

EXECUTIVE BOARD

March 5, 2024

In-Person at: 401 B Street, Suite 100, San Diego 92101
Meeting begins at 12 p.m.

12:00 p.m. - CALL MEETING TO ORDER (Rath)

- Agenda Public Comment
- Approve minutes from March 6, 2023 | **ACTION**

FINANCIALS

- Review FY25 Clean & Safe Budget and FY25 Contractors (Pages 4 -9) A. Vivas | **INFORMATIONAL**
 - This item details the specific information about the FY25 budget and FY25 contracted services.
- Approve FY25 Clean & Safe Budget and FY25 Contractors (Pages 4 -9) P. Rath | **ACTION**
 - This is the formal action item to approve the budget for the 2024 - 2025 fiscal year as well as take action to approve the contracted services for the 2024 - 2025 fiscal year.
- Non-Agenda Public Comment
This is a period of time for any members of the public to comment on any topic that is not listed on this agenda

ADJOURN SPECIAL MEETING

Meeting Minutes

The meeting was called to order at 12:02 by Chair Hawken

The following Executive Board members were present: Betsy Brennan, Steve Cushman, Perry Dealy, Brian Fish, Chanelle Hawken, Doug Korn, James Lawson, Monica Montano, Sumeet Parekh, Diana Puetz, Phil Rath.

The following DSDP staff members were present: Justin Apper, Sarah Brothers Kaitlin Payne, Carolyn Perkins, and Alonso Vivas.

Chair Hawken opened the meeting with a call for public comment. There were no members of the public in attendance, but 30 seconds was provided for comments. She thanked the Executive Board members for reviewing the PBID budget and stated that it is just over the halfway mark and once approved will be submitted to the city on March 17 then go to ED/IR committee in mid-May. hoping to be docketed at the city council on June 20, 2023.

Phil Rath provided a Chair report for the Clean & Safe Board. Despite inflationary pressures from the economy, Clean & Safe was able to keep service levels as consistent as possible from current levels to the new budget year. This was accomplished in a few ways: utilizing a portion of the fund balance; keeping management and admin costs relatively flat despite rising costs; seeking funds from outside sources; relying on community members to tell us what areas of Clean & Safe services are most important. Clean & Safe now has a fully staffed workforce due to more competitive wages and workplace culture.

Justin Apper, COO, covered the following topics with the Executive Board:

- Assessment increase of 5%

- Positive outcome of staff working with City and County to collect property taxes in a timely manner (low delinquency rate)
- Fund balance usage
- Timing of Employee Retention Tax credit
- Explanation of CEP increase in revenue
- Continued efforts to balance budget despite inflationary impacts

Alonso Vivas provided service-level explanations for Contractors which was included in pages 5-7 of the "Special meeting" packet.

Chair Hawken called for a motion to approve the Special Executive meeting minutes from March 2022 and the FY24 Clean and Safe Budget and FY24 Contractors.

The motion was made by Mr. Cushman and seconded by Mr. Lawson. The motion passed unanimously. No abstentions and no oppositions.

30 seconds was allowed however there was no public comment.

The Special meeting was adjourned at 12:16 p.m.

