



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Paul Krukto

**SUBJECT:** See below

**DATE:** June 1, 2004

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Approved

Date

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**COUNCIL DISTRICT: 3**  
**SNI AREA: 13th Street**

**SUBJECT: ADOPTION OF A RESOLUTION TO APPROVE THE 2004-2005 BUDGET REPORT AND TO LEVY JAPANTOWN BUSINESS IMPROVEMENT DISTRICT ASSESSMENTS FOR FISCAL YEAR 2004-05**

## **RECOMMENDATION**

Adoption of a resolution to approve the Japantown Business Improvement District budget report for fiscal year 2004-05, as filed or as modified by the Council, and to levy the Japantown BID assessments for 2004-05.

## **BACKGROUND**

The Japantown Business Improvement District (“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 Japantown business district. The Council appointed the Japantown 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 BID Law, an annual public hearing is required in order to approve the annual budget report and levy the annual BID assessments. On June 8, 2004, the Council preliminarily approved the 2004-05 budget report as filed by the Advisory Board or as modified by the City Council and adopted a resolution of intention to levy the annual assessments for fiscal year 2004-05 for the BID, and set June 22, 2004 at 1:30 p.m. as the date and time for the required public hearing on the levy of the proposed 2004-05 assessments. The 2004-05 budget report submitted to the Council on June 8, 2004 is attached to this memo as Exhibit 1.

In accordance with the BID Law, the City Clerk has published the required legal notice with regard to the levy of assessments for fiscal year 2004-05.

### **ANALYSIS**

When a hearing is held under BID Law with regard to the levy of assessments of a BID, the City Council shall hear and consider all protests against the continued authorization of the BID, the extent of the area, the assessments, or the furnishing of specified types of improvements or activities. Protests may be made orally or in writing. Written protests must be filed with the City Clerk at or before the time fixed for the public hearing. BID Law requires that the proceedings shall terminate if protests are made in writing against the continued authorization of the BID by businesses or property owners in the proposed district that will pay a majority of the charges to be assessed. If the majority protest is only against the furnishing of a specified type or types of improvement or activity within the area, those improvements or activities shall be eliminated.

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, among other things, a list of the improvements and activities proposed to be provided in the BID in Fiscal Year 2004-05 and an estimate of the cost of providing the improvements and activities. The Advisory Board has recommended no change in the BID boundaries or the method and basis for levying assessments. Therefore, the proposed assessments in the BID for Fiscal Year 2004-05, described in the report, are the same as the assessments in Fiscal Year 2003-2004.

During the course or upon the conclusion of the public hearing the City Council may order changes in any of the matters provided in the Advisory Board's report. At the conclusion of the public hearing the City Council may adopt a resolution confirming the report as originally filed or as modified by the Council. The adoption of the resolution constitutes the levy of the assessment for the fiscal year 2004-05.

### **PUBLIC OUTREACH**

The budget for Fiscal Year 2004-2005 was reviewed and approved by the Advisory Board at their board meeting on March 4, 2004.

### **COORDINATION**

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

Honorable Mayor and City Council

June 1, 2004

**Subject: Japantown BID Assessments for FY 2004/05**

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### **COST IMPLICATIONS**

Approval 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.

### **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	28,500.00
	\$ 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)	2,000.00
	\$ 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
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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>
<b><u>Total</u></b>	<b><u>\$29,000</u></b>

**JAPANTOWN BID ADDRESS RANGE  
2004-2005**

**ZONE 1**

**ZONE 2**

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