

Memorandum

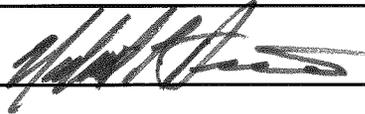
TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Gloria Schmanek

SUBJECT: Early Council Packet

DATE: December 4, 2012

Approved



Date

12/4/12

EARLY DISTRIBUTION COUNCIL PACKET FOR
DECEMBER 18, 2012

Please find attached the Early Distribution Council Packet for the December 18, 2012 Council Meeting.

6.x Property-Based Business Improvement District Annual Financial Report.

Recommendation:

- (a) Approve the Downtown San José Property-Based Business Improvement District Annual Financial Report for Fiscal Year 2011-12.
- (b) Adopt a resolution authorizing the City Manager to negotiate and execute an agreement with the San José Downtown Property Owners' Association and the San José Downtown Association to manage the Downtown Property-Based Business Improvement District (PBID) and provide baseline and enhanced services as specified in the approved PBID Management Plan and Engineer's Report from January 1, 2013 to December 31, 2022, subject to annual reporting to and appropriation by the City Council.

CEQA: Exempt. File No. PP12-053. Council District 3. (Transportation)

9.x Approval of Purchase and Sale Agreements for the Sale of Four Successor Agency Parcels.

Recommendation: Approve the Purchase and Sale Agreements for the following Successor Agency owned properties:

- (a) 193 East Santa Clara Street to Symphony Development for a purchase price in the amount of \$4,250,000;
- (b) 1171 Mesa Drive to Alok Damireddy for a purchase price in the amount of \$225,000;
- (c) 5647 Gallup Dive to Alok Damireddy for a purchase price in the amount of \$228,000; and

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(d) 88 East San Fernando Street (Central Place Parking Garage) to Next Ventures, LLC for a purchase price in the amount of \$446,016.71.

(Successor Agency)

TO BE DISTRIBUTED SEPARATELY

These items will also be included in the Council Agenda Packet with item numbers.



GLORIA SCHMANEK
Agenda Services Manager





Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Hans F. Larsen

**SUBJECT: DOWNTOWN PBID ANNUAL
REPORT AND AGREEMENT**

DATE: November 26, 2012

Approved

Date

12/3/12

COUNCIL DISTRICT: 3

RECOMMENDATION

1. Approval of the Downtown San José Property-Based Business Improvement District Annual Financial Report for FY 2011-12.
2. Adopt a resolution authorizing the City Manager to negotiate and execute an agreement with the San José Downtown Property Owners Association and the San José Downtown Association to manage the Downtown Property-Based Business Improvement District (PBID) and provide baseline and enhanced services as specified in the approved PBID Management Plan and Engineer's Report from January 1, 2013 to December 31, 2022, subject to annual reporting to and appropriation by the City Council.

OUTCOME

Acceptance of the Annual Financial Report for FY 2011-12 as filed by the Downtown San José Property-Based Improvement District (PBID) provides information on the management of the PBID, the use of funds, and services provided in compliance with the current agreement.

Execution of a new agreement between the City and the San José Downtown Property Owners Association (Owners Association) and the San José Downtown Association (Downtown Association) authorizes the Owners Association and the Downtown Association to continue managing the PBID and providing services consistent with the approved Management Plan and Engineer's Report for the next 10-year period.

BACKGROUND

On August 7, 2007, the City Council approved the formation of the Downtown PBID for a five-year period ending December 31, 2012, and directed assessments to be levied and collected after receiving a majority supporting vote from the property owners who cast ballots within the

boundaries of the PBID. On January 15, 2008, the City Council approved an agreement authorizing the Owners Association and the Downtown Association to manage the District and provide services consistent with the approved Management Plan and Engineer's Report for a five year period ending December 31, 2012.