Downtown San Diego PBID

Preliminary Budget FY 2024 - 2025

Revenue	CEP	City Center	Columbia	Gaslamp	East Village	Cortez	Marina	TOTAL
Assessments (1) (2)	641,223	2,357,311	956,502	2,065,094	4,171,317	1,140,808	1,163,658	12,495,913
Midblock Lighting Revenue	-	(93,460)	(37,922)	(81,874)	(165,379)	(45,229)	(46,135)	(470,000)
PBID City Fee Revenue	(7,697)	(28,297)	(11,482)	(24,789)	(50,072)	(13,694)	(13,968)	(150,000)
Loss Provision (3)	(19,802)	(72,798)	(29,539)	(63,774)	(128,818)	(35,230)	(35,936)	(385,896)
Net Assessments	613,724	2,162,756	877,560	1,894,656	3,827,047	1,046,654	1,067,618	11,490,017
Other Revenue	-	6,160	8,960	8,960	11,760	6,160	14,000	56,001
Total	613,724	2,168,917	886,520	1,903,616	3,838,807	1,052,814	1,081,619	11,546,017
Expenses	CEP	City Center	Columbia	Gaslamp	East Village	Cortez	Marina	TOTAL
Maintenance Personnel	-	760,531	279,386	749,090	1,216,918	350,477	367,598	3,724,000
Powerwashing	32,576	167,609	27,689	22,842	314,349	57,403	44,433	666,902
Cleaning, Janitorial Supplies & Uniforms	-	63,473	25,755	55,605	112,317	30,717	31,333	319,200
Streetscape + Landscaping	-	5,000	5,000	5,000	5,000	5,000	5,000	30,000
Tree Trimming Neighborhood	-	1,500	1,500	1,500	3,000	1,500	1,500	10,500
Waste Removal	-	27,640	11,215	24,214	48,910	13,376	13,644	139,000
Data Tracking	-	15,360	6,232	13,456	27,180	7,433	7,582	77,244
Vehicle Fuel	-	13,920	5,648	12,194	24,631	6,736	6,871	70,000
Vehicle Repair & Maintenance	-	21,683	8,798	18,995	38,368	10,493	10,703	109,040
Vehicle Insurance	-	9,773	3,965	8,561	17,294	4,730	4,824	49,147
Equipment Leasing / Purchasing	-	3,838	1,557	3,362	6,791	1,857	1,894	19,300
Water Feature Maintenance + Utilities	-	12,320	17,920	17,920	23,520	12,320	28,000	112,001
Innovation and Modernization	-	5,966	2,421	5,226	10,556	2,887	2,945	30,000
Phone Services	-	15,429	6,261	13,517	27,302	7,467	7,616	77,592
Water Services	-	4,793	1,945	4,199	8,482	2,320	2,366	24,106
Rent	-	6,944	2,818	6,083	12,287	3,360	3,428	34,920
Total	32,576	1,135,778	408,109	961,764	1,896,906	518,078	539,740	5,492,951
Beautification	CEP	City Center	Columbia	Gaslamp	East Village	Cortez	Marina	TOTAL
Beautification Personnel	-	103,826	42,129	90,956	183,723	50,246	51,253	522,133
Placemaking & Activations (formerly Capital Improvements)	-	11,666	11,666	11,666	11,666	11,666	11,670	70,000
Consultants	-	1,989	807	1,742	3,519	962	982	10,000
Equipment Leasing / Purchasing	-	2,983	1,210	2,613	5,278	1,443	1,472	15,000
Total	-	120,464	55,812	106,977	204,186	64,318	65,377	617,133
Safety and Homeless Outreach Services	CEP	City Center	Columbia	Gaslamp	East Village	Cortez	Marina	TOTAL
Safety & Outreach Personnel	64,343	447,975	234,043	427,781	915,420	245,530	247,109	2,582,200
Consultants	-	1,989	807	1,742	3,519	962	982	10,000
Uniforms	-	3,579	1,452	3,136	6,334	1,732	1,767	18,000
Equipment Leasing / Purchasing	-	7,258	2,945	6,358	12,843	3,512	3,583	36,500
Data collection	-	608	247	533	1,077	294	300	3,060
Phone Services	-	1,432	581	1,254	2,533	693	707	7,200
Total	64,343	462,841	240,075	440,805	941,726	252,724	254,447	2,656,960
Program	CEP	City Center	Columbia	Gaslamp	East Village	Cortez	Marina	TOTAL
Program Personnel	-	107,529	43,631	94,199	190,274	52,038	53,080	540,751
Equipment Leasing / Purchasing	998	3,669	1,489	3,214	6,493	1,776	1,811	19,450
Community/Board Meetings	-	1,989	807	1,742	3,519	962	982	10,000
Conference/Education	-	4,872	1,977	4,268	8,621	2,358	2,405	24,500
Electric Services	-	5,175	2,100	4,533	9,157	2,504	2,554	26,024
Rent	34,758	31,087	12,614	27,234	55,010	15,045	15,346	191,094
Water Services	-	2,822	1,145	2,472	4,994	1,366	1,393	14,192
Gen Liab Insur	18,135	66,670	27,052	58,405	117,973	32,264	32,911	353,410
IT Support	-	15,276	6,198	13,383	27,032	7,393	7,541	76,823
Office Supplies	-	6,960	2,824	6,097	12,315	3,368	3,436	35,000
Payroll Services / Web Services	-	5,691	2,309	4,985	10,070	2,754	2,809	28,619
Total	53,891	251,739	102,146	220,533	445,458	121,828	124,268	1,319,862
Management	CEP	City Center	Columbia	Gaslamp	East Village	Cortez	Marina	TOTAL
Contracts Renewal	4,434	16,299	6,614	14,279	28,842	7,888	8,046	86,400
Legal	2,053	7,546	3,062	6,610	13,353	3,652	3,725	40,000
Management Fee	47,398	174,249	70,703	152,649	308,338	84,327	86,016	923,681
Total	53,885	198,094	80,379	173,538	350,532	95,867	97,787	1,050,081
CEP Exclusive	CEP	City Center	Columbia	Gaslamp	East Village	Cortez	Marina	TOTAL
CEP Personnel	168,371	-	-	-	-	-	-	168,371
Consultants	7,500	-	-	-	-	-	-	7,500
Business Attraction & Retention	139,895	-	-	-	-	-	-	139,895
Property Marketing	93,264	-	-	-	-	-	-	93,264
Total	409,030	-	-	-	-	-	-	409,030
Total Expenses (4)	613,724	2,168,916	886,520	1,903,616	3,838,807	1,052,815	1,081,618	11,546,017
Net Income	(0)	0	(0)	0	0	(0)	0	-
General Benefit (Non-Assessment) (5)	19,087	67,453	27,571	59,202	119,387	32,743	33,638	359,081

