



COUNCIL AGENDA: 06-02-09
ITEM: 4.2(d)

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Paul Krutko

SUBJECT: See below

DATE: May 11, 2009

Approved

Christine F. Shuppy

Date

5/18/09

COUNCIL DISTRICT: 6

**SUBJECT: PRELIMINARY APPROVAL OF 2009-2010 BUDGET REPORT,
ADOPTION OF RESOLUTION OF INTENTION TO LEVY 2009-2010
ASSESSMENTS IN THE WILLOW GLEN BUSINESS IMPROVEMENT
DISTRICT, AND SETTING THE 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 Fiscal Year 2009-2010, and set June 16, 2009 at 1:30 p.m. as the date and time for the public hearing on the levy of the proposed assessments.

OUTCOME

Approval of this action will result in a resolution of intention to levy of assessments for the upcoming fiscal year of the Willow Glen Business Improvement District and set the time and date for the public hearing.

BACKGROUND

The Willow Glen Business Improvement District ("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 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 BID-related actions. 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 2009-2010 as filed or as modified by Council. The adoption of the resolution constitutes the levying of the BID assessments for the Fiscal Year 2009-2010.

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 Willow Glen BID for Fiscal Year 2009-10. 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 2009-10 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 2009-10, described in the report, are the same as the assessments for Fiscal Year 2008-2009.

EVALUATION AND FOLLOW-UP

The Advisory Board will come before the Council next year to present a report to the Council that proposes a budget for the upcoming fiscal year.

PUBLIC OUTREACH/INTEREST

The budget for Fiscal Year 2009-2010 was reviewed and approved by the Advisory Board on April 14, 2009.

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

Honorable Mayor and City Council

May 11, 2009

Subject: Approval of 2009/10 Budget Report – Willow Glen BID

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COORDINATION

This memorandum has been coordinated with the City Attorney's Office, Finance Department, Planning, Building and Code Enforcement, Budget Office, Willow Glen Business & Professional Association and the City Clerk's Office.

FISCAL/POLICY ALIGNMENT

This action is consistent with the Economic Development Strategy approved by the Council, specifically Initiative No. 5, "Support Start up and Growth of Local Businesses, in Tech as well as Non-Tech fields" and Initiative No. 13, "Develop Retail to Full Potential, Maximizing Revenue Impact and Neighborhood Livability." A healthy Business Improvement District will encourage growth of the retail community and consequently result in additional sales tax revenue for the City.

COST SUMMARY/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.

CEQA

CEQA: Exempt, File No.PP08-048



PAUL KRUTKO
Chief Development Officer

For questions, please contact Lee Wilcox at (408) 535-8172

Attachment



WILLOW GLEN BUSINESS ASSOCIATION

2009-2010 Budget Report Willow Glen Business Improvement District

2009-2010 Board of Directors

Kevin Swanson, President
Integrated Wealth Management

Gary Nelson CPA, Vice President

David Machado, Treasurer
US Bank

Emilie Highley, Secretary
Community Member

Stan Harris
etc...group, inc.

Debby McCarty
Community Member

Michael Mulcahy
SDS NexGen Partners LP

Trish Newfarmer
Community Member

Fred Oliver
Prudential CA Realty

Lynne Rovai
Goosetown Lounge

Richard Sutton
Community Member

Tom Trudell
Truberg Associates LP

Linda Waltrip
Park Place Vintage

Executive Director
Norma Ruiz



PERSONAL FRIENDLY DIFFERENT

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 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

GOALS AND ACTIVITIES FOR FY 2009-2010

Based on the Corporation's purpose, the Board of Directors has established the following goals and activities for this fiscal year:

1. The promotion of the Willow Glen business community by producing successful events.
 - a. The 15th year of Dancin' on the Avenue
 - b. The return of the Founder's Day Parade & Celebration
 - c. Holiday events – including horse & carriage rides, Santa, carolers and more.
 - d. Summer Sidewalk Sale
 - e. Partnering with the Italian American Heritage Foundation for a third year to bring the Italian Family Festa to downtown Willow Glen
 - f. Continue promotion of the Farmers' Market
 - g. Second Annual Kid's Flea Market
 - h. Halloween Trick-or-Treat