On June 19, 2012, over 91% of property owners (weighted based upon proposed assessments) voted in favor of the expansion and renewal of the Downtown PBID for a 10-year period beginning January 1, 2013 through December 31, 2022. In addition, the City Council:

- Approved the new PBID Management Plan and Engineer's Report
- Adopted City Resolution No. 76213 finding that the Downtown Association remains uniquely situated to manage and oversee the delivery of enhanced and baseline services, and authorized the City Manager to negotiate an agreement with the Downtown Association to continue the management of the PBID.

The new agreement will allow the Owners Association and Downtown Association to continue management of the PBID starting January 1, 2013.

ANALYSIS

1. Annual Financial Report for 2011-12

As required by the California Streets and Highways Code ("Property and Business Improvement District Law of 1994") and in compliance with the current agreement between the City and the Owners Association, the Owners Association submitted the Financial Report for FY 2011-12 (Financial Report) on September 28, 2012. Staff reviewed the report and determined that it has met the requirements of the current agreement between the City and the PBID. The Financial Report is attached to this report and will be on file in the City Clerk's Office prior to the City Council Meeting on December 18, 2012. The report contains the following information as required by the agreement:

- Summary of Assessed Services
- Procurement of Goods and Services
- Owners Association meeting dates for FY 2011-12
- FY 2011-12 Budget Report
- FY 2011-12 Certified Public Accountant's Review Report

City General Funds have been combined with assessment funds to provide baseline and enhanced services in accordance with the current agreement between the City and the Owners Association and the current Downtown PBID Management Plan and Engineer's Report. These services have been effective in creating a cleaner and more inviting environment within the PBID, and have been well received by Downtown property owners. Cleaning services and frequencies as well as Ambassador services and outputs are detailed in the attached report.

2. Terms of the New Agreement

The primary purpose of the proposed agreement is to authorize and describe the responsibilities of the City, the Owners Association and the Downtown Association in managing the PBID and providing services consistent with the approved Management Plan and Engineer's Report for a 10-year period from January 1, 2013 to December 31, 2022. The Owners Association will be the main entity responsible to the City for the management of the PBID. It will propose budgets and assessment rates, monitor service delivery, and enter into agreements with service providers to implement the Management Plan and Engineer's Report. The Downtown Association will provide day-to-day management for the PBID. The major requirements of the proposed agreement include the following:

- A. Provision of Baseline and Enhanced Services
- B. Collection and Disbursement of Baseline and Assessed Funds
- C. Annual Reporting by the Owners Association
- D. Procurement of Goods and Services by the Owners Association

Each of the major requirements of the proposed agreement are described in the sections below.

A. Provision of Baseline and Enhanced Services

The Management Plan and Engineer's Report for the expansion and renewal of the Downtown PBID was approved by the City Council on June 19, 2012. The Engineer's Report describes the baseline and enhanced services, the estimated cost of services, funding sources, property assessments, the special benefits to be received by properties located in the PBID, and the general benefits accruing from these services. The PBID will provide two major types of services and activities – Environment and Economy:

- **Environment** activities include the cleaning of sidewalks, street furniture, and infrastructure, minor enhanced maintenance (trees, grates, etc), information and ambassador services, and enhanced security. Baseline services are a continuation of sidewalk cleaning and public litter can services within the PBID the City provided prior to the formation of the PBID, and that have been integrated from a service delivery standpoint, with similar typed enhanced services to gain economies of scale.

Activities to enhance security within the PBID are to be provided as well. The PBID Management Plan and Engineer's Report identifies a range of potential services and service models designed to enhance the security and safety of the PBID, including: private security, secondary employment or other potential uses of officers, and other activities to properly work with street populations impacting security.

The City Council had previously authorized an enhanced security pilot program, on a pilot basis, through the use of San José Police Officers from the secondary employment program. To date, no officers have volunteered for this secondary employment job. The

Owners Association is continuing outreach with the Police Officers Association in an effort to obtain volunteers. Depending upon the results of that outreach, an enhanced security service model will be decided upon and implemented after January 1 under the proposed agreement.

