



Memorandum

TO: HONORABLE MAYOR AND CITY
COUNCIL AND REDEVELOPMENT
AGENCY BOARD

FROM: Debra Figone
Harry S. Mavrogenes

**SUBJECT: DOWNTOWN PBID OWNERS
ASSOCIATION BOARD OF
DIRECTORS**

DATE: August 9, 2007

COUNCIL DISTRICT: 3

RECOMMENDATION

- 1) Adoption of a resolution by the City Council authorizing the City Manager to appoint a City representative to the Downtown Property and Business Improvement District Owners Association Board of Directors.
- 2) Adoption of a resolution by the Redevelopment Agency Board authorizing the Executive Director to appoint a Redevelopment Agency representative to the Downtown Property and Business Improvement District Owners Association Board of Directors.
- 3) Adoption of a resolution by the City Council authorizing the City Manager to cast votes and submit a ballot for the election of members to the Downtown Property and Business Improvement District Owners Association Board of Directors.
- 4) Adoption of a resolution by the Redevelopment Agency Board authorizing the Executive Director to cast votes and submit a ballot for the election of members to the Downtown Property and Business Improvement District Owners Association Board of Directors.

OUTCOME

Recommendations 1 and 2 authorize the City Manager and the Executive Director to appoint City and Redevelopment Agency representatives to the Downtown Property and Business Improvement District (PBID) Owners Association Board of Directors who best represent the interests of the City and Redevelopment Agency in implementation and oversight of the PBID Management Plan/Engineer's Report (Management Plan). Recommendations 3 and 4 authorize the City Manager and the Executive Director to cast votes for the remaining seats on the Board of Directors for those nominees who they believe will best implement and oversee the PBID Management Plan. These recommendations will help ensure the PBID provides effective and efficient enhanced services to the District and best achieves a cleaner, more attractive and safer Downtown.

BACKGROUND

The formation of the PBID was approved by the City Council and Redevelopment Agency Board on August 7, 2007. One of the next steps in implementing the PBID is establishing the PBID Owners Association Board of Directors.

ANALYSIS

The PBID Management Plan describes how the PBID will be governed. It requires that an Owners Association be established to determine budgets, assessment rates, and monitor service delivery. The Management Plan also calls for the Owners Association to establish a Board of Directors who will make recommendations for budgets, assessment rates, and policies for the use of PBID funds that are consistent with the Management Plan. The Management Plan, along with the proposed district boundary map, is on file in the City Clerk's Office and available for public viewing.

The Board of Directors will consist of eleven members representing a majority of property owners from all geographical areas and major use types found in the Downtown. Members on the Board of Directors will be appointed by a vote of all property owners from a candidate slate developed by a Nominating Committee of the Owners Association. The San Jose Downtown Association (SJDA) is currently forming the Nomination Committee to develop the candidate slate. The SJDA will also oversee the election process. It is anticipated that the Board of Directors will be constructed as follows:

Major Use Type	Number of Seats	Approximate % of Assessment
Commercial Property Owners	7	70%
City/Redevelopment Agency	2	21%
Residents	1	9%
Business Owners	1	*

* The Board will include a business owner, who is not a property owner, to represent business owners who pay property taxes as part of their lease agreement and would pay the PBID assessment.

The properties owned by City and Redevelopment Agency collectively represent 21.38% of the assessment with the City owning 17.57% and the Redevelopment Agency owning 3.81%. With the Board being comprised of 11 seats, the City and Redevelopment Agency are designated to hold two seats. It is recommended that the City Manager and Redevelopment Agency Executive Director be authorized to appoint a total of two employees from one or both agencies to represent the City and Redevelopment Agency on the Board of Directors.

Additionally, both the City and Redevelopment Agency are able to individually vote for candidates running for the remaining nine seats on the Board of Directors. It is recommended that the both the City Manager and the Redevelopment Agency Executive Director be authorized to cast votes and submit ballots for the remaining nine members of the Board of Directors.

Both of these recommendations will help ensure the PBID provides effective and efficient enhanced services to the district and best achieves a cleaner, more attractive, and safer Downtown.

EVALUATION AND FOLLOW-UP

City and Redevelopment Agency staff will continue to work with the SJDA to develop necessary agreements, service specifications and performance requirements, and to transfer funds to the SJDA for administration and delivery of the PBID services. It is anticipated that the an agreement between the City and Owners Association on enhanced PBID and baseline services will be brought to the City Council in late 2007. In addition, an annual report with proposed assessments and an appropriation will be brought before the City Council in October.

POLICY ALTERNATIVES

Not Applicable

PUBLIC OUTREACH /INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. (Required: Website Posting)
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. (Required: E-mail and Website Posting)
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. (Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)

The SJDA has provided extensive outreach material and held numerous meetings to inform those affected by the PBID. In addition, petitions and summaries of the Management Plan were sent to all property owners subject to the PBID. The City held a public meeting on June 19, 2007, and a public hearing on August 7, 2007. The SJDA is currently performing further outreach with the Nomination Committee in preparing the Board of Directors' candidate slate and in managing the election.

8-9-07

Subject: Downtown PBID Owner's Association Board of Directors

Page 4

COORDINATION

This memo has been coordinated with the Departments of Public Works, the City Attorney's Office, and the San Jose Downtown Association.

FISCAL/POLICY ALIGNMENT

This action is consistent with the City Council's direction to seek alternative ways to deliver services and reduce costs in the Downtown through appropriate community partnerships and public-private partnerships.

COST SUMMARY/IMPLICATIONS

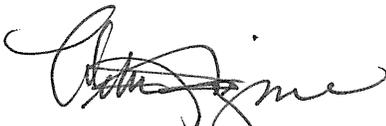
Not Applicable

BUDGET REFERENCE

Not Applicable

CEQA

Not a project.



DEBRA FIGONE
City Manager



HARRY S. MAVROGENES
Executive Director

For questions please contact Kevin O'Connor, Deputy Director of Transportation, at 277-3028 or Norberto Dueñas, Deputy Executive Director of the Redevelopment Agency, at 795-1892.