(1) Neighborhood percentage is based off of assessment revenue
(2) Budget revenue is based on a 5% assessment increase
(3) Assessment delinquency is 1.5% of total County billing; plus 13% of City manual billing (after deducting Fed assessments)
(4) The broader budget categories may be adjusted by up to fifteen percent (15%) of the total. There is no limitation on the reallocation of funds between individual line budget.
(5) General Benefit is 3.11% of budget and is based on value



FY24-25 Clean & Safe Draft Budget Summary

Downtown San Diego Partnership

Phil Rath
Chair, Downtown San Diego Partnership

401 B Street
Suite 100
San Diego, CA 92101
downtownsandiego.org

Justin Apper, Chief Operations Officer

Terri Johnson, Director of Finance & Administration

Alonso Vivas, SVP & Executive Director, DSDP Clean & Safe

D O W N T O W N
SAN DIEGO
P A R T N E R S H I P
C L E A N & S A F E

March 5, 2024

Budget Summary

The FY24-25 PBID budget process includes an ongoing review of our current collection rates by the county and manual billing from the city. DSDP C & S staff worked closely with the City of San Diego to identify all potential areas of risk within the C&S budget. Input was provided by PBID property owners, attendance at community meetings, dialogue at the monthly neighborhood walkabouts.

The top-line assessment revenue number of \$11,546,017 includes an increase to assessments of 5%, with a blended delinquency rate of 4% (1.5% for the county tax assessor's billing and 8% for the city's manual billing for government and non-profit owners, excluding federal properties). A fund balance carryforward from previous fiscal years in the amount of \$500,000 and portion of the Employee Retention Tax credits of \$955,634 are included in total revenue for fiscal year FY23-24, this one-time revenue accounts for the reduction in revenue for fiscal year FY24-25.

Expenses continue to rise at a greater rate than increases in assessment revenues. To maintain service levels as consistently as possible, we are utilizing a portion of our internal team members to conduct services. In addition, we are exploring additional sources of funds for services in the downtown area. Wages and benefits have been increased to be competitive with the labor market and have been successful in recruiting and retaining team members.

Our proactive steps for financial & operational stability include:

- Midblock street light rates have increased 88%. DSDP is working with the City and Utility Company, to reduce rates.
- We continue to seek additional funds to complement the PBID services budget.
- In addition, we continue to offer services to help unhoused people by partnering with the City and the Regional Task Force for the Homeless. Which are funded outside of Assessments.
- Downtown Partnership is proactively engaging the City and County to monitor the assessments collected.
- During the last four years we have been investing in our in-house safety team, and due to the success, we will be moving the safety program in-house. As a result, we have stayed cost neutral.

D O W N T O W N
SAN DIEGO
 P A R T N E R S H I P
 C L E A N & S A F E

Overall Budget Comparison

Category	FY23-24	FY24-25	Variance
Revenue	\$ 12,791,954.00	\$ 11,546,017.00	-9.74%
Maintenance Expenses	\$ 5,788,165.00	\$ 5,492,951.00	-5.10%
Beautification	\$ 883,505.00	\$ 617,133.00	-30.15%
Safety and Homeless Outreach Services	\$ 3,575,313.00	\$ 2,656,960.00	-25.69%
Program & Management	\$ 2,123,467.00	\$ 2,369,943.00	11.61%
CEP	\$ 421,504.00	\$ 409,030.00	-2.96%
Total:	\$ 12,791,954.00	\$ 11,546,017.00	-9.74%

D O W N T O W N
SAN DIEGO
 P A R T N E R S H I P
 C L E A N & S A F E



**Downtown San Diego Clean & Safe
 FY24-25 Budget Timeline**

Date	Action
February 8, 2024	EDD delivers Annual Assessment Adjustment Certification Form to DSDP.
February 21, 2024	DSDP delivers Preliminary District Budget to EDD.
April 8, 2024	DSDP delivers Annual Report and Budget to EDD.
May 22, 2024	Take FY2025 PBID Annual Report & Budget to ED&IR Committee for approval.
June 9 or 10, 2024	Take FY2025 PBID Annual Report & Budget to City Council for approval.
July 1, 2024	Start of Fiscal Year 2025. Effective date of contract extension.

D O W N T O W N
SAN DIEGO
 P A R T N E R S H I P
 C L E A N & S A F E

Following is a summary of our negotiated rates with the Clean & Safe contractors for FY24-25. Negotiated rates are provided for review and approval by the Downtown San Diego Partnership's Clean & Safe Board, and Downtown San Diego Partnership's Executive Board.

Pressure Washing

Aztec Landscaping will provide services in Columbia, Cortez, City Center, Marina, and CEP properties.

Action Item 1: Staff recommendation is to offer AZTEC the FY24-25 pressure washing contract with the requested increase in rates of 5%.

Power Washing	FY23-24	FY24-25
Budget	\$708,236	\$329,710
Sidewalks Washed	14,052	6,202

Pressure Washing

South Bay Pressure Washing will provide services to the Gaslamp and East Village neighborhood.

Action Item 2: Staff recommendation is to offer South Bay the FY24-25 pressure washing contract with the requested increase in rates of 5%.

Pressure Washing	FY23-24	FY24-25
Budget	\$844,236	\$337,191
Sidewalks washed	17,898	6,743