- **Economy** activities include beautification projects, landscaping, and business attraction and retention efforts to support economic development within the PBID.

B. Collection and Disbursement of Baseline and Assessed Funds

The Owners Association will receive from the City the net funds collected from property-based assessments to provide services as outlined in the Management Plan and Engineer's Report. The City will make two annual payments to the Owners Association on or before March 15 and August 15 of each year. The timing of the payments follow the receipt, accounting and processing of assessments from the Santa Clara County Tax Assessor to the City on January 31 and May 31 each year.

The March 15 payments will include roughly one half of the annual net of the assessment funds to provide enhanced services for the January to June timeframe of each calendar year. The August 15 payments will include roughly one half of the annual net of the assessment funds to provide enhanced services for the July to December timeframe of each calendar year, and subject to the appropriation of Council, all of the \$365,000 in baseline services funding to provide those services for the entire fiscal year.

At the beginning of the proposed agreement, a payment in the amount of \$187,000 is necessary to help cover the costs associated with services to be provided by the PBID's new vendor for cleaning and ambassador services, and to cover expenses associated with the uninterrupted operation of the PBID, given the first assessment payment will not be made until March 15, 2013, after the first installment of assessment funds are received by the City from the Santa Clara County Tax Assessor. The \$187,000 payment includes the remaining \$146,246 to deliver baseline services for the remainder of fiscal year 2012-13, and a \$40,754 advance payment that will be deducted from the March 15 net assessment payment.

C. Annual Reporting by the Owners Association

The proposed agreement requires the Owners Association to submit two annual reports to the City by specified dates. On or before May 1 of each year, the Owners Association shall submit an Annual Assessment District Report. The report will include information as specified in the agreement, including such things as services provided within the district, the proposed budget for the next fiscal year, the proposed assessments for the next fiscal year, and information describing compliance with the Engineer's Report.

On or before October 1 of each year, the Owners Association shall submit an Annual Financial Report to the City. In eight of the 10 years of the agreement, the report must be accompanied by

an independent Certified Public Accountant's Review Report on the finances of the District for the previous year. In the other two years (2015-16 and 2020-21), a full audit by an independent Certified Public Accountant must accompany the Annual Financial Report.

D. Procurement of Goods and Services by the Owners Association

The proposed agreement provides the authority to the Owners Association to procure goods and services using PBID funds as required in managing and delivering PBID services. In doing so, the Owners Association and the Downtown Association must comply with the intent and purpose of the City's procurement policy, and shall substantially comply with Council Policy 0-35, titled Procurement and Contract Process Integrity and Conflict of Interest, including the following:

- Owners Association and Downtown Association shall follow an open, fair and competitive procurement process for the acquisition of goods and services.
- Owners Association and Downtown Association shall comply with applicable City prevailing and/or living wage rate determinations for services provided. In addition, based upon a determination made by the Director of Public Works in an information memorandum sent to the City Council on November 28, 2012, (consistent with City policy and State Department of Industrial Relations determinations), the City will not require prevailing wages for cleaning activities (e.g. pressure washing) and living wage will apply in the proposed agreement.
- Owners Association shall certify and document in the Annual Financial Report to the City Council compliance with purpose and intent of all aforementioned City policies regarding the procurement of goods and services.

EVALUATION AND FOLLOW-UP

Staff will agendaize for City Council consideration the Annual Assessment Report on or before June 30 of each year and the Annual Financial Report after September 30 of each year.

POLICY ALTERNATIVES

Not Applicable.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. (Required: Website Posting)

- Criterion 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)**
- Criterion 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 expansion and renewal of the PBID required significant public outreach including multiple notices, petitions and a summary of the management plan that was sent to each property owner, multiple community meetings, and a public hearing that was held with the City Council. This memorandum will be posted to the City's website for the Council agenda.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office, Department of Public Works, and the City Manager's Budget Office. The insurance specification in the proposed agreement has been reviewed by the Risk Management Office.

