



CITY OF SAN JOSE, CALIFORNIA

DOWNTOWN PARKING BOARD

Meeting Minutes May 2, 2007

1. Call to Order 8:10 AM

Roll Call

Board Members Janis, Gemignani, Elizabeth Monley, Jim Renelle, Sal Saglimbeni, Diana Beechie, Andrew Bales, Troy Tibbils

Members Absent: None

Staff: Jim Ortbal, Amit Kothari, Joe Garcia, Zahir Gulzadah, Frank Hernandez, Mathew Nguyen, Brad Carrell, Jessica Garcia-Kohl, Ernie Carter, Dan Katz, Charles Younis, Ruth Shikada, Abi Maghamfar, DeAnna Stuth

Guests: Councilmember Sam Liccardo, Scott Knies, Bob Carlson, Nathan Phillips, Louis Fresquez, Kendra Petty, Jerry VonTress, Jay Slotnick, Khairy Lawang

Chair Gemignani called the meeting to order at 8:10 a.m. Vice Chair Monley moved to approve the April 4, 2007 meeting minutes. Board Member Bales seconded. Motion was carried unanimously.

2. Chairperson Report

Chair Gemignani expressed her disappointment that the Parking Management Plan (PMP) has not been agendized on the Council agenda since the Board approved it on March 14th. Staff, the Downtown Working Group (DWG) and other subcommittees of the Council believe that the Board should revisit the PMP to include the Enhanced Security Plan and late night charges in the garages. Chair Gemignani feels the PMP and the Security Plan are two different documents that address two different issues and she does not think the Board needs to revisit the PMP, nor does she feel the documents should be merged. Chair Gemignani stated that today's agenda will be re-arranged to begin the meeting with the item 4 Capital/Finance, items C, A, and B.

4. Capital/Finance

C. Redevelopment Agency FY 2007-08 Budget Outlook

Abi Maghamfar (SJRA) distributed a handout and stated that staff has prepared a brief outlook of the Agency's Proposed FY 2007-08 Operating/Capital Budget which was released May 1st. He introduced David Baum, the Agency's Chief Financial Officer who will present the budget. Mr. Baum stated that the Agency's budget at this time is a one-year budget and a five-year Capital Budget will be released on August 31st. He referred to the handout and mentioned that 90% of the Agency's revenue comes from the tax increment (which is property taxes received from redevelopment areas), with the most noticeable areas being Rincon and Edenvale, which respectively produces 75% and 15% of tax revenues. Mr. Baum reviewed historical tax increment revenues going back to 1997. The Agency's projected tax increment in FY 2007-08 is estimated at

\$172 million, which is 7% greater than FY 2006-07. The growth is expected to continue at a rate of 7% through 2011. The Source of Funds and The Use of Funds for FY 2007-08 is projected at \$337 million. The Source of Funds includes tax increment, bond issue (\$87 million in 2007-08) and miscellaneous revenues. The Agency's current debt service (which funds redevelopment) is approximately \$2 billion. Out of the Use of Funds, \$101 million is for capital projects. The capital projects cover four core services: housing, neighborhood strategy, private development and public facilities. The budget line for Public Facilities in FY 2007-08 is \$40 million which includes parking development. The two largest line items in the public facilities funding are land acquisition for future projects (25% - \$10 million) and Downtown Parking Development (Greyhound site- 17% - 6.8 million). The Agency has funded \$78.9 million for parking since 2003.

Board Member Bales asked why the Sobrato Building parking acquisition was not mentioned in the historical expenditure. Mr. Baum said the payments do not begin until FY 2008-09.

A. Proposed FY 2007-08 Operating/Capital Budget

Jim Ortbal (DOT) presented the Proposed FY 2007-08 Operating/Capital Budget utilizing PowerPoint which is attached. Mr. Ortbal also referred to the report in the packet and reviewed the content. Mr. Ortbal stated that the three main goals of the PMP are accounted for in the budget, which are Convenient and Available Parking Supply, Clean, Safe and Inviting Parking Facilities, and Parking Incentives to Expand Business Downtown.

