale's building would be one of three projects to bracket the South First and Williams intersection. SummerHill plans to build new mixed-use complexes at the current sites of MACLA and San Jose Stage Co.

**Pile-driving in SoFA:** The construction of Mesa Development's 24-story-tall 360 Residences at 360 S. Market St. has begun. Pile-driving to stabilize soil on the site should continue through March and April. Buildout of the site, which includes retail space on the ground level, five stories of parking and residential units on top, is at least two years. Mesa hopes to have its full-scale-model sales center open along Paseo de San Antonio in the Fairmont Annex by the end of March or early April, according to Mesa's **Rick Friedman**.

## Upcoming Events

**Downtown Tour:** The fourth annual tour of downtown San Jose, a firsthand look for prospective developers and investors and business people interested in the latest information about downtown, will be April 26, 7:30-11:30 a.m. The Downtown Association is working with the Redevelopment Agency and city to hold the event; sponsors are Hoge, Fenton, Jones & Appel and Colliers International. Check downtownsanjose.com.

**City Council study sessions:** Several topics are of interest to downtown businesses. Meetings will be held in the Council chambers at City Hall.

March 15 - Mayor's March Budget Message, 9 a.m.

March 19 - Downtown Revitalization/1st Act and Convention Center Expansion, 1 p.m.

March 22 - BART, 8:30 a.m.

April 5 - Airport Obstruction Study, 9 a.m.

**Neighborhood Advisory Group:** Join City Council Member **Sam Liccardo** at District 3 meetings:

March 21 - Martin Luther King, Jr. Library, Room 225

April 18 - Upper Watson Community Center, 6 p.m.

Contact [khnh.bui@sanjoseca.gov](mailto:khnh.bui@sanjoseca.gov), or call 535-4932.

**SoFA seeks new logo:** The South First Area (SoFA) Committee will accept designs for a logo that exemplifies the art, culture, retail and nightlife of the SoFA district. The logo will be used for future marketing endeavors by the district. Entries are due March 24; the winning entry garners \$500. For rules, information and entry form, email [rjensen@sjdowntown.com](mailto:rjensen@sjdowntown.com).

## Downtown News

**Board member feted: Sparky Harlan**, executive director of the Bill Wilson Center and SJDA board member, received the National Network of Youth's Executive Leadership Award of Excellence for her efforts to reach young people who may otherwise not seek help.

The award recognizes people who make significant impacts on youths. Harlan has worked since 1983 to increase the Bill Wilson Center annual budget from \$300,000 to \$6.6 million, using the funds to keep wayward youths off the streets. The number of people impacted has also increased from hundreds to more than 10,000 each year. For more, see [billwilsoncenter.org](http://billwilsoncenter.org).

**District 6 representation imminent:** The winner of the March 6 election between City Council District 6 candidates **Steve Tedesco** and **Pierluigi Oliverio** will immediately take his seat on the City Council. At a February Downtown Association meeting, both showed their understanding of downtown issues and deep commitment to downtown.

Tedesco, a long-time resident who helped to create the Guadalupe River Park and found Christmas in the Park, vowed to find more city dollars for downtown parks and general maintenance. He also recognized parking as an ongoing downtown concern.

Oliverio, who would push for an NBA team at HP Pavilion, noted that downtown is distinguished by its sports teams, arts and office/residential. He also stressed the need to simplify the process to welcome more businesses into downtown.

The winner will take over for **Ken Yeager**, now a Santa Clara County supervisor.

## SJDA News

**SJDA past and future:** The [sjdowntown.com](http://sjdowntown.com) site offers a good look at how far downtown has progressed the last 30 years and a glimpse into the future. Find the link off the home page, or go directly to [sjdowntown.com/leve\\_20\\_anni](http://sjdowntown.com/leve_20_anni).

## At the Convention Center

March 8-10 - CAEYC conference (5,000) [caeyc.org](http://caeyc.org)

March 16-18 - 49er Super Bowl Reunion (3,000)

[gtsportsmarketing.com](http://gtsportsmarketing.com)

March 19-22 - VON conference & expo (10,000)

[von.com](http://von.com)

April 1-5 - Embedded Systems Conference (8,000)

[embedded.com](http://embedded.com)

April 22-23 - 60th annual Spring Style Show (30,000)

[westcoastbeauty.com](http://westcoastbeauty.com)

April 27-29 - Home and Garden Show (10,000)

[sanjosehomedshow.com](http://sanjosehomedshow.com)

(estimated attendance)

**downtown dimension**

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