FISCAL/POLICY ALIGNMENT

The formation and operation of the PBID are consistent with the City Council's direction to seek alternative ways to deliver services and reduce costs through appropriate community partnerships and public-private partnerships.

COST SUMMARY/IMPLICATIONS

Approval of the proposed agreement will transfer \$365,000 annually from the City's Downtown Property and Business Improvement Fund to the Owner's Association to provide baseline services, and it will transfer approximately \$2,192,250, collected from the PBID assessments, annually subject to allowable annual increases per the terms of the agreement, to the Owners Association to provide services as described in the Management Plan and Engineer's Report. The City's annual assessment is estimated at approximately \$400,000 for City owned properties. In 2012-2013, this amount would be funded through transfers from the General Purpose Parking Fund (\$74,000) and the Diridon Development Authority Fund (\$4,000), and the General Fund (\$259,000). It should be noted that the 2012-2013 transfer from the City's General Fund to the City's Downtown Property and Business Improvement District Fund reflects a one-time reduction of \$63,000 due to overpayments in prior years. The assessments on properties owned by the Successor Agency to the Redevelopment Agency are estimated at \$20,000 in 2012-2013.

HONORABLE MAYOR AND CITY COUNCIL
November 26, 2012
Subject: Downtown PBID Annual Report and Agreement
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CEQA

Exempt. File No. PP12-053.

/s/

HANS F. LARSEN
Director of Transportation

For questions please contact Jim Ortbal, Assistant Director of Transportation at (408) 535-3845.

Attachment



28 N. First St. #1000

San Jose, CA 95113

408-279-1775

Financial Report for FY 2011-12

Submitted by
Downtown San Jose Property Owners' Association (POA)

September 28, 2012

The downtown San Jose Property-Based Improvement District (PBID), formed in August 2007 and renewed on June 19, 2012, is an assessment district (District) that conveys special benefits to the properties located within the District boundaries. The District encompasses the core of the downtown area bounded approximately by Fourth Street and City Hall complex to the east, St. James and Devine streets to the north, Highway 87 and the HP Pavilion to the west and Market and First streets south to Reed Street.

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. Property owners in downtown San Jose renewed Groundwerx cleaning, ambassador and beautification services for another 10 years with 91.4 percent of property owners voting in favor of the assessment district. A total of 1,566,588 votes were cast out of a total 2,192,793, a 71.4 percent turnout.

I. Summary of Assessed services for FY 2011-12

The service frequency table below is from July 1, 2011 to June 30, 2012. The overall cleaning program has been consistent since the implementation of services. The enhanced cleaning program operates seven days a week, combining the use of mechanized equipment and cleaning by hand. The hours of operation have been adjusted since the implementation of services in 2008 to maximize resources and promote greater efficiency. Sidewalk scrubbing, sweeping and portering services take place from 6 a.m. to 8 p.m daily. Pressure washing is divided into four shifts, which covers seven days per week. The shifts vary slightly depending on the day. The District provides 105 hours of pressure washing each week, or 5,460 hours annually.

The table below includes the cleaning frequencies for both enhanced and baseline services. Baseline services account for approximately 30 percent of the total cleaning, which is equivalent to providing basic portering services Monday through Friday along the Transit Mall and Repertory Plaza and three days of portering in SoFA and San Pedro

Square. Additional portering hours, including evening and weekends, are part of the enhanced services provided by the PBID.

