



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Paul Krutko

SUBJECT: See below

DATE: May 17, 2004

Approved

Date

COUNCIL DISTRICT: 6
SNI AREA: N/A

**SUBJECT: PRELIMINARY APPROVAL OF 2004-2005 BUDGET REPORT,
ADOPTION OF RESOLUTION OF INTENTION TO LEVY 2004-2005
ASSESSMENTS IN THE WILLOW GLEN BUSINESS IMPROVEMENT
DISTRICT, AND SETTING OF A DATE AND TIME FOR THE PUBLIC
HEARING ON THE LEVY OF ASSESSMENTS**

RECOMMENDATION

Preliminary approval of the report as filed by the Willow Glen Business Improvement District Advisory Board, or as modified by Council; and adoption of a resolution of intention to levy the annual assessment for 2004-2005, and set June 22, 2004 at 1:30 p.m. as the date and time for the public hearing on the levy of the proposed assessments.

BACKGROUND

The Willow Glen Business Improvement District ("The BID") was established by Council in 1983 pursuant to the California Parking and Business Improvement Area Law ("BID Law") to promote the economic revitalization and physical maintenance of the Willow Glen business district. In 1984, the Council appointed the Willow Glen Business and Professional Association as the Advisory Board ("Advisory Board") for the BID, to advise the Council on the levy of assessments in the BID and the expenditure of revenues derived from the assessments.

Pursuant to the BID Law, the Advisory Board must come before the Council on an annual basis to present a report to the Council that proposes a budget for the upcoming fiscal year for the

BID. The Council must then: 1) review the report and preliminarily approve it as proposed or as changed by the Council; 2) adopt a resolution of intention to levy the assessments for the upcoming fiscal year; and 3) set a date and time for the public hearing on the levy of assessments in the BID. Absent a majority protest at the public hearing, at the conclusion of the public hearing the Council may adopt a resolution approving the budget for Fiscal Year 2004-2005 as filed or as modified by the Council. The adoption of the resolution constitutes the levying of the Willow Glen BID assessments for Fiscal Year 2004-2005.

ANALYSIS

The Advisory Board has prepared a budget report (the "report"), attached hereto, for the Council's consideration as the budget for the Willow Glen BID for Fiscal Year 2004-2005. As required by BID Law, the report has been filed with the City Clerk and contains, among other things, a list of the improvements, activities, and associated costs proposed in the BID in Fiscal Year 2004-2005. The Advisory Board has recommended no change in the BID boundaries or the method and basis for levying assessments. The proposed assessments in the BID for Fiscal Year 2004-2005 are the same as the assessments in Fiscal Year 2003-2004.

PUBLIC OUTREACH

The budget for Fiscal Year 2004-2005 was reviewed and approved at Advisory Board's April 29, 2004 meeting.

COORDINATION

This memorandum has been coordinated with the Redevelopment Agency General Counsel's Office, Finance-Treasury, Willow Glen Business & Professional Association and the City Clerk's Office.

COST IMPLICATIONS

Adoption of the proposed BID budget does not impact City revenue. BID assessments are restricted for use exclusively by the BID. It is anticipated that a healthy Business Improvement District will encourage growth of the retail community and consequently result in additional business tax and sales tax revenue for the City.

Honorable Mayor and City Council

May 17, 2004

Subject: Preliminary Approval of 2004/05 Budget Report - Willow Glen BID

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CEQA

CEQA: Exempt, PP03-05-165

PAUL KRUTKO
Director of Economic Development

Attachment



WILLOW GLEN BUSINESS & PROFESSIONAL ASSOCIATION

2004-2005 Budget Report
Willow Glen Business Improvement District

2004-05 Board of Directors

*Cathy Adkins
Marvin Bamburg
Cara Finn
Nicole Giannone
Michael Mulcahy
Don Skipwith
Linda Waltrip
Greg West*

*Executive Director
Norma Ruiz*



**WILLOW GLEN BUSINESS &
PROFESSIONAL**

PO Box 8086
San Jose, CA 95155-8086

Phone: 408 298-2100

Website: DowntownWillowGlen.org

BACKGROUND

The Willow Glen Business Improvement District (BID) was established by the Council in 1983 for the purpose of promoting and improving the Willow Glen Business District. In 1984 the Council appointed the Willow Glen Business and Professional Association as the contractor responsible for the execution of the Agreement By and Between the Willow Glen Business and Professional Association and the City of San José for the Operation and Administration of the Willow Glen Business Improvement District, dated April 24, 1984.

BID BOUNDARIES

The current address range for the Willow Glen BID is as follows:

Minnesota Avenue	1093
Willow Street	1072-1115
Lincoln Avenue	1000-1401
Brace Avenue	1110-1114

VISION AND FIVE-YEAR STRATEGIC PLAN - FISCAL YEARS 2004-2008

While Downtown Willow Glen can be an asset and amenity to all members of the community, the vast amount of retail competition means that from an *economic* viewpoint it cannot be all things to all people.