- **Revenues** are projected to be approximately \$10.26 million with the current rate structure. The most significant change from 2006-07 is the start of operations at the new 3rd and Santa Clara Garage. If the City Council approves the Parking Management Plan Update, including the \$2 rate effective January 1, 2008, the projected revenue would increase to approximately \$10.76 million.
- **Operating Expenditures** are projected to be \$7.78 million, which includes \$345,000 for the Enhanced Security Plan and \$165,000 for the Enhanced Maintenance Plan. Both plans are described in detail in a separate report. The proposed budget includes retaining an over strength Engineer position to deliver capital projects and Staff Specialist position to monitor day to day parking operations and customer service. Reduced costs are projected in contractual services due to the lower cost negotiated agreement with Central Parking System; and in insurance due to the completion of the seismic upgrade projects allowing termination of earthquake insurance policy.
- **Net Operating Surplus** is estimated to be \$1.66 million under two different scenarios. The first scenario is with the existing rate structure, and without the Enhanced Security and Enhanced Maintenance Plans. The second scenario includes modification of the Free Parking Program, and implementation of the Enhanced Security and Enhanced Maintenance Plans. Staff recommends the

second scenario.

- **Capital Expenditures** are projected to be \$2.46 million, which includes \$405,000 for the capital portions of the Enhanced Security and Enhanced Maintenance Plans. The capital program for 2007-08 is \$1.46 million higher than the \$1 million approved as part of the 2006-2011 Capital Improvement Program for the 2007-08 budget year. The projects proposed in the Capital Program are vital to improving the conditions and appearance of the garages, installing needed security devices, and performing the civil engineering and foundation work for the parking guidance system. The Capital Program is described in more detail later in the report, and in Attachment B.
- **Total Ending Fund Balance** is estimated to be \$12.8 million for 2006-2007. The estimated Ending Fund Balance proposed for 2007-08 is \$11.7 million. This section of the report provides information about the available funds for the Parking Management Plan Update proposals.

The funds available to transfer to the Capital Development Reserve Account is approximately \$4.4 million. The \$4.4 million is \$2.2 million less than the \$6.6 million projected to be available in November 2006 for transfer to the Capital Development Reserve Account. The difference consists of a proposed increase of \$1.4 million for the 2007-08 Capital Budget, \$0.44 million in recorded loan interest that has not been received from the RDA, and a lower than expected Net Operating Surplus of \$0.36 million for 2006-07.

Board Member Bales suggested reformatting Attachment A of the Proposed FY 2007-08 Operating Budget because it's a combination of an operating statement, capital statement, and a balance sheet which can be confusing to decipher. He suggested moving the power washing expense from capital to operating. He also stated that other items in the Operating Expenditures that are different from the previous year are the Contractual Services (new operating contract with Central Parking Systems), the Utilities, Rent, and Insurance (drop of seismic insurance due to upgrades), and the Audit and Overhead (allotment from City).

Chair Gemignani asked what line item the Security Services Supervisor salary would affect. Mr. Ortbal said that the cost would affect the Enhanced Security Plan under Operating Expenditures and is an element of the \$345,000 line item. This is proposed as an over strength position, rather than permanent. The two proposed personnel for the Enhanced Maintenance and Cleaning would affect the Operating Expenditures and is an element of the \$165,000 line item. Mr. Ortbal added that staff does not expect to exceed these projections.

Chair Gemignani asked what is the source of the proposed \$215,000 revenue increase. Mr. Ortbal said that it is primarily coming from the opening of the new garage at 3rd/Santa Clara. He stated that there is a minimal revenue increase from other facilities that would affect the next fiscal year's revenue. He also added that the Legacy

Partners/AboveNet contract as well as the reimbursement from the City for Boston Properties are included in the budget.

Chair Gemignani asked the reason for a reduced interest income of \$100,000 to the PMP Recommendations line item. Mr. Ortbal said that it is due to the anticipated expenditure of funds for land acquisition.

Mr. Ortbal recommended that the Board adopt the FY 2007-08 Proposed Operating Budget version, which includes the PMP Recommendations.

Board Member Bales suggested that the Board review the Security Assessment Report before approving the Proposed FY 2007-08 Operating/Capital Budget. He suggested to begin reviewing the Proposed 5 – Year Capital Budget. Board Members agreed.

B. Proposed 5-Year Capital Budget

Joe Garcia referred to the Attachment B of the budget document as well as the presentation and stated that the 5 – Year Parking Capital Improvement Program totals to approximately \$9.1 million. The FY 2007-08 Facility Improvements and Maintenance Program is budgeted for \$790,000 which includes power washing/scrubbing, concrete repairs, re-stripping, painting, etc. and this is a significant increase from previous years. The budget also includes utilizing the open purchase order system. The improvement projects include Almaden/Woz parking lot, Market St. Garage exit lane reconfiguration, vehicle exiting warning devices, and the Convention Center Garage signage improvement. Mr. Garcia stated that the FY 2007-08 Minor Parking Facility Repair Program is budgeted for approximately \$240,000. This will include supplementary floor drains, expansion joints sealant repair and resurface of entry and exit lanes. Some of the projects in the Parking Capital Improvement Program are the Parking Guidance System Phase II (\$662,000), the Revenue Control Equipment Upgrades for 2nd/San Carlos Garage (\$530,000), and the Security Improvements (\$200,000).