Cleaning	Proposed in Management Plan	FY 11-12
Maintenance F.T.E.	13 to 22	13-16
Average weekly coverage	5 to 7 days	7 days
Litter Removal/Vacuuming	Daily All Downtown	Daily All Downtown
Litter Removal/Pan & Broom	One to Two Shifts in Premium Area	One to Two Shifts in Premium Area
Machine Sweeping/Scrubbing	Daily All Downtown	Daily All Downtown
Transit Stop Maintenance	Yes	Yes
Steam Cleaning/Pressure Wash: Basic	Two to Four times per year	Three times and as needed SWAT
Steam Cleaning/Pressure Wash: Premium	Four to Six times per year	Seven times and as needed SWAT
Graffiti Reporting/Cleaning	Daily as Needed	Daily as Needed
Light Landscape/Weeds	As Needed	As Needed
SWAT Patrol or "emergency cleaning"	As Needed	Daily

The table below shows total output for various components of the cleaning program over FY 2011-12. The amount of litter and the condition of the downtown streets resulted in more cleaning services provided by the District than projected in the management plan. For example, environmental factors such as an increase in the homeless population resulted in a greater need for sidewalk cleaning, particularly pressure washing and portering on certain blocks. Additional litter removal and gum scraping was also necessary because of the various events held within the district.

When the leaves drop during the fall and winter months, the amount of pan and broom debris removal increases dramatically. The mechanical sweepers are used most often during the period between October and early December. The weight of the debris removal for pan and broom staff also increase because a large portion of the leaves must be removed by hand (particularly during the rainy season).

The majority of the scrubbing hours are responses to "hot spot" spills and cleaning requests from businesses and property owners. The mechanical scrubbing takes place mostly on the downtown transit mall given the high pedestrian traffic.

Groundwerx provides service to 104 public litter cans (PLC) by closely monitoring the overflow. At a minimum, the PLC's are emptied once a day, but many are frequently

emptied more often. Pan and broom cleaners also wipe down each PLC and paint them as needed throughout the year.

Graffiti clean up has continued to be one of Groundwerx's strengths. Groundwerx removes most tags within a maximum of 48 hours. Offensive tags are prioritized and are often abated within 24 hours. In addition to graffiti tags, Groundwerx removes stickers and handbills that are attached to the street fixtures. Only a small portion of graffiti reports are forwarded to the City contractor or private property owners.

Clean Team Services:	Output:
Pan/Broom	15,267 hrs
Pan/Broom: Debris Removal	137,775 lbs
Mechanical Sweeping	2,540 hrs
Mechanical Scrubbing	2,132 hrs
Pressure Washing	5,460 hrs
Trash Collected (Trash cans emptied)	97,750 lbs
Graffiti cleaned by Groundwerx	13,093

Groundwerx ambassadors promote the image of a friendly downtown by offering visible assistance to downtown employees, visitors and residents. Ambassadors perform a variety of tasks, such as providing information to visitors, escorting pedestrians and employees to their vehicles (or other destinations in the District), holding and bearing witness against persons that commit nuisance crimes, and reporting graffiti and other messes to the clean team. Ambassadors also report instances of vandalism and property damage to property owners and work with local social service agencies to provide referrals.

The ambassador program incorporates Segway, bike and foot patrols seven days a week. Ambassadors begin their routes at 6 a.m. and provide services until 8 p.m. during the week, with extended hours to 11 p.m. on weekends. Ambassadors are trained on the nuances of downtown San Jose and carry helpful information such as walking maps, bus and light rail schedules, the Official Visitors Guide, special event flyers and other informational collateral. They are equipped with handheld devices with Internet access, which allows them to access information at any time. Reporting incidents and property conditions are also made easier and more effective by this technology.

In FY 2011-12, ambassadors continued their efforts in making downtown San Jose a more inviting destination for visitors, workers and residents. A concerted effort was made to improve their ability to address nuisance crimes such as loitering, panhandling and other public realm disturbances. Ambassadors also identify potentially volatile situations and contact the appropriate authorities for support because downtown safety issues are high priority. Ambassadors also communicate with business owners and residents, informing them of the various ambassador services available, such as providing personal safety escorts.