Therefore, as with any product or shopping area, Downtown Willow Glen needs to:

1. Understand WHAT is the attribute or benefit that gives it a competitive advantage
2. Identify WHO are the most-profitable and best-potential customers, and
3. Deliver a product (both in message and in actuality) in an uncomplicated way, consistently over time.

This vision will determine how downtown will look, the types of businesses it will contain, how it will be managed, how it will be marketed, and to whom.

Downtown Willow Glen will be: An economically strong, pedestrian-friendly business district of mid-end to high-mid-end shops, services, dining and cultural uses serving The Greater San Jose Area (4-10 mile radius from downtown WG).

It will uniquely offer: specialty and lifestyle retail, neighborhood and specialty services, restaurants with bars and entertainment open until midnight, other low-impact evening attractions, e.g. stores that are open late (10 p.m.), live theater, movies, outdoor events, lectures, art galleries, street performers, outdoor evening pedestrian ambience and congregating areas, locally-owned and long-established businesses providing specialized customer service, traditional downtown ambience, a sense of small town community, community history and historic architecture, and a strong grassroots business advocacy/management and marketing organization.

Downtown's primary customers will be: Willow Glen residents, mid to high-mid income residents in Central San Jose (3-4 mile radius from Willow Glen), mid to high-mid income office workers in Central San Jose, and conventioners and other out-of-town visitors to Central San Jose. All ages and family types, although evening activities will be targeted to adult singles and couples.

Downtown's secondary customers will be: Mid to high-mid income residents in the Greater San Jose Area (4-10 mile radius from Willow Glen), mid to high-mid income office workers in the Greater San Jose Area, and conventioners and other out-of-town visitors to the Greater San Jose Area. All ages and family types although evening activities will be targeted to adult singles and couples.

To accomplish this, WGBPA's 2004-2005 Goals and strategies are:

1. Increase awareness of Downtown Willow Glen's existence, its offerings and its brand image.
 - a. Develop a brand image for downtown Willow Glen
 - b. Develop an annual advertising plan for print media and website
 - c. Provide "feet on the street" events that promote pedestrian traffic
 - d. Continue to produce a profitable DOTA
2. Strengthen WGBPA's membership base, member benefits and active member involvement.
 - a. Improve Communications (website, newsletter, meetings and socials)
 - b. Develop Volunteer recruitment Plan
3. Expand WGBPA's human and financial resources.
 - a. Define and Establish Needed Committees
 - b. Hire an Accountant and extend the Executive Director to full time
 - c. Identify Options for financial resources
 - d. Develop Volunteer recruitment Plan
4. Facilitate business retention and recruitment.
5. Make Downtown Willow Glen more pedestrian and customer friendly
 - a. Facilitate Beautification and Maintenance activities
 - b. Facilitate Parking and Traffic Improvements

The cost for implementing the annual goals has been factored into the proposed budget.

LEVYING THE ASSESSMENTS

The assessment and methodology are to remain identical to FY 2003-2004. There are issues regarding the consistent application of the assessments. We are working with the Finance Department to clarify the current practice to determine if clearer criteria need to developed by the BID.

Type of Business	Assessment
Retail	\$ 240.00
Non-retail & Commercial	
Property Owner	\$ 120.00
Banks/Savings	\$ 500.00
Theater	\$ 500.00

Proposed Budget

INCOME

Carryover from FY 2003-04	\$8,748
Estimated BID Income	\$55,520
Membership Dues	\$1,000
Donations Cash	\$31,725
Donations In-kind	\$20,538
Grants	\$6,000
Merchant Event/Program Fees	\$50,500
Misc. Income	\$2,000
Program Revenues	\$76,813

Total \$252,844

EXPENSES

Member Services

Postage	\$1,350
Mixers/Annual meeting	\$2,740
Web site	\$1,680
Supplies	\$200

subtotal \$5,970

Administrative Operating Expenses

Equipment/Furnishings	\$3,000
Liability Insurance	\$7,300
Meetings	\$100
Personnel	\$50,700
Postage/Delivery	\$450
Professional Fees	\$3,500
Rent	\$9,056
Taxes	\$10
Telephone	\$1,836

subtotal \$75,952

Promotional Activities & Special Event Advertising

DOTA	\$65,256
Cooperative Advertising	\$40,716
Destination Willow Glen Spring & Fall	\$13,600
Halloween	\$400
Holiday	\$16,800
Jazzy July	\$7,500
Web Promotion	\$1,500

subtotal \$145,772

Beautification

Beautification & Upkeep	\$22,600
Seasonal Decorations 2004	\$2,400

subtotal \$25,000

Total \$252,694

Estimated carryover for 2004-05 \$150