In response to Chair Gemignani's question regarding the \$14,000 Public Art line item, Mr. Ortbal informed the Board that the City Council established a new Public Art Policy and Plan. Therefore, all Capital Programs throughout the City allocate a percentage of the Capital Project to Public Art. Mr. Ortbal will provide that formula to the Board before the next meeting.

Scott Knies (SJDA) asked which line item includes the Convention Center entrance modification project. Mr. Ortbal said it is in the current fiscal year budget for Facilities Improvements and Maintenance line item and the project is scheduled to be completed in December 2007. Mr. Knies also indicated that the Parking Fund budget is a one-year budget and it is unprecedented to include expenditure for future years; in this case reserving \$1.66 million for Capital Projects in FY 2008-09.

Mr. Ortbal mentioned that if FY 2007-08 \$1.66 million Net Operating Surplus is not set aside for FY 2008-09, than the Capital Maintenance and Repair Program will be under-

funded. Mr. Maghamfar reminded the Board that if the \$1.66 million is set aside then it will not be available for purchasing the Greyhound site. Board Member Beechie agreed with Mr. Maghamfar that the surplus should be used for purchasing Greyhound because it falls in line with the PMP recommendations that the Board approved.

Board Member Bales suggested tabling this discussion on the budget and begin reviewing the Security and Maintenance Plan. Board Members agreed.

Before discussing the next item, Mr. Maghamfar acknowledged the presence of Councilmember Sam Liccardo, the Council Liaison to the DPB. Councilmember Liccardo thanked the Board and staff for their hard work and the progress on the PMP.

D. PGS Phase 1 – Amendment to S&B Contract
Deferred to the May 16th DPB meeting.

3. Operations

A. Enhanced Security Plan – Rates & Funding Alternatives

Jim Orthal introduced Amit Kothari, the Deputy Director for Parking and Transportation Operations for DOT, and Police Deputy Chief Dan Katz. They presented the Enhanced Security Plan utilizing PowerPoint (attached). The Downtown Parking Garages Security Assessment Report was distributed to the Board in the packet.

Amit Kothari referred to the presentation and stated that DOT operated 19 facilities with over 7,700 parking spaces. The goal is to provide clean, safe and convenient parking for everyone. The current security patrols include Silicon Valley Security Patrol (SVSP), Parking and Traffic Control Officers (PTCO), and the San Jose Police Department (SJPD). The major concerns for the facilities include loitering and presence of homeless, theft and vandalism, drug and alcohol use, urination, fights and altercations, sideshows, etc. Also special events (e.g. Mardi Gras, Cinco de Mayo) present concern as well. The evidence that supports staff's concern is the incident reports, crime statistics, ride-alongs and customer feedback. He mentioned that in one quarter there were more than 115 reported arrests. Some benchmarking concepts that could be applied in the facilities include no free public parking, patrolled facilities by police officers and security guards, CCTV monitoring, and closing the facilities early for cleaning and maintenance. Some security and patrol alternatives include privately contracted security guards, City security personnel, PTCO, and SJPD. Some of staff's findings include increased activity on weekend nights and during special events. The police enforcement is most effective in curbing late night crime and undesirable behavior. Private security patrol is more cost effective at deterring and responding to minor incidents. There are more findings that are detailed in the Security Plan. Staff's recommendations include:

- Hire a Security Services Supervisor to provide better coordination and management of security and patrol services.
- Provide increased police/security patrol on Friday and Saturday nights from

- 10pm to 3am at three garages.
- Provide roving patrol by private security on Monday – Saturday, 9am to 6pm.
- Provide additional private security patrol during June – September and during large Downtown events.
- Physical improvements (e.g. rollup gates, safety glasses, lighting, painting, mirrors, CCTV, etc.).
- On Friday's and Saturday's – close entry at 1am and exit at 3:30am.
- To support these recommendations, implement \$5 fee for entry after 10pm on Thursday – Saturday at four garages.
- Alternatives:
 - Charge a \$2 rate after 6pm effective July 1, 2007
 - Charge a \$2 rate after 10pm effective July 1, 2007

Amit Kothari introduced Kendra Petty the Regional Vice President for Central Parking System. Ms. Petty stated that she has worked with approximately 50 different municipalities that have been proactive as well as reactive to security issues in their parking facilities. She strongly encourages the Board to consider the Security Plan that staff is presenting.