Information and Safety Ambassadors	Proposed in Management Plan	FY 11-12
Ambassadors F.T.E.	9-12	9-12
Coverage in all areas	8 hours	8 hours
Coverage in Premium areas	12-16 hours	12-16 hours

The table below represents a statistical summary of the ambassador program for FY 2011-12. Ambassadors make business contacts on a regular basis as part of the enhanced services of the PBID. These informal "check ins" allow ambassadors to convey information to business and property owners such as resource referrals and property condition reports. This type of interaction also enhances the visibility of ambassadors and help promote a friendly downtown. Pedestrian assistance indicates an interaction with a pedestrian, such as providing specific downtown information and includes personal safety escorts. The most frequent form of social service referral provided by the ambassadors is the distribution of the City of San Jose Housing department service guide. This guide contains a variety of information, including housing information, mental health, employment, meal and veteran services. Incident reports document various quality of life issues that occur in the District, such as trespassing, public urination, damaging property and obstruction of the public right-of-way.

Ambassador Services:	Output:
Ambassador hours	12,480
Directions given	13,214
Business contacts	2,956
Pedestrian assistance	69
Social Service: shelter	24
Social Service: food referral	18
Social Service: info handouts	370
Graffiti reports to City	195
Graffiti removed	10,021
Segway patrol	2,757 hrs
Bike patrol	236 hrs
Incident reports	1,773
Police/Fire notifications	45

Streetscape beautification and image enhancements comprise the third component of the PBID enhanced services. Phase five of the beautification project was completed in FY 2011-12. The majority of this project focused on the San Pedro Square area. A historic cannery labels mural was painted on the former Almaden Press Building. Lights were also installed by the PBID to produce a nighttime effect. The chain-link fence at this location was also enhanced with a fence wrap featuring a historical San Jose cherry blossom orchard photo. Fifty-two hanging baskets were placed around San Pedro Square and twelve strands of decorative festoon lighting were attached to the street light poles. Stained glass was added to the seven ornamental San Pedro Square signs. Lastly, the San

Pedro Square arch bases were repainted with new figures who had closer ties to San Pedro Square.

II. Procurement of Goods and Services

The POA certifies all funds were expended in accordance with the Property and Business Improvement District Law of 1994, Section 36600 et seq. of the State of California Streets and Highways Code (PBID Law). A fair and competitive process was maintained during the procurement of goods and services as per the agreement with the City of San Jose.

The District's FY 2011-12 assessment funds were used to continue the service agreement with Service Group Incorporated (SGI), to provide cleaning and ambassadorial services. The POA and SGI worked with the Office of Equality Assurance (OEA) to ensure wages complied with the City's Living and Prevailing Wage policies.

The POA also used assessment funds to continue working with Finley Landscape Design on the beautification projects. The POA substantially followed the procurement guidelines provided by the City of San Jose, Council Policy No. 0-35 and in accordance with the POA procurement policy adopted on August 18, 2009.

In October 2011, the PBID board began preparing for the 2012 renewal campaign. The first step was to retain the services of Progressive Urban Management Associates (PUMA) to serve as the renewal consultants. PUMA was hired by the Redevelopment Agency in 2007 to work with SJDA to form the PBID. PUMA is uniquely qualified to serve in this capacity given their extensive experience in working with assessment districts and their intimate knowledge of downtown San Jose. The PUMA contract was for \$50,000.

III. Downtown San Jose Property Owners' Association (POA) meeting dates FY 2011-12:

July 19, 2011
August 16, 2011
October 14, 2011 – PBID Annual Meeting
October 25, 2011
November 15, 2011
December 13, 2011
January 13, 2012
February 21, 2012
April 17, 2012
June 22, 2012

IV. FY 2011-12 Budget report

Please see attached final FY 2011-12 for budget details.

The total PBID budget for FY 2011-12 was \$2,359,536. Assessment revenues totaled \$1,945,325 and the City's baseline contribution was \$361,383. Additional revenue was generated through a separate agreement with VTA and other sources.

Total program administrative costs were \$259,752, which includes \$55,309 for the PBID renewal campaign. The administrative costs, minus the PBID renewal expenses total \$204,443, which represents 8.7% of the total revenue. The Management Plan allows for a maximum of 9.1% for administrative costs.