2. Improve the downtown Willow Glen Infrastructure and Beautification with the following projects:
 - a. Address parking issues by implementing an employee parking pilot program
 - b. Develop and place locator signs along the Avenue showing business locations
 - c. Provide regular sidewalk power washings
 - d. Maintain holiday decorations and nighttime garland lights and tree lights
 - e. Maintain landscaping in planter boxes
 - f. Develop strategies to combat graffiti
 - g. Avenue clean-up days
 - h. Restoration of cross walks
 - i. Assessment of tree trimming by arborist
 - j. Advocate for standardized news racks

3. Develop a positive identify for the Willow Glen business community through website, advertising and promotions.
 - a. Establish an advertising plan to support the Willow Glen brand
 - b. Establish promotions which tie-in to existing events
 - c. Cooperative advertising and promotion campaign
 - d. Upgrade the www.WillowGlen.org site to promote web advertising program, create better business tie-ins and improve usability.

USE OF BID FEES

The total projected cost of providing BID programs and activities for the fiscal year 2009-2010 is \$393,922. BID revenue is projected at \$130,000, which will cover 33% of the costs for the programs and activities. The BID funds will be used to support the following programs and activities:

- Outreach and Promotions Activities -- \$46,900
 - Mixers
 - Ambassador Program
 - Advertising
 - Business Directory
 - Website
 - Personnel
- Maintenance and Beautification -- \$32,600
 - Sidewalk Power Washing
 - Seasonal Decorations
 - Bank of America Parking Partnership
 - Landscape Maintenance
 - Street Locator Signage
 - Banner Program
 - Personnel
- Events -- \$50,500
 - Dancin' on the Avenue
 - Italian Family Festa
 - Founder's Day

LEVYING THE ASSESSMENTS

The current method and basis for levying the annual assessment are as follows:

Category	Rate	
Banks/Savings	\$ 825	
Retail/Restaurants	\$ 400	
Non-retail/Professional/Non-profit	\$ 275	
Property Owner (assessed per building by sf)		
Single buildings less than 10,000 sf	\$ 275	
Single buildings 10,000 sf to 20,000 sf	\$ 525	
Single buildings over 20,000 sf	\$ 800	
Independent Contractors (Stylists, Aestheticians, Sub lessees)	\$ 100	

Businesses which fall into more than one category will be assessed on the category producing the highest revenue for the BID.

2009-2010 Budget Report
Willow Glen Business Improvement District

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INCOME			
Estimated BID Income		\$130,000	
Donations Cash		\$42,000	
Donations In-kind		\$88,000	
Grants		\$8,500	
Member Dues (Assoc)		\$1,200	
Merchant Event/Program Fees		\$23,500	
Program Revenues		\$100,600	
Total Income			\$393,800
EXPENSES			
Outreach & Promotions			
Advertising	\$14,100		
Business Directory	\$12,600		
Mixers	\$1,200		
Personnel	\$10,000		
Website	\$9,000		
subtotal			\$46,900
Maintenance & Beautification			
Landscape Maintenance	\$1,500		
Parking	\$6,300		
Personnel	\$1,500		
Sidewalk Power Washing	\$12,000		
Holiday Street Decorations	\$11,300		
subtotal			\$32,600
Events			
DOTA	\$171,500		
Italian Festa	\$2,500		
Founder's Day	\$16,000		
Farmer's Market	\$3,100		
Halloween	\$1,000		
Holiday	\$19,000		
Personnel	\$38,000		
Sidewalk Sale	\$2,700		
subtotal			\$253,800
Administrative Operating Expenses			
Insurance, Assessments, Taxes	\$3,390		
Personnel/Professional Fees	\$40,400		
Office Supplies, Postage, Printing, Telephone	\$6,832		
Rent – Office, Storage & Equipment	\$10,000		
subtotal			\$60,622
Total Expenses			\$393,922
Estimated carryover for 2010-11			(\$122)