Deputy Katz added that the inappropriate behavior in the garages continue and they are not decreasing using the current security model. The Entertainment Zone Budget has been reduced by approximately 80% in the last 10 years. He is in favor of implementing the \$5 late night charge. He further indicated that SJPD overtime budget is too excessive and PD cannot continue to provide parking garage security as resources are limited.

Vice Chair Monley noted that in viewing the Public Safety Committee video clip, Councilmember Williams is concerned that the Board made a vote on the PMP without offering ideas to solve the security issues in the garages. She feels that \$2 charge is not enough of a deterrent, and it will be an annoyance to the public especially if there is no reduction in the negative behavior. She is concerned that the high-rise residential housing planned for downtown would be negatively impacted by the perception of unsafe parking facilities.

Chair Gemignani does not feel the \$5 late night charge will be a deterrent and she believes the PMP and Security Plan are mutually exclusive and are not related. She believes that increased patrolling in the parking facilities and other physical improvements will decrease the negative behavior.

Board Member Bales does not think the \$5 late night charge will be enough of a deterrent at 10pm. He suggested revisiting the PMP to include and implement the charge beginning at 6pm.

Board Member Saglimbeni is in favor of the Security Plan except the \$5 late night charge. He feels the Board is addressing the security issue by implementing the \$2 charge beginning January 2008 as well as seeking alternatives to resolve the problem.

He suggested considering a conventional loan, a lease-to-buy option, or ABAG loan pool to purchase Greyhound.

Patty Diegnan (General Counsel) stated that revisiting the PMP to take action is not possible since the item is not listed for action on the agenda. The topic would need to be agendaized for the next meeting if the Board would like to take action.

Scott Knies added that the Security Plan is a great start, and he asked that the Board invite the SJDA and the community for a meeting to answer questions and refine the plan.

Dan Dougherty (Mission Ale House Owner) is okay with the \$5 late night charge on Friday-Saturday (maybe Thursday during the summer months), but he feels there should not be any charge between 6:00 and 10:00 p.m. He also feels police presence will actually deter most of the negative behavior.

Bob Carlson (SJHDNA) mentioned that there is vandalism in private residential garages as well as public garages.

Board Member Renelle stated that during events in the evening at the university the garage is staffed with 6-8 police officers. He feels that implementing the \$5 late night charge is not the absolute solution and he suggested beginning with a pilot program. He does not agree with revisiting the PMP. He asked if there is a loitering policy in the garages. Deputy Katz said yes, but he does not have the staff to enforce this policy.

Mr. Ortbal stated that charging a fee would deter some illegal activity and will help to mitigate operating expenses.

Board Member Bales suggested that the Board take up these topics at its meeting on May 16th as well as revisit the PMP for a possible re-vote. Mr. Maghamfar mentioned that staff will work with the Chair and Vice Chair as well as the attorneys to prepare the proper language to be used for agendaizing the PMP for the next meeting.

Chair Gemignani asked if the PMP and Security and Maintenance Plans would be reviewed by the Transportation and Environmental Committee before being presented to the Council. Mr. Ortbal said that he would have information at the next meeting.

- B. Enhanced Maintenance Plan**
Deferred to the May 16th DPB meeting.

5. Parking Management Plan

- A. Council Action & Implementation Plan**
Deferred to the May 16th DPB meeting.

6. Reports/Coordination

- A. City Council Agenda Items**
Deferred to the June 6th DPB meeting.

- B. Downtown Working Group**
Deferred to the June 6th DPB meeting.

- C. Downtown Projects Construction Coordination**
Deferred to the June 6th DPB meeting.

7. Future Agenda Items

None

8. Public Comment

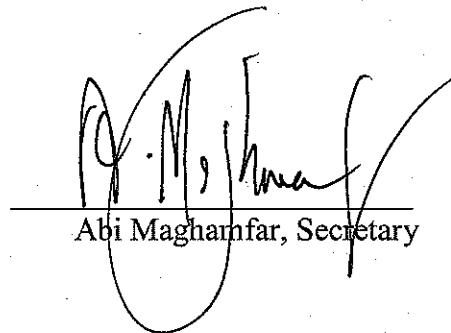
None

9. Adjournment

Meeting adjourned at 10:30 a.m.



Janis Gemignani, Chair



Abi Maghamfar, Secretary