A balance of \$313,409 was carried over; mostly reflecting unexpended beautification program funds that were budgeted in FY 2011-12. The POA leveraged its funds by negotiating discounts and conservatively projecting beautification costs. The remaining funds will allow the POA to maintain streetscape beautification projects at a high level and continue the maintenance for the Redevelopment Agency's completed SoFA improvements in the SoFA District. The POA has also earmarked approximately \$100,000 for a joint project with the City's Office of Cultural Affairs to install a illumination project beneath the Hwy 87 underpass at Santa Clara Street.

In 2010, the PBID board of directors approved the joint PBID, City of San Jose and Redevelopment Agency plan to maintain downtown street trees. The first year of a four year tree maintenance plan was completed successfully later that year and there were some savings which allowed the PBID to accelerate the program in FY 2011-12. The PBID was able to complete Years 2 and 3 in FY 2011-12, pruning all the trees along the downtown transit mall along First and Second streets for \$64,900.

In 2008, the POA reached an agreement with VTA to provide additional cleaning of the VTA tracks. VTA light rail tracks along the downtown transit mall are not part of enhanced services provided by the PBID. This service agreement was renewed without any increase in FY 2011-12 for a total of \$51,500.

The POA joined the San Jose Downtown Association (SJDA) and City of San Jose on the Highway 87 cleanup program, which began in 2010. This two-year project was completed in June 2012. The PBID contributed \$5,000 in FY 2011-12 towards this project.

V. FY 2011-12 CPA review

Please see attached CPA review.

San Jose Downtown Property Business Improvement District
FY 2011-12

	A	D	F
1		FY 11-12	<i>Fiscal Year begins July 1</i>
2		Actual	
3		FINAL	NOTES for 11-12
4			
5	REVENUE		
6			
7	Assessments		
8	Assessments - thru SCC	1,500,948	PBID property assessments
9	less assessment charges SCC	(14,759)	Santa Clara County (1%)
10	Assessments - exempt thru SJ	469,136	Exempt property assessments
11	less assessment charges SJ	(10,000)	City of San Jose
12			
13	Net Assessments	1,945,325	
14			
15	City baseline	361,383	per city baseline
16	Contracts	51,500	fee for service contract (VTA)
17	Miscellaneous	1,328	
18			
19	TOTAL REVENUE	2,359,536	
20			
21			
22	EXPENSES		
23			
24	CLEAN TEAMS		
25	Contract Service	819,160	
26	Contract Baseline	361,383	
27		1,180,543	
28			
29	SAFETY AMBASSADOR TEAMS		
30	Contract Service	449,141	
31	Subtotal	449,141	
32			
33	Total SGI Contract	1,629,684	
34			
35	IMAGE ENHANCEMENTS		
36	Beautification projects	169,957	Phases 5 & 6
37	Maintenance	192,300	Demo, SoFA, phase 2, 3 & 4
38	Hwy 87	5,000	freeway clean-up
39	Street Tree maintenance	64,900	annual scope of tree maintenance
40	Subtotal	432,157	
41			
42	ADMINISTRATION		
43	SJDA Management	214,718	support staff, rent, dues/meetings
44	Insurance	3,635	D&O, general liability
45	Professional Services	8,500	CPA review, payroll processing, legal
46	Marketing	5,701	website, brochure, newsletter
47	Renewal Services	55,309	PBID reauthorization; surveys
48	Misc	4,482	postage, office supplies, phone
49	less 2% prepay contracts	(32,594)	discount applied to SGI payments
50	Subtotal	259,752	
51			
52	TOTAL EXPENSES	2,321,592	
53			
54	REVENUE NET OF EXPENSES	37,944	
55			
56			
57	Beginning Fund Balance	275,466	
58			
59	Projected Ending Fund Balance	313,410	reserve/contingency