



COUNCIL AGENDA: 06-08-04
ITEM:

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Paul Krukto

SUBJECT: See below

DATE: May 17, 2004

Approved

Date

COUNCIL DISTRICT: 3
SNI AREA: 13th Street

**SUBJECT: PRELIMINARY APPROVAL OF 2004-2005 BUDGET REPORT,
ADOPTION OF RESOLUTION OF INTENTION TO LEVY 2004-2005
ASSESSMENTS IN THE JAPANTOWN 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 Japantown Business Improvement District Advisory Board or as modified by Council, and adoption of a resolution of intention to levy the annual assessment for 2004-05, 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 Jackson-Taylor Business Improvement District ("The BID") was established by the Council in 1990 pursuant to the California Parking and Business Improvement Area Law ("BID Law") to promote the economic revitalization and physical maintenance of the Jackson-Taylor business district. The Council appointed the Jackson-Taylor Business Association (who have since changed their name to the Japantown Business Association to correspond with the neighborhood name) 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. In 1993, the BID's name was changed, with Council approval, to the Japantown BID.

Pursuant to 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 2004-05 as filed or as modified by the Council. The adoption of the resolution constitutes the levying of the BID assessments for Fiscal Year 2004-05.

ANALYSIS

The Advisory Board has prepared a budget report (the “report”) attached as Exhibit 1, for the Council’s consideration as the budget for the Japantown BID for Fiscal Year 2004-05. As required by BID Law, the report has been filed with the City Clerk and contains a list of the improvements, activities, and associated costs proposed in the BID in Fiscal Year 2004-05. 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 2004-05 are the same as the assessments in Fiscal Year 2003-04.

PUBLIC OUTREACH

The budget for Fiscal Year 2004-2005 was reviewed and approved by the Japantown Business and Professional Association at their board meeting on March 4, 2004.

COORDINATION

This memorandum has been coordinated with the Redevelopment Agency General Counsel’s Office, Finance-Treasury, the Japantown Business 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 sales tax revenue for the City.

Honorable Mayor and City Council

May 17, 2004

Subject: Preliminary Approval of 2004/05 Budget Report – Japantown BID

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CEQA

CEQA: Exempt, PP03-05-165

PAUL KRUTKO

Director of Economic Development

Attachment

Exhibit 1
JAPANTOWN BID REPORT
FOR FISCAL YEAR 2004-2005

1. There are no proposed changes in the boundaries of the BID. Zone 1 and Zone 2 remain the same. See attached BID address range sheet and map.

2. Proposed budget & improvements:

| | |
|------------------------------|------------------|
| Estimated non-BID membership | 500.00 |
| Estimated BID Carryover | \$ 0 |
| Estimated BID Income | <u>28,500.00</u> |
| | \$ 29,000.00 |

3. Improvements and activities funded by BID:

| | |
|---|-----------------|
| Advertising | \$ 2,000.00 |
| Banner Changing | 950.00 |
| Communications (newsletter, website hosting, phone) | 1050.00 |
| Office Expenses (includes rent) | 3,000.00 |
| Executive Director's Salary | 20,000.00 |
| Events (Farmers' Market, craft And cultural fairs) | <u>2,000.00</u> |
| | \$ 29,000.00 |

All figures are estimates. Any additional or unused BID receipts will be used for advertising, events, office expenses or area beautification.

4. There are no proposed changes in the assessment rates. The following is a list of the current (2003/2004) assessment rates.

Zone 1

| | |
|---|-----------|
| Financial Institutions | \$ 550.00 |
| Retail (Over 10 employees) | 375.00 |
| Restaurants | 275.00 |
| Professional Services (e.g. accountants, attorneys, dentists, doctors, optometrists, realtors, insurance agents and brokers) | 200.00 |
| Retail (10 employees or less) | 200.00 |
| Commercial Property Owners (Those who receive income from other persons or entities for the use of that commercial property.) | 175.00 |
| Non-retail (e.g. artists, beauticians, dry cleaners, industrial, manufacturing, repair and wholesale) | 100.00 |

Zone 2

| | |
|--------------|----------|
| Any business | \$ 75.00 |
|--------------|----------|

5. The association also expects \$500 in membership income from members outside the BID boundaries. Other funding from possible upcoming sources (i.e., Redevelopment Agency of San Jose, other grants submitted, events and Business Association activities) may augment the 2004-2005 budget.

| | |
|-------------------------------|------------------------|
| Membership income outside BID | \$500 |
| <u>BID income</u> | <u>\$28,500</u> |
| <u>Total</u> | <u>\$29,000</u> |

**JAPANTOWN BID ADDRESS RANGE
2004-2005**

ZONE 1

ZONE 2

| ZONE 1 | | <u>ZONE 2</u> | |
|---------------------|--|----------------------|--|
| East Taylor Street | 131-275 odd 52- 274 even | East Taylor Street | 2-50 even 281-340 all |
| Jackson Street | 80-300 all | Jackson Street | 1-79 all |
| North Third Street | 600, 601, 608 & 698 | North First Street | 598-698 even |
| North Fourth Street | 573-605 odd 576-620 even 680-702 all | North Second Street | 595-694 all |
| North Fifth Street | 575-607 odd 590-640 even +683, 690 & 695 | North Third Street | 607, 609-694 all |
| North Sixth Street | 520-702 all | North Fourth Street | 607-679 odd 624-674 even |
| | | North Fifth Street | 565-573 odd 613-681 odd 560-580 even 650-680 even |
| | | North Seventh Street | 